

Request for Decision

Title	<i>Municipal Government Act Review/Consultation-Centralization of Industrial Property Assessment</i>
Proposed Motion	That Council authorize the Mayor to submit a letter to the Minister of Municipal Affairs to endorse the position expressed by the Alberta Assessors' Association regarding centralization of industrial property assessment and to use this as a basis of their informed position during the <i>Municipal Government Act</i> consultation opportunities.
Administrative Recommendation	That Sturgeon County remain active in the <i>MGA</i> review process and advocate on behalf of the best interests of the municipality.
Previous Council Direction	N/A
Report	<p><u>Background</u></p> <p>As part of the <i>Municipal Government Act (MGA)</i> review a Stakeholder Advisory Committee (SAC) is reviewing issues specific to Part 9 (Assessment) and 10 (Taxation) of the <i>MGA</i>. The SAC members were asked to bring back an answer to the following question: "What are the outcomes that centralization of industrial property assessment should aim to achieve?"</p> <p>The Alberta Assessors' Association (AAA) as a member of the SAC created a working group to assist with answering this question.</p> <p>This working group consisted of:</p> <ul style="list-style-type: none"> - Arla Pirtle, Sturgeon County; - Wayne Minke; Appointed Assessor from Strathcona County; - Ray Fortin, Accurate Assessment Group ; - Karen Burnand; (AAA rural Director & member of SAC) County of Red Deer; - Ian Ferguson, Municipal Assessment Services Group; and - Carol Zukiwski, AAA Parliamentarian, Partner with Reynolds Mirth Richards & Farmer. <p>The AAA requested the working group address key points noted on the discussion document from the SAC and prepare a position paper outlining:</p> <ol style="list-style-type: none"> 1. If there was consensus among stakeholders-(as noted in the briefing paper), who forms the consensus regarding the creation of an agency or provincial body to complete all industrial assessments in Alberta? ;

2. The *MGA* objective to recognize local autonomy, and the goal of municipalities to maintain that autonomy;
3. If there were benefits to centralization of industrial assessment, how could those be achieved in a cost effective manner?;
4. The goals of all stakeholders; especially those of industry regarding the desire for greater consistency in the preparation of industrial assessments, and the desire for additional training;
5. The most cost effective and timely option to maintain local investment in resources needed to prepare assessments, while achieving the goals and addressing the problems identified;
6. The municipalities' need to obtain timely and responsive information from the assessment department for annual and long term budgeting; and
7. The requirement of some municipalities to retain assessors with knowledge of industrial assessments to annually audit the assessment prepared by a central agency, and from time to time file a complaint against their own assessment.

A copy of the letter and executive summary from the Alberta Assessors' Association written to Honourable Danielle Larivee, Minister of Municipal Affairs is attached as Attachment 2.

What this means to Sturgeon County:

Municipal Affairs has never answered the question regarding consensus of support for a centralized non-residential assessment body. Sturgeon County has not received any indication of support from the tax agents of our special properties within Sturgeon County. Also, Sturgeon County has recently hosted a Central Alberta Assessors' Round Table forum and we ascertained it is not rural municipalities supporting the proposal.

- A poll of rural municipalities has indicated that letters of support of the AAA position paper have been written and forwarded to the Minister of Municipal Affairs and copied to AAMD&C by:
 - Red Deer County
 - MD of Provost
 - MD of Starland
 - County of Wetaskwin
 - MD of Willowcreek
 - County of St. Paul.
- Informal briefings to council of other municipalities are taking place in these next couple weeks include:
 - Strathcona County
 - Wheatland County
 - City of Fort Saskatchewan
 - MD of Taber.

It has not been clearly defined what "industrial properties" entail. If machinery and equipment is considered to be industrial this includes; Westmor Terminals, Sturgeon Valley Fertilizers, well site-oil and gas

properties, and some properties within the industrial parks, not just our special purpose properties like Agrium and the Sturgeon Refinery. Our relationship with these property owners has been cultivated over time and information required to calculate a fair and equitable assessment is easy to gain now. Many hours have been committed to building this trust and specific knowledge of our special properties.

The timing of these potential changes would most likely occur in 2017 for our 2018 tax year. Sturgeon Refinery is predicted to be added to the tax roll for 2018. The rollover from our municipality to an agency on this property is difficult to even predict what the process would be. Sturgeon County has done all of the leg work and relationship building with assessment and tax agreements in place that may no longer be in our control.

Currently our Non-Residential split is at 42% of our assessment base, this percentage will increase with Sturgeon Refinery onboard plus all other subsidiary projects coming. Sturgeon County will lose autonomy on over 50% of our assessments.

These assessments may still be required to be audited by the municipalities; lending no change to our current organizational structure. An agency may assess the refinery at an assessment that we audit differently - the only avenue open to us would be to challenge it.

There has been no discussion regarding the fees a centralized authority may charge or if they would be similar to linear, based on assessment amounts.

The question of "Who" will assess, conduct inspections and complete data inputting, if it becomes a centralized industrial assessment by the province, is a concern. Alberta has a limited number of assessors with the experience and expertise required to fairly and equitably assess industrial properties.

Implication of Administrative Recommendation

Strategic Alignment:

Strong Local Governance and Regional Leadership – authorization to sign and send letter to Municipal Affairs on position of *Municipal Government Act* review and consultation regarding the creation of centralization of industrial properties implies Council and Administration actively participates, influences and represents Sturgeon County's interests at the provincial level.

Organizational:


None – Status Quo

Financial:

None – Status Quo

Alternatives Considered

Council may consider waiting for the amendments to the *MGA* before submitting written expression and endorsement of informed position. If time permits, possible opportunity to create a resolution to take forward to AAMDC at zone meeting.

Implications of Alternatives	If Council adopts to wait for amendments to the <i>MGA</i> , consensus from stakeholders (rural regional partners) may be lost.
Follow up Action	Mayor signs letter prepared by Assessment Services to the Honourable Danielle Larivee, Minister of Municipal Affairs. (Assessment – May 13, 2016)
Attachment(s)	<ol style="list-style-type: none"> 1. Letter to Municipal Affairs (Confidential as per Section 23 of the <i>Freedom of Information and Protection of Privacy Act</i>) 2. Stakeholder Advisory Committee Report
Report Reviewed by:	<p> Arla Pirtle, AMAA, CAE, Manager, Assessment Services</p> <p> Rick Wojtkiw, GM Corporate Support</p> <p> Peter Tarnawsky , County Commissioner – CAO</p>

Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Consistent with neighborhood role (see MDP), master plans,, policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Has a positive impact on regional and sub-regional cooperation</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Compliance with Provincial and Federal regulations and/or legislation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Ensure effective environmental risk management</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan, (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Enhances service provision through community partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Supports Sturgeon County's cultural history</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Considers cumulative costs and long-term funding implications</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Targets growth around current or planned infrastructure</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Supports and promotes volunteer efforts</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Provides programs and services that are accessible to all residents</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Staff have the knowledge, skills and capability to perform their jobs</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Streamlines operational processes and policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Promotes engagement and professional interaction with stakeholders</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>