



PUBLIC INFORMATION PAPER

BLACK DIAMOND & TURNER VALLEY AMALGAMATION

July 9, 2021



HOW THIS PAPER WORKS:

The Public Information Paper provides a comprehensive and real time overview/update of:

- amalgamation background,
- process and timeframe,
- public engagement opportunities,
- links to stakeholder input,
- the technical data and information collected to make decisions on highlighted topics, and
- the decisions that are made by the Joint Friendship Agreement Committee (JFAC).

This paper will be updated throughout the entirety of the amalgamation process. When the paper is updated with new information, notification will be posted on the website as well as circulated through the most appropriate, timely communication tool available (town signage, social media, newsletter and/or utility mailouts). All new material will be highlighted in the 'New Material' Section once inserted. **New material added to the Public Information Paper are in green font at the time of addition and are black in future versions.**

Please check back regularly to ensure you have the most up to date information. Residents may wish to review all material posted on the websites by visiting the Town of Black Diamond at www.Town.blackdiamond.ab.ca or the Town of Turner Valley at www.turnervalley.ca. Residents can also call the towns to ask questions, request written copies of the information, or provide feedback by contacting either Turner Valley at 403-933-4944 or the Black Diamond Office at 403-933-4348.

TABLE OF CONTENTS

HOW THIS PAPER WORKS:	2
NEW MATERIAL:.....	3
PROJECT BACKGROUND:.....	4
AMALGAMATION PROCESS/TIMELINE:	5
WHY CONSIDER AMALGAMATION?.....	7
PAST COLLABORATION:	8
AMALGAMATION RISKS:	9
PUBLIC ENGAGEMENT APPROACH:	9
NEGOTIATION TOPIC INFORMATION UPDATES:.....	13
DECISIONS MADE:.....	14
SUMMARY:.....	17
APPENDIX A: SUBCOMMITTEE REPORTS TO JFAC	18

NEW MATERIAL:

- JFAC decisions made on March 10, 2021 (p. 13)
- JFAC decisions made on May 12, 2021 (p. 13)
- Updated Engagement Activities (June 15, 2021)
- Negotiation Topic Information Updates (p. 13 and Appendixes)
- JFAC decisions made on June 23, 2021 (p. 15)

PROJECT BACKGROUND:

The prospect of amalgamation between Black Diamond and Turner Valley has been a matter of considerable discussion for many years, and was explored in 1988, 1991, 2005 and most recently in 2017. Amalgamation related discussion has required extensive time, energy, and resources over the years from both Towns.

In 2012, the Towns created the Friendship Agreement, with the goal of promoting collaborative relationships and shared services. In early 2020, a decision to formalize the relationship with the creation of the Joint Friendship Agreement Committee (JFAC) and a deliberate move towards amalgamation was pursued. After much discussion, in September of 2020, the Towns of Black Diamond and Turner Valley presented a letter to Alberta Municipal Affairs to formally notify that the two existing municipalities will be commencing negotiations with the intent to amalgamate.

As established in the most recent [2017 Amalgamation Feasibility Study](#) developed by both the Towns, and as outlined in the [recent letter to Municipal Affairs](#), the guiding principles of the amalgamation process have been defined as:

- Balancing service levels with long-term cost,
- Joint decision making that is effective, adaptive, and based on honesty and integrity, and;
- Developing and implementing policies that are fact based, action focused, and achievable within a realistic and feasible timeframe.

The shared objectives are:

- Diversified and Resilient Economy: shared investment in strengthening the local economy;
- Integrated Policy Framework: aligning policies with shared growth objectives;
- Sustainable Service Delivery: more effective and efficient delivery of municipal services;
- Expanding Community Capacity: shared commitment to ongoing engagement with citizens, and;
- Responsive Local Governance: long-term and prioritized land and infrastructure planning.

The JFAC is intent on amalgamating, however, a final decision will not be made until all related topics have been reviewed thoroughly by the JFAC. If at any point it does not seem prudent to proceed, the amalgamation negotiations will conclude.

A third party, ***Maven Strategy***, was retained by the Towns in September of 2020 to manage the amalgamation process and facilitate negotiations.

AMALGAMATION PROCESS/TIMELINE:

Amalgamation is the process where two (or more) municipalities merge to become one. Reasons or rationale to do so are unique to each process. The amalgamation is negotiated between the communities. Under current legislation, the authority to amalgamate is provided under Division 5 of the Municipal Government Act (MGA).

The topics to be negotiated are listed below. For further description on what each topic entails, follow [here](#).

Mandatory Negotiation Topics:

1. Municipal Name
2. Municipal Boundaries
3. Municipal Status
4. Electoral Wards
5. Council Representation
6. Location of the Municipal Office
7. Proposed Incorporation Date
8. Annexation of Land to Achieve Contiguous Boundary
9. Other Matters

Transitional Matters:

These items range in anticipated timeframe for required action. Some topics will need to be decided prior to final application to Municipal Affairs and some items will be deferred to Council after the amalgamation completion.

1. Interim Council
2. Interim Chief Administrative Officer
3. First Election
4. 2021 General Municipal Election
5. Appointment of Returning Officer(s)
6. Ward Boundaries Review
7. Compensation to other Municipal Authorities
8. Financial Transition
9. Interim Tax Treatment
10. Tax Treatment (for previously annexed properties that have different tax considerations)
11. Authority to Impose Additional Tax (to service pre-amalgamation debt)
12. Assessment Matters
13. Employees and Labour Agreements
14. Bylaws and Resolutions of Existing Municipalities
15. Continuation of Emergency Services
16. Library Services
17. ICF Extension (specific to the Turner Valley/Black Diamond amalgamation)
18. Utilities (specific to the Turner Valley/Black Diamond amalgamation)
19. Westend Regional Sewage Services Commission (specific to the Turner Valley/Black Diamond amalgamation)

A preliminary timeline has been established for Black Diamond and Turner Valley to negotiate the mandatory items, as well as some of the transitional items which are required.

The Timeline is as Follows:

- **September 15, 2020:** Notification to the Minister of Municipal Affairs
- **September 2020 to August 2021:** Negotiation of the mandatory and transitional matters overviewed in the Municipal Government Act (MGA)
- Anticipated submission of the amalgamation report and application, if proceeding, to the Minister of Municipal Affairs: **September 2021**
- Anticipated Order in Council: **June 2022**
- Anticipated Incorporation date: **January 1, 2023**

Process Approach:

To ensure that all topics are reviewed thoroughly, four subcommittees have been established consisting of equal Council representation by both Towns and related administrative support from both Towns:

1. Finance Subcommittee
2. Public/Stakeholder Consultation Subcommittee:
3. Emergency Services Subcommittee
4. Procedure Subcommittee

Each subcommittee is responsible for reviewing all necessary information and making recommendations for their topics. Recommendations with supporting material will be brought forward from the subcommittees to JFAC for final decision-making.

Approximate Subcommittee Timeline (subject to change):

Committee	Approximate Timeline
Finance & Emergency Services Subcommittees	December 2020 – May 2021 Work plan generally includes: <ul style="list-style-type: none">• December: Confirmed scope• January – February: Compile information needed• March: Assess options• April – May: Provide information to public on options• May: Final recommendations determined with presentation of recommendations to the JFAC in June
Procedure Subcommittee	December 2020 – April 2021 Work plan generally includes: <ul style="list-style-type: none">• December: Confirmed scope• February: Final recommendations determined on topics not requiring significant information compiled - presentation of recommendations to JFAC in March• January – March: Compile information needed for specific topics• March – April: Provide information to public on options• April: Assess options, and make final recommendations - presentation of recommendations to the JFAC in May
Public/Stakeholder Consultation Subcommittee	December 2020 – June 2021 <ul style="list-style-type: none">• Details provided on page 8

WHY CONSIDER AMALGAMATION?

Both Councils believe that success in one community is a success for the whole. As a result, Black Diamond and Turner Valley Councils feel it makes more sense to come together than to stay apart for many more specific reasons:

- There is a strong history of collaboration between the two Towns that has produced positive results. These positive results take a significant amount of intermunicipal coordination, dialogue, and in some cases duplication of effort. Now is the time to remove obstacles, streamline processes, achieve faster results, and strive to be as efficient and effective as possible in reaching shared goals.
- Provincial and Federal grants and funding will be reduced significantly in upcoming years. Through amalgamation and with a combined tax base, Black Diamond and Turner Valley will be able to maximize access to funding support and ultimately do more with the money received.
- Through amalgamation, there is an intent to continue to strengthen the area's economic development initiatives. A seamless approach will bolster local economic development with less duplication and direct competition. Both Councils want the communities to thrive in the short and long-term. Working together to ensure a healthy and diverse economy is key to making this a reality.
- Attracting the development industry is also important to the community's long-term sustainability. A united municipality will allow for comprehensive long-term and prioritized land and infrastructure planning.
- One municipality will provide efficiencies in roles and responsibilities, requiring only one CAO and one Council. This streamlines decision making, expedites timelines and provides a focused central approach.
- Until now, amalgamating would have created significantly more costs to policing. With the recent changes to the provincial funding model, this is no longer the case. Additional policing cost are now being downloaded to both municipalities regardless of amalgamation, but a population increase to over 5,000 would trigger a grant opportunity to offset any additional costs.
- A united municipality will create a single, larger entity providing a greater presence in representing the entire regional community, and a stronger unified voice in discussions with the provincial government, industry, and neighbouring municipalities.
- Where possible and where it makes sense economically, a more effective and efficient delivery of municipal services will be explored to ensure the level of service meets the expectations of the residents.

PAST COLLABORATION:

There is a strong history of collaboration between the two Towns that has produced positive results over the years. Black Diamond and Turner Valley are intricately linked in their day-to-day municipal dealings. Below are examples of how the communities currently operate in partnership:

- **Family and Community Support Services (FCSS) Committees**

In 2020, the Towns of Black Diamond and Turner Valley recognized that both municipalities were competing for much of the same FCSS work. Recognizing that the needs of both communities were very similar, the FCSS committee from each Town has taken steps to merge their respective committees, thereby reducing the overlap of administration, streamlining and clarifying the application processes for residents in need, and lessening the work required from its volunteer base.

- **Economic Development**

In May 2019, the Towns of Black Diamond and Turner Valley passed bylaws to establish an Intermunicipal Economic Development Committee (IEDC), comprised of two councillors from each Town and six members at large. The volunteers were recruited based on their expertise in the following areas:

- a strong business acumen and a keen desire to contribute to the economic enhancement of both communities;
- relevant experience as either a business owner or operator, and;
- solid understanding of tourism and its benefit to economic development.

The committee is currently implementing a joint marketing strategy for the region.

- **Regional Solid Waste Collection**

During the second half of 2020, the Towns of Black Diamond and Turner Valley partnered with the Town of Okotoks to regionalize garbage collection. The pilot project ended in January 2021 and was determined to be very successful. The three Towns have agreed to extend the program for an additional two years.

- **Fire**

Fire Service have reciprocal and mutual aid agreements that support working collaboratively together, including joint designation of Safety Codes powers. Currently, the Towns work together on fire responses when required depending on scale, complexity, and apparatus manpower requirements. When opportunities arise, the Towns also purchase equipment together. The Towns have similar bylaws and standards.

- **Emergency Management**

Both Towns are currently part of a regional mutual aid agreement that covers much of Southern Alberta. In addition, the Towns have similar bylaws, similar plans that address emergency management during a disaster and although typically the two departments don't interact unless called upon during an event, most events effect both communities so there is a large intent to support one another when able.

- **Water and Sewer Treatment**

Since 2013, Black Diamond and Turner Valley collaborate and equally cost share on the water treatment facility providing potable water to each Town. Each individual Town currently looks after its own distribution network.

Since 1994, the Towns collaborate and equally cost share on the wastewater treatment facility. Each municipality looks after its own collection network.

- **Facilities**

There are several facilities and services that the communities share because separately, the population may not warrant a single facility in each community. Together, the Towns have a reciprocal agreement that allows residents of both Towns to use the recreation facilities such as the pool in Turner Valley, the ice rink in Black Diamond, the library and recycling centre, just to name a few.

AMALGAMATION RISKS:

Although Councils see strong benefit to amalgamating, they are also aware that there is likely some risk. As such, there is commitment to a thorough review of all related amalgamation topics with the intent to clearly identify the benefits for the Towns, as well as any potential issues or risks. The information attached to the review process, as well as all decisions made by Councils, will be made transparent to the public and stakeholders.

PUBLIC ENGAGEMENT APPROACH:

For public consultations, the MGA provides very simple requirements that must be completed as part of the amalgamation process. A plebiscite is not required; however, whatever methods of consultation are used must be documented. The amalgamation application must include: a description of the public consultation processes involved in the amalgamation negotiations, and a summary of the views expressed during the public consultation processes (regardless of whether they are positive/support, negative/oppose, or other).

Engagement Objectives:

Throughout the amalgamation process, communication will be concise, clear and transparent. Engagement/communication outreach will inform all stakeholders in a timely and proactive manner, with a focus on:

- The amalgamation process (what is happening, why, when and how),
- Topics stakeholders will have input on, and;
- How that input will/did influence associated decisions.

The process will be highly educative on the amalgamation topics being negotiated. Related information, in an easy-to-understand format, will be made available to the public.

Communication messaging and timing will be consistent between the two towns through the entirety of the amalgamation process.

General Engagement Approach:

Due to current circumstances with COVID-19, most engagement efforts will be online. If and when an in-person event can be accommodated, feasibility and purpose will be assessed at that time. With many unknowns and situations changing daily, it will be challenging to plan for in-person events. However, if an in-person event was to occur, it would most likely be in the final stages of the project -- possibly an in-person wrap up engagement event.

As part of the International Association of [Public Participation \(IAP2\) Engagement Spectrum](#), the amalgamation engagement will largely be at the “*Inform*” level (to provide the public with balanced and objective information to assist them in understanding the topic, alternatives, opportunities and/or solutions). Comprehensive information will be distributed as part of a stakeholder education campaign as early as it is available – educating the public on the process, content and decisions in real time.

There will also be select engagement points with stakeholders at both the “*Consult*” (to obtain public feedback on analysis and/or decisions) and “*Involve*” levels (to work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered).

Stakeholders:

The Municipal Affairs public consultation requirements for amalgamation state that Black Diamond and Turner Valley will jointly provide notice to all local authorities having jurisdiction to operate or provide services in our area. Additional stakeholders have been identified to meet the Towns’ objectives of transparent engagement. The stakeholders have been organized into the following categories:

- Black Diamond and Turner Valley Community/Residents
- Adjacent and/or Nearby Municipalities
- Third Party Utilities/Services
- Community Groups
- Local Businesses
- Regional Services

Public and Stakeholder Input Opportunities:

Throughout the entirety of the process, residents (and all impacted stakeholders) will have on-line access to project information (*Inform*) and the opportunity to provide feedback and ask questions on all topics.

Additionally, there will be:

- *Activities:* Two specific engagement activities with the intent to seek input (*Involve/Consult*), and
- *Events:* Two public events (planned to be on-line unless timing for final event permits in-person). One event will be held early in the process, while the other will be a final stage event.

Stakeholder groups, other than the public, will receive a letter informing them of the intent to amalgamate, including a fact sheet that provides an overview of the process, opportunity to provide input and timeline with a link to the municipal website amalgamation pages, and a request to provide their specific feedback/questions within 30 days.

The two topics that the public will have direct input on the outcome are:

- the Municipality's new name, and;
- whether a ward or general election system is appropriate.

Communication Tools:

The best communication tool(s) will be chosen specifically for each individual engagement but may include:

- Regular website updates, a dedicated amalgamation page that contains updates after each JFAC meeting
- Q&A section on website
- Public Information Paper (this document that provides stakeholders with all relevant information on amalgamation process, content and decisions, updated regularly)
- Bold (street-side) and electric signs
- Social media (Facebook)
- Electronic community newsletter
- Posters in key community locations
- Utility bill mailouts
- Local media including radio and print

Approximate Engagement Timeline (subject to change):

Activity/Event	Approximate Timeline
Kick-off engagement	Mid February, 2021
Letters to stakeholders	March, 2021
Public on-line event #1	March 30 & April 1, 2021
Activity #1 (electoral wards or general)	June, 2021
Activity #2 (name)	June, 2021
Public On-line event #2	July, 2021

Engagement Reporting:

Reporting is a critical component for the amalgamation process and will be included in the final report to Municipal Affairs. All comments, regardless of the activity and tool, will be collected and summarized in the *What We Heard Reports* (WWHRs).

- WWHRs will document in detail:
 - Q&As (from the Towns' websites and from the amalgamation events)
 - Amalgamation event and activity input/comments (verbal and written)
 - Additional comments collected by project team/committee members/administration (verbal and written), if appropriate

WWHRs will be compiled after each activity/event and will include all other stakeholder input to date (website, etc.). A final WWHR containing all stakeholder input will be produced once engagement is complete.

This report will also include a What We Did (WWD) section that overviews how stakeholder input impacted JFAC decisions that were/are being made. WWHRs are made public and will be posted on the website on a regular basis.

After each event, links to these reports will be found here:

- [What We Heard Report](#)

NEGOTIATION TOPIC INFORMATION UPDATES:

As information is generated by Town administrations, each subcommittee (finance, public/stakeholder consultation, emergency services, procedures) will provide updates on the negotiation topics. These overviews of data and material will be made available to the public through this section.

The information developed through the process are summarized in the Finance Report to Public (June 30, 2021) or each subcommittee's report to JFAC outlining their recommendations. Based on the debate at JFAC, decisions can and are different than the subcommittee recommendations. The final JFAC decisions are in the section below, Decisions Made.

In addition to this information, a FAQ is available.

[Black Diamond FAQ](#)

[Turner Valley FAQ](#)

The Subcommittee Reports to JFAC are listed here including each topic addressed and the full reports are included in Appendix A:

1. March 10, 2021: Procedure Subcommittee Report on:

- Bylaws and Resolutions of Existing Municipalities
- First Election
- Interim Council
- Intermunicipal Collaboration Framework (ICF) Extension

2. May 12, 2021: Emergency Services Subcommittee Report on:

- Emergency Services Level of Services

3. May 12, 2021: Procedure Subcommittee Report on:

- Returning Officer
- Labour and Human Resources

4. June 23, 2021: Procedure Subcommittee Report on:

- Interim CAO
- First Election - amendment
- Library

5. June 30, 2021: Finance Report to Public:

[Black Diamond Finance Report](#)

[Turner Valley Finance Report](#)

- Compensation to other Municipal Authorities
- Financial Transition
- Interim Tax Treatment
- Tax Treatment (for properties previously annexed that have different tax considerations)
- Authority to Impose Additional Tax (to service pre-amalgamation debt) and considers infrastructure deficits and assets (including debentures, reserves, and condition of infrastructure), and capital equipment purchases
- Assessment Matters

- Other Matters:
 - Costs and Savings of Amalgamation
 - Utilities
 - Westend Regional Sewage Services Commission

6. June 23, 2021: Public/Stakeholder Consultation Subcommittee Report and Summary Graphic on:
 - Electoral Wards
 - Ward Boundaries Review
7. June 23, 2021: Public/Stakeholder Consultation Subcommittee Report and Summary Graphic on:
 - Naming

DECISIONS MADE:

The JFAC has negotiated the following topics and formal motions were made to include them in the potential amalgamation application to the Minister. Moving forward, as decisions are made, they will be updated here.

Decisions made on November 19, 2020:

1. **Municipal Status:** the new municipality will be a Town. This is consistent with the Municipal Government Act's definition for Town.
2. **Incorporation Date:** the new municipality will be incorporated on January 1, 2023.
3. **Elected Officials Representation:** the new municipality will be represented by seven (7) elected officials. Most municipalities, especially Towns, have seven (7) elected officials.
4. **Municipal Boundaries:** the current boundaries of both Towns will form the proposed municipal boundaries.
5. **Contiguous Border:** there currently is a contiguous border and so no further changes are required.
6. **Municipal Office:** all current municipal buildings in both Towns will remain active, but the main municipal office will be in Black Diamond at: 301 Centre Avenue West.

Decisions made on March 10, 2021:

7. **Bylaws and Resolutions of Existing Municipalities:**
 - a. The municipalities will defer updating the bylaws and resolutions until the post-amalgamation timeframe.
 - b. JFAC agreed to direct administration to inventory bylaws and resolutions to determine priorities for alignment in the pre-amalgamation timeframe and further the timeline for this task will be dependent on administration capacity but is expected to be complete by September 2021.
8. **First Election:** the first election for the amalgamated municipality would occur in Q4 of 2022.
9. **Interim Council:** If the first election is held in Q4 2022, no interim council will be required.
10. **Intermunicipal Collaboration Framework (ICF) Extension:** the application will include confirmation that the ICF deadline has been previously extended until April 1, 2022, and if the amalgamation application is submitted, the Towns will request an adjusted deadline for an ICF between the new municipality and Foothills County.

Decisions made on May 12, 2021:

- 11. Emergency Services Level of Services:** JFAC agreed to include in the amalgamation application report that the level of service will be maintained for three branches of Emergency Services which includes Fire, Emergency Management and Community Peace Officers in both Black Diamond and Turner Valley until incorporation date and maintain service levels until such time as the new CAO and the new Council determines the service levels and organizational structure.
- 12. Returning Officer:** JFAC agreed to recommend in the amalgamation application report that the current Returning Officer of Black Diamond, Verna Staples will act as the Returning Officer for the Q4 2022 election of council for the newly amalgamated municipality.
- 13. Employees and Labour Agreements:** JFAC agreed to include in the amalgamation application report that all employees at the time of amalgamation will become employees of the new municipality to ensure uninterrupted service delivery until such time as the CAO, in conjunction with the Council elected in 2022, have determined service levels and organizational structure.
- 14. First Election:** JFAC agreed to request the Procedure Subcommittee consider a date of the 2022 election to be recommended in the amalgamation application report.

Decisions made on June 23, 2021:

- 15. Interim Chief Administrative Officer:**
 - a. JFAC agreed to recommend the current CAO of Turner Valley, Shawn Patience, be named in the Amalgamation Negotiation Report as Interim CAO.
 - b. JFAC agreed to recommend the current CAO of Black Diamond Sharlene Brown be named in the Amalgamation Negotiation Report as a secondary option for Interim CAO.
- 16. First Election (amendment):**
 - a. JFAC agreed to recommend that a Q4 election date of November 28, 2022 for a new Council of the amalgamated Town and that this is the preferred option to be included in the ministerial order.
 - b. JFAC agreed to strongly support the resolution for the Q4 election of 2022 in the Report on Amalgamation as a reduction of one Council is part of the cost saving measures and operating efficiency supporting the amalgamation process.
 - c. JFAC agreed to provide an alternative recommendation in the Negotiation Report inclusive of a fourteen (14) member Council comprised of the council elected in October 2021, with a Mayor being appointed from those fourteen (14) sitting Council members (MGA 150) for a period of 90-120 days after incorporation.
- 17. Library Services:** JFAC agreed to recommend the continuation of library services after the date of incorporation of the new municipality.
- 18. Compensation to other Municipal Authorities:** JFAC agreed to include under Topic 16 in the amalgamation negotiation report that the amalgamated municipality would be required to pay Foothills County \$32,154/year until 2024 (for previous contractual agreements which include annexation agreements, and municipal road maintenance agreement) after which time the payment would be reduced to \$10,000/year with the last payment made in 2030.

19. Financial Transition: JFAC agreed to include under Topic #17 in the amalgamation report to the province that independent audits be conducted for Black Diamond and Turner Valley for the year ending December 31, 2022, and further that an audit will be conducted for the newly created town as at December 31, 2023.

20. Interim Tax Treatment: JFAC agreed to include under Topic #18 in the amalgamation negotiation report to the province that no interim tax treatment is required since incorporation date would be Jan. 1, 2023.

21. Tax Treatment: JFAC agreed to include under Topic #19 in the amalgamation negotiation report that for the lands annexed by Black Diamond to unify a boundary between Black Diamond and Turner Valley, for the purposes of taxation in 2020 and in each subsequent year up to and including 2044, these lands must be assessed as if in the County of Foothills and taxed as if in the County of Foothills, until a triggering event noted in the agreement.

22. Authority to Impose Additional Tax:

- JFAC agreed to include under Topic #20 in the amalgamation negotiation report that the Local Improvement levies remain with the Town of Turner Valley properties until such time as they are paid in full.
- JFAC agreed to include under Topic #20 in the amalgamation negotiation report that operating revenues continue to support the existing debts of both municipalities before and after amalgamation.
- JFAC agreed to include under Topic #20 in the amalgamation negotiation report that designated capital reserves remain in the individual municipalities until they are utilized. All existing undesignated capital reserves should be designated to restricted dedicated reserves contained within their 10-year capital plans prior to incorporation date. Operating reserves should be contributed to equally based on Black Diamond and Turner Valley's requirements with the remainder to be designated to capital reserves.
- JFAC agreed to include under Topic #20 in the amalgamation negotiation report that the ten-year capital plan be utilized as the indicator of the infrastructure condition and costs to upgrade. For the ten-year capital plan Turner Valley has \$28.4M planned and Black Diamond has \$38.4M planned. This will assist with addressing the infrastructure variations between the two towns by comparing priorities in each municipality.

23. Assessment Matters: JFAC agreed to include under Topic #21 in the amalgamation negotiation report that there is no need to treat property assessments differently since the incorporation date would be Jan. 1, 2023.

24. Utilities: JFAC agreed to include under Topic #27 in the amalgamation negotiation report that the current utility rates for each municipality be continued until such time as a new utility rate bylaw is established.

25. Westend Regional Sewage Services Commission:

- JFAC agreed to request Westend Regional Sewage Services Commission establish a bylaw as per MGA S609.09(1) and provide the bylaw for inclusion into the Negotiation Report.
- JFAC agreed to request Westend Regional Sewage Services Commission provide recommendations for the disestablishment date - upon incorporation or extension timeframe of the commission.

- 26. Electoral Wards:** JFAC agreed to recommend under Topic #4 in the amalgamation report to the province that an 'at large' electoral representation be the preferred format for the 2022 Q4 election as opposed to dividing the new municipality into electoral wards.
- 27. Ward Boundary Review:** JFAC agreed to recommend under Topic #15 in the amalgamation report to the province that a ward boundary review will not be required due to the determination to hold an 'at large' election in Q4 2022 as a result of the public consultation.
- 28. Name:** JFAC agreed to propose the name 'Town of Diamond Valley' as the name of the amalgamated municipality in the amalgamation negotiation report to the province pending confirmation of the legal use of the name.

SUMMARY:

This paper serves as an overview of the entire amalgamation process and acts as one point of reference for information as it evolves and becomes available. Please check back regularly for updates.

Contact Information:

Residents may review all material posted on the websites by visiting the Town of Black Diamond at www.Town.blackdiamond.ab.ca or the Town of Turner Valley at www.turnervalley.ca.

Residents can also call the Towns to ask questions, request written copies of the information or provide feedback by contacting either the Black Diamond Office at 403-933-4348, or the Turner Valley Office at 403-933-4944.

APPENDIX A: SUBCOMMITTEE REPORTS TO JFAC

1. March 10, 2021: Procedure Subcommittee Report
2. May 12, 2021: Emergency Services Subcommittee Report
3. May 12, 2021: Procedure Subcommittee Report
4. June 23, 2021: Procedure Subcommittee Report
8. June 23, 2021: Public/Stakeholder Consultation Subcommittee Report and Summary Graphic on:
 - Electoral Wards
 - Ward Boundaries Review
9. June 23, 2021: Public/Stakeholder Consultation Subcommittee Report and Summary Graphic on:
 - Naming
10. June 30, 2021: Finance Report to Public



AMALGAMATION NEGOTIATIONS
JOINT FRIENDSHIP AGREEMENT COMMITTEE
REQUEST FOR DECISION



DATE OF MEETING:	March 10, 2021
SUBJECT/TOPIC:	Procedure Subcommittee Recommendations
PURPOSE:	To provide recommendations from the Procedure Subcommittee to Joint Friendship Agreement Committee (JFAC). The JFAC will make the decision whether these recommendations are included in the amalgamation application, should it proceed.
PREPARED BY:	On behalf of the Procedure Subcommittee: <ul style="list-style-type: none">• Sharlene Brown, CAO Town of Black Diamond• Heather Thomson, Acting CAO Town of Turner Valley
ATTACHMENTS:	None
BACKGROUND/HISTORY:	This report addresses four of the nine scoped Procedure Subcommittee topics. The recommendations are brought forward with full consensus of the subcommittee members.
REPORT SCOPE:	The Amalgamation Procedure Subcommittee has recommendations for four topics: <ol style="list-style-type: none">1. Bylaws and Resolutions of Existing Municipalities2. First Election3. Interim Council4. ICF Extension

FINDINGS:

1. Bylaws and Resolutions of Existing Municipalities:

A. Proposed Resolution Options:

1. Defer the update of bylaws and resolutions to post-amalgamation, or
2. Provide direction to initiate a comprehensive review and alignment process for all bylaws and resolutions if the amalgamation application proceeds.

B. Procedure Subcommittee Recommendation:

The Procedure Subcommittee recommends that:

1. the JFAC support deferring the update of bylaws and resolutions to post-amalgamation, and
2. JFAC direct administration to inventory bylaws and resolutions to determine priorities for alignment in the pre-amalgamation timeframe. The timeline for this task is dependent on administrative capacity, but is expected to be complete by September 2021.

C. Rationale:

All bylaws and resolutions of the existing municipalities continue to be in effect for the amalgamated municipality until the new municipality's council repeals or replaces the bylaws. The Towns of Black Diamond and Turner Valley have worked in collaboration for many years, and that is reflected in many of the bylaws and resolutions being similar already.

D. Resource / Finance Impacts:

Administration resources will be required to inventory bylaws and resolutions to determine priorities. This work will be accomplished within the existing budget at a time when capacity is available, and is anticipated to be complete by September 2021.

E. Public Participation / Communication:

Public participation at an inform level will occur with this recommendation. The recommendation will be included in the Public Information Paper and associated communications.

2. First Election

A. Proposed Resolution Options:

1. The proposed amalgamation application will recommend that

the first election for the amalgamated municipality should occur in Q4 2022.

2. The proposed amalgamation application will recommend that the first election for the amalgamated municipality should occur post-amalgamation in Q1 2023.

B. Procedure Subcommittee Recommendation:

The Procedure Subcommittee recommends that:

1. the JFAC support that the proposed amalgamation application will recommend that the first election for the amalgamated municipality should occur in Q4 2022.

C. Rationale:

Should the amalgamation application proceed, it is expected to be provided to Alberta Municipal Affairs by early September 2021. The anticipated Order in Council would be completed between 6-9 months afterwards at approximately March to June, 2022. With this timeframe, there is enough time in the fall of 2022 to hold an election prior to amalgamation. The governance will officially come into effect on January 1, 2023.

D. Resource / Finance Impacts:

There is no financial difference between the options. Both will incur approximately \$5,000 cost to hold an election. Additional costs may include staffing including Returning Officer wages or applicable OT, orientations, and technology support. An additional election is necessary because the next general municipal election will not occur until 2025.

E. Public Participation / Communication:

Public participation at an inform level will occur with this recommendation. The recommendation will be included in the Public Information Paper and associated communications.

3. Interim Council

A. Proposed Resolution Options:

1. Should the amalgamation application proceed with a first election in Q4 of 2022, no interim council will be required.
2. No other options are available.

B. Procedure Subcommittee Recommendation:

The Procedure Subcommittee recommends that:

1. the JFAC support that no interim council will be required.

C. Rationale:

The Interim Council is defined as the interim council members who would serve for the time period between the incorporation date and the next general municipal election (or by-election). With the recommendation of a first election held prior to the incorporation date, interim governance is not required. It is expected that there will be an election held in Q4 of 2022 with the date of governance starting on the date of incorporation.

D. Resource / Finance Impacts:

There is no resource or financial impact to this recommendation.

E. Public Participation / Communication:

Public participation at an inform level will occur with this recommendation. The recommendation will be included in the Public Information Paper and associated communications.

4. Intermunicipal Collaboration Framework (ICF) Extension

A. Proposed Resolution Options:

1. The proposed amalgamation application should include a confirmation that the ICF deadline has been previously extended until April 1, 2022. If the amalgamation application is submitted, the Towns will request an adjusted deadline for an ICF between the new municipality and Foothills County.
2. No other options are available.

B. Procedure Subcommittee Recommendation:

The Procedure Subcommittee recommends that:

1. the JFAC support included in the proposed amalgamation application a confirmation that the ICF deadline has been previously extended until April 1, 2022. If the amalgamation application is submitted, the Towns will request an adjusted deadline for an ICF between the new municipality and Foothills County.

C. Rationale:

The current ICF requirement includes either two ICFs (between Foothills County and Turner Valley; and Foothills County and Black Diamond), or one multilateral ICF. If the amalgamation application proceeds, it would be more efficient to create one ICF between Foothills County and the new municipality. The adjusted timeline will be necessary to have sufficient

time for the negotiations after the amalgamation negotiations are complete.

D. Resource / Finance Impacts:

There is no resource or financial impact to this recommendation.

E. Public Participation / Communication:

Public participation at an inform level will occur with this recommendation. The recommendation will be included in the Public Information Paper and associated communications.



EMERGENCY SERVICES SUB-COMMITTEE REPORT

DATE OF MEETING: May 12, 2021

SUBJECT/TOPIC: Amalgamation Transitional Matters

PURPOSE: To provide information requested by the Committee regarding the topics outlined in the report scope.

BACKGROUND/HISTORY: The Emergency Services Committee, encompassing the Black Diamond and Turner Valley Fire Departments, Emergency Management Directors and Municipal Enforcement Departments discussed current and post-amalgamation priorities and required decisions including organizational structures and service levels.

REPORT SCOPE: The scope of this report is to provide the information to be considered for the Amalgamation report/application. The following topics are considered transitional matters for consideration to be included in the report.

1. Continuation of Emergency Services

1. TOPIC: Amalgamation Requirements Group 2: Transitional Matters

24. Continuation of Emergency Services

By default, the MGA states that all existing staff and all existing bylaws and resolutions of existing municipalities will carry over to the new municipality. This also includes the emergency management bylaws and plans, and the appointment of the directors of emergency management required by the Emergency Management Act. If consolidation of the emergency management roles and responsibilities and plans are required to simplify implementation after amalgamation, then we can address them as part of the amalgamation order.

FINDINGS:

1. Service Level: The current level of service is to be maintained until incorporation. By default, the MGA states that all existing staff and all existing bylaws and resolutions of existing municipalities will carry over to the new municipality. This also includes the emergency management bylaws and plans, and the appointment of the directors of emergency management required by the [Emergency Management Act](#)
2. Consolidation of emergency management roles and responsibilities: If consolidation of the emergency management roles, responsibilities and plans is deemed to simplify implementation of a new combined structure, this can be addressed as part of the Organizational Structure Review
3. The three branches of Emergency Services, including Fire, Emergency Management and CPO's, have provided reports and updates related to current state along with future challenges and opportunities, including items for consideration pre and post amalgamation that shall be considered when and if the Order in Council is approved or as part of future planning by both municipalities.

STAFF RECOMMENDATION:

1. The current level of service be maintained until incorporation.



PROCEDURE SUB-COMMITTEE REPORT

DATE OF MEETING:

SUBJECT/TOPIC: Amalgamation Transitional Matters

PURPOSE: To provide information requested by the Committee regarding the topics outlined in the report scope.

BACKGROUND/HISTORY: Through the amalgamation process the municipalities must discuss the proposals included in the notice to amalgamate sent to the Minister and negotiate the proposals in good faith. Upon conclusion of the negotiations, the amalgamating municipalities must prepare a report to the Minister that describes the results of the negotiations which will include topics considered transitional.

REPORT SCOPE: The scope of this report is to provide the information to be considered for the Amalgamation report/application.

The following topics are considered transitional matters for consideration to be included in the report.

1. Interim CAO
2. Returning Officer
3. Labour and Human resources
4. Library

1. **TOPIC: Amalgamation Requirements Group 2: Transitional Matters - 11. Interim Chief Administrative Officer** *This item is still being worked on by the procedure committee.*

The name of the interim chief administrative officer that will be appointed by the Minister to administer the amalgamated municipality until the council of the amalgamated municipality chooses another chief administrative officer using their established processes. The interim chief administrative officer will likely be the lead/manager responsible for running the municipality and for the consolidation and/or transition of the county, town(s), and village(s) into the amalgamated municipality in accordance with council's direction.

FINDINGS:

We have been advised by our Municipal Affairs Advisor; Linda Reynolds, that the legislative drafters will need to know whom the towns recommend as CAO at the time the Order in Council (OC) is being drafted. Further, if the Interim CAO is not named in the report/application to amalgamate, that it would be considered a gap in information; however, the application would still be considered. The municipalities would be asked to put forward the name of an Interim CAO when the OC drafting commences if not before. The Interim CAO is appointed based on the recommendation from the amalgamating municipalities (JFAC)

STAFF RECOMMENDATION:

JFAC members consider the following three options:

Option 1: JFAC members agree to name an Interim CAO and that name be provided in report/application to amalgamate, the recommendation should include an anticipated start date of the Interim CAO, being a minimum of 6 months (or sooner if the OC is approved sooner) prior to incorporation.

Option 2: JFAC members agree to not include the name of an Interim CAO in the report/application, but agree to provide the name when the Order in Council drafting commences, if not before.

Option 3: Provide reasons why name is not included in report/application.

2. TOPIC: Amalgamation Requirements Group 2: Transitional Matters - 14. Appointment of Returning Officer(s)

Since the timing of the proposed amalgamation will be close to the nomination day and election day, the name of a returning officer(s) may be required. If that is the case, the names of the returning officer(s) will be required.

FINDINGS:

As the approved recommendation is to hold an election in Q4 2022 prior to the 2023 incorporation date there are several matters that must be considered including:

- Election Date
- Nomination Day
- Any bylaw or resolutions that may have to be passed prior to the election including the appointment of Returning Officer(s)

STAFF RECOMMENDATION:

Option 1: JFAC members consider including the names of one or the other current Returning Officer(s) be Verna Staples as the Returning Officers for the Q4 2022 election of council for the newly amalgamated community in the report/application to amalgamate.

3. TOPIC: Amalgamation Requirements Group 2: Transitional Matters - 22. Labour and Human Agreements

By default, all employees of the pre-amalgamated municipality will become employees of the new municipality. The MGA provides the ability for the Lieutenant Governor in Council (Cabinet) to deal with employees of the pre-amalgamated municipalities as part of the amalgamation (if required). This may address issues such as how employees are integrated into the amalgamated municipality, the consolidation of bargaining units and labour (union) agreements, severance, transitional staffing, and any other issues that need to be addressed.

FINDINGS:

Several matters will need to be considered regarding labour and human resources when developing plan to move forward with the amalgamation of two communities. These matters include:

- Aligning and redefining the compensation grids.

- Alignment of benefits and insurance programs.
- Consider seniority, competency, education, and experience of staff.
- Employee retention processes and attrition opportunities.
- Consider financial liabilities including accrued vacation, sick time, and banked overtime.
- Consider severance programs for those not continuing with new municipality.
- Management of STD, LTD and WCB claims at the time of amalgamation.
- Alignment or Creation of new HR policies and
- Job description review and redefining.
- New organization chart establishment.
- Determine possible human resource legal issues.
- Establishing the new organizational culture.
- Determination of service level requirements for amalgamated municipality
Determination of any new staff requirements

STAFF RECOMMENDATIONS

A. All existing staff members to maintain current positions to ensure uninterrupted service delivery until such time as the interim CAO and, in conjunction with the Council elected in 2022, have determined a path forward based on the outcome of item A. above.

4. TOPIC: Amalgamation Requirements- 25. Library Services (Intermunicipal Sheep River Library) This item is still being worked on through the procedure committee

By default, the Libraries Act states that when an amalgamation of municipal authorities has been initiated under the MGA and no agreement can be reached among those municipal authorities regarding the rights, assets and liabilities of a municipal library board, the Lieutenant Governor in Council may, by order, dissolve the municipal

library board and may make any order the Lieutenant Governor in Council considers appropriate in respect of the disposition of the rights, assets, and liabilities of the municipal library board. Ideally, an agreement would be in place to address the future of the municipal libraries and this should be included with the amalgamation.

Application

FINDINGS

Upon discussions with Public Library Services Branch (PLSB) advisor the following information has been provided regarding dissolution of the Intermunicipal Sheep River Library Board (SRLB)

STEPS TO MOVE FROM INTERMUNICIPAL BOARD TO SINGLE ENTITY

1. Establishment of New Board

The application will need to include a request to the Minister to dissolve the Intermunicipal Sheep River Library Board.

In order to not disrupt library services a new bylaw will need to be developed for the single board. The Intermunicipal Bylaws will need to be rescinded, and the new municipality will need to develop a new bylaw to establish the single board.

The Libraries Act clearly outlines what is required for membership of the municipal library board it stipulates that between 5 and 10 board members can be appointed to a municipal library board, of which not more than 2 members can be councillors from the establishing municipality. Terms cannot exceed 3 years (board members can be reappointed for 2 additional terms. The new council can choose to simply appoint the current board members of the Sheep River Library Board to the new board, or appoint new members all together. That will be their prerogative. Staff, however, belong to the library board.

Once the Sheep River Library Board is dissolved, the staff will not have an employer. Hence, plans should be in place to transfer these employees under the employment of the new board. However, although highly unlikely, the new library board does have the ability to hire entirely new staff if they wish, as it is an entirely new corporation.

The PLSB advisor advised they will provide confirmation regarding if the new SRLB will become a “ghost board”, meaning it hasn’t legally been dissolved but is no longer functioning until new bylaw is approved by the newly elected council upon incorporation. (i.e. incorporation date January 1, 2023 the bylaw would come forward to receive all three readings at the first regular business meeting). This will ensure continuation of library services through the transition period.

2. Assets and Liabilities of the SRLB

In the case of a municipal dissolution, these are typically transferred to the new board prior to the old board dissolving however, since this is an amalgamation and the new board won't exist yet, there lies a gap that PLSB is further exploring and will advise as soon as this information is available, see note above regarding "ghost board".

3. Marigold

If the new municipality wishes to continue to receive Marigold library system service, a new system agreement will need to be completed, and a member of the SRLB appointed as representative to Marigold.

Under section 27 of the Libraries Regulation, the library board must first pass a motion agreeing to accept services from Marigold library system. Council will then need to pass a resolution agreeing to accept system services. Both parties then sign the system agreement. Following this, the municipality will apply to the Minister to join the system (the board resolution, council resolution, and signed system agreement must accompany this request). This may leave a bit of a gap in services provided by Marigold, as the municipality, board, meetings to pass the resolutions, and application to the Minister could take some time. Closer to the time, the Library Board may wish to talk to Marigold about some potential work-around to fill this gap in the interim.

4. Lease Agreement

A new lease agreement will need to be developed with the Library Board and the new municipality. This also can be completed pre-amalgamation and be ready upon incorporation.

PLSB advisor has recommended a new SRLB schedule of Assets be developed to attached to the new lease agreement.



PROCEDURE SUB-COMMITTEE REPORT



DATE OF MEETING: June 08, 2021

For Presentation to JFAC June 23, 2021

SUBJECT/TOPIC: Amalgamation Transitional Matters

PURPOSE: To provide information requested by the Committee regarding the topics outlined in the report scope.

BACKGROUND/HISTORY: Through the amalgamation process the municipalities must discuss the proposals included in the notice to amalgamate sent to the Minister and negotiate the proposals in good faith. Upon conclusion of the negotiations, the amalgamating municipalities must prepare a report to the Minister that describes the results of the negotiations which will include topics considered transitional.

REPORT SCOPE: The scope of this report is to provide the information to be considered for the Amalgamation report/application.

The following topics are considered transitional matters for consideration to be included in the report.

1. Interim CAO
2. First Election - amendment
3. Library

1. TOPIC: Transitional Matters - #11 Interim Chief Administrative Officer

“The name of the interim chief administrative officer that will be appointed by the Minister to administer the amalgamated municipality until the council of the amalgamated municipality chooses another chief administrative officer using their established processes. The interim chief administrative officer will likely be the lead/manager responsible for running the municipality and for the consolidation and/or transition of the county, town(s), and village(s) into the amalgamated municipality in accordance with council’s direction.”

FINDINGS:

MGA section 112

When a municipality is formed by amalgamation and there is no council, the Minister may appoint an official administrator who has all the powers and duties of a council of the municipality until the first council of the municipality is sworn into office.

RECOMMENDATION:

1. That JFAC agree to recommend the current CAO of Turner Valley, Shawn Patience, be named in the Amalgamation Negotiation Report as Interim CAO.
2. That JFAC agree to recommend the current CAO of Black Diamond Sharlene Brown be named in the Amalgamation Negotiation Report as a secondary option for Interim CAO.

Motion: That JFAC agree to recommend the current CAO of Turner Valley, Shawn Patience, be named in the Amalgamation Negotiation Report as Interim CAO.

That JFAC agree to recommend the current CAO of Black Diamond Sharlene Brown be named in the Amalgamation Negotiation Report as a secondary option for Interim CAO.

2. Topic: Transitional Matters - #12 First Election

“The election for the council of the amalgamated municipality may be held prior to the effective date of amalgamation (LAEA S. 8); however the new council may not be sworn into office before the effective date of the amalgamation of the former municipalities.”

Findings:

- a. The Subcommittee recommends that JFAC support a November 28th, 2022 election date.
- b. The Returning Officer, Verna Staples, will develop a comprehensive list of election information that could be included in the Ministerial Order.
- c. It was advised that a secondary option for the election date be provided in case the Minister does not support an early election. The Subcommittee agreed that a secondary date in Q1 2023 would be recommended to JFAC. However, the wording in the Amalgamation Negotiations Report would be very clear that the strong preference is for Nov. 28th, 2022, and provide rationale. If the secondary option is the Minister’s preference, the Amalgamation Negotiation report would request that the 14 members of council elected in October 2021 comprise the interim council until the new election. The mayor could be appointed from the 14 elected officials. The election would be requested to occur within 90 or 120 days after incorporation. Concern was raised by the Subcommittee that having an interim council reduces the potential cost savings.

RECOMMENDATIONS

1. That JFAC agree to recommend that a Q4 election date of November 28, 2022 for a new Council of the amalgamated Town and that this is the preferred option to be included in the ministerial order.
2. That JFAC agree to support this resolution in the Report on Amalgamation indicating that the reduction of one Council is part of the cost saving measures supporting the amalgamation process.
3. That JFAC agree to provide an alternative recommendation in the Negotiation Report inclusive of a 14 member Council comprised of the council elected in October 2021, with a Mayor being appointed from those 14 sitting Council members (MGA 150) for a period of 90-120 days after incorporation.

Motions:

1. That JFAC agree to recommend that a Q4 election date of November 28, 2022 for a new Council of the amalgamated Town and that this is the preferred option to be included in the ministerial order.
2. That JFAC agree to support this resolution in the Report on Amalgamation as a reduction of one Council is part of the cost saving measures supporting the amalgamation process.
3. That JFAC agree to provide an alternative recommendation in the Negotiation Report inclusive of a fourteen (14) member Council comprised of the council elected in October 2021, with a Mayor being appointed from those fourteen (14) sitting Council members (MGA 150) for a period of 90-120 days after incorporation.

3. **TOPIC: Transitional Matters - #25 Library Services (Intermunicipal Sheep River Library)**
“By default, the Libraries Act states that when an amalgamation of municipal authorities has been initiated under the MGA and no agreement can be reached among those municipal authorities regarding the rights, assets and liabilities of a municipal library board, the Lieutenant Governor in Council may, by order, dissolve the municipal library board and may make any order the Lieutenant Governor in Council considers appropriate in respect of the disposition of the rights, assets and liabilities of the municipal library board. Ideally, an agreement would be in place to address the future of the municipal libraries and this should be included with the amalgamation application.”

Findings

This topic is different than other municipal services because the approach must also follow the Libraries Act. The existing library board must be dissolved as an intermunicipal library board. A new library board must be established with the new name of the town. The Library Board Chair and Manager will continue to work with the Public Library Board Advisor to determine the most appropriate wind down plan.

The Library Board will make a wind down plan based on the current plan of service. The wind down plan will be approved by the Library Board by resolution and approved by JFAC to be included as an appendix to the amalgamation negotiation report.

The suggested steps are:

- Both municipalities should apply to the Minister to dissolve the library board effective December 31, 2022.
- A new library board will need to be established through a municipal bylaw. The bylaw should be drafted to establish the library board and board membership prior to January 1, 2023 to reduce time lags for library services. The bylaw will need to be passed by the new council in order to appoint the new library board members.
- The Subcommittee suggests continuity of membership from the existing Sheep River Library Board to the new library board to assist in the transition.
- Library assets should be transferred to Black Diamond and Turner Valley to be held in trust under the newly amalgamated municipality until the new library board is established. The intent of holding the assets is to transfer them to the new library board.
- Address staff transition to the new board in advance. Library staff are employed by the current library board, and so a transition will need to occur between the intermunicipal library board, and the newly established library board.

- Council and the new library board will need to agree to retain the Marigold system. In the interim, the current library board will discuss with Marigold the current contract and options for interim service provision during the transition.
- Prepare to update the lease agreement.

Recommendation:

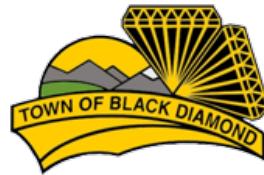
That the Procedure Subcommittee recommends to JFAC continuation of library services after January 1, 2023.

Motions:

That JFAC recommend the continuation of library services after January 1, 2023.



Public/Stakeholder Consultation Subcommittee Report



DATE OF MEETING: June 08, 2021
For Presentation to JFAC June 23, 2021

SUBJECT/TOPIC: Amalgamation Transitional and Mandated Matters

PURPOSE: To provide the information requested by the Committee regarding the topics outlined in the report scope.

BACKGROUND/HISTORY: Through the amalgamation process, the municipalities must discuss the proposals included in the notice to amalgamate sent to the Minister and negotiate the proposals in good faith. Upon conclusion of the negotiations, the amalgamating municipalities must prepare a report to the Minister that describes the results of the negotiations.

REPORT SCOPE: The scope of this report is to provide the information to be considered for the Amalgamation report/application.

The following topics are considered mandated matters for consideration to be included in the report.

1. #4 Electoral Wards

The following topics are considered transitional matters for consideration to be included in the report.

2. #15 Ward Boundaries Review

1. **TOPIC: Mandated Matters - #4 Electoral Wards**

"A description of the proposed electoral wards of the proposed municipality, along with the legal land descriptions outlining each ward is required."

Findings: This topic was one of the two public engagement processes involved in developing the final negotiation report for the province. A survey was presented to the public for input on whether the public preferred to hold an 'at large' election or divide the new municipality into wards for the Q4 2022 municipal election. The #4 Electoral Ward vs At Large Election survey results were reviewed by Maven and presented to the subcommittee. The group reviewed the overall results, including incidents where there were five or more identical responses from the same IP address (both results were provided for review). The subcommittee agreed that no further engagement was required on this matter as more survey respondents had chosen 'at large' voting format than a ward system format.

Subcommittee Recommendation: that JFAC endorse 'at large' electoral representation for the 2022 Q4 election as opposed to dividing the new municipality into electoral wards.

Proposed Motion – Move that JFAC recommend under Topic #4 in the amalgamation report to the province that an 'at large' electoral representation be the preferred format for the 2022 Q4 election as opposed to dividing the new municipality into electoral wards.

2. **TOPIC: Transitional Matters - #15 Ward Boundaries Review – not applicable**

“Depending on the method used to develop the first set of electoral wards for the proposed municipality, a more formal review of electoral wards may be required prior to the second general municipal elections. If this is desired, please include this as part of the application package.”

Findings: This topic was not applicable due to the determination to hold an at large election in Q4 2022 as a result of the public consultation process regarding wards vs at large election

Proposed Motion – Move that JFAC recommend under Topic #15 in the amalgamation report to the province that a ward boundary review will not be required due to the determination to hold an at large election in Q4 2022 as a result of the public consultation

Electoral Ward Activity Survey Results

Total: 177

For At Large Representation: 86

For Wards: 77

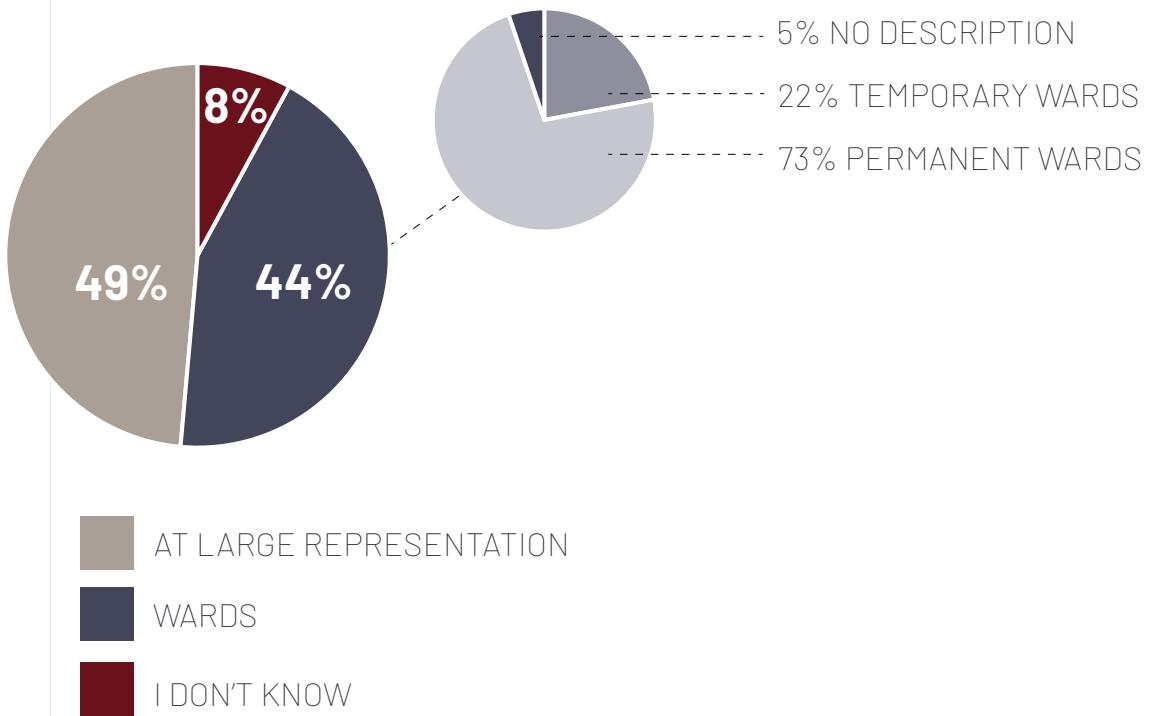
I don't know: 14

Wards Description

Permanent Wards: 56

Transitional Wards: 17

Wards - No Description: 4





**Public/Stakeholder Consultation
Subcommittee
Report**



DATE OF MEETING: June 08, 2021

For Presentation to JFAC June 23, 2021

SUBJECT/TOPIC:	Amalgamation Mandated Matters
PURPOSE:	To provide information requested by the Committee regarding the topics outlined in the report scope.
BACKGROUND/HISTORY:	Through the amalgamation process the municipalities must discuss the proposals included in the notice to amalgamate sent to the Minister and negotiate the proposals in good faith. Upon conclusion of the negotiations, the amalgamating municipalities must prepare a report to the Minister that describes the results of the negotiations.
REPORT SCOPE:	<p>The scope of this report is to provide the information to be considered for the Amalgamation report/application. The following topics are considered mandated matters for consideration to be included in the report.</p> <ol style="list-style-type: none">1. #1 Naming

1. TOPIC: Mandated Matters - #1 Naming

The proposed legal name of the municipality is required. Background information and/or other context behind the name is recommended as thorough checks will be completed to ensure that the new name does not:

- match any other municipal jurisdiction's name in Alberta.
- does not infringe on any existing trademark or registered trademarks in Canada.
- does not use prohibited terms such as "royal", "Alberta", "Alta" or other terms identified in the Trade-marks Act (this is not an exhaustive list)

Traditionally, the name would have two components – the type of municipality, and place name.

Findings: This topic was one of the two public engagement processes involved in the developing of the final negotiation report for the province. The naming of the potential new municipality was broken into two separate processes:

1. An opportunity for engagement was presented to the public asking for suggestions for naming the potential new municipality, including adding drawings or stories to support their suggestions. The Naming Activity ran from May 19 - June 6, 2021 and saw a response from over 150 emails with over 200 suggestions for names for the new amalgamated municipality, including 70 different names.

The complete grand tally of numbers was as follows:

Diamond Valley: 106

Black Valley: 12

Sheep River: 10

Kiska Wapta: 8 (three of these specified further First Nations consultation is necessary)

Mountain Valley: 3

Sheep River Valley: 3

Black Diamond (for the whole new town): 2

Friendship: 2

Foothills: 2

Black Diamond – Turner Valley: 2

Other unique suggestions: 60

2. As a result of the above engagement, the subcommittee chose to move forward with the top three name suggestions and survey the communities as to their choice among the three options presented:

- Town of Sheep River
- Town of Diamond Valley
- Town of Black Valley

To ensure that the names being forwarded to the public were available and did not conflict with currently used names prior to putting them forward in the survey, staff consulted with Ron Kelland* who determined that the Alberta Geographical Names Database has no records of the names Sheep River, Diamond Valley and Black Valley ever being used for communities in Alberta. Staff also researched the Library and Archives Canada's "Post Offices and Postmaster" database and William Peter Baergen's book *Pioneering with a Piece of Chalk*. This is the most authoritative source for Alberta school district names. One reference of interest was Diamond Valley School District No. 2154, established in 1910 near Eckville, AB.

<https://westofthefifthmeridian.blogspot.com/search/label/Diamond%20Valley>

It appears that this was a School District name that became used as a shorthand name for the region. School District and School Division names are not recorded in the Alberta Geographical Names Database. There are many rural regions throughout Alberta that were identified by unofficial “district” names. As these names were not officially recognized, they were not documented by official sources such as provincial naming and mapping agencies. While the Alberta Geographical Names Program does document rural district and school district names when they are encountered, the Alberta Geographical Names Database does not have an exhaustive nor authoritative list of this type of unofficial name.

**Ron Kelland, MA, MLIS, Historic Places Research Officer and Geographical Names Program Coordinator, Culture, Multiculturalism and Status of Women, Heritage Division, Historic Resources Management Branch*

After confirmation that these names were not currently in use for a municipality in Alberta, the subcommittee presented the three names to the public in a survey which ran from June 14 to June 20, 2021.

The results from the final naming survey included just under 1700 responses, however, there were about 600 that were removed due to suspect IP activity (5 and over submissions from the same IP address). Of the remaining app. 1100 responses, the Town of Diamond Valley was the clear choice, receiving 74% of the votes. Town of Sheep River had 17% and Town of Black Valley 8%

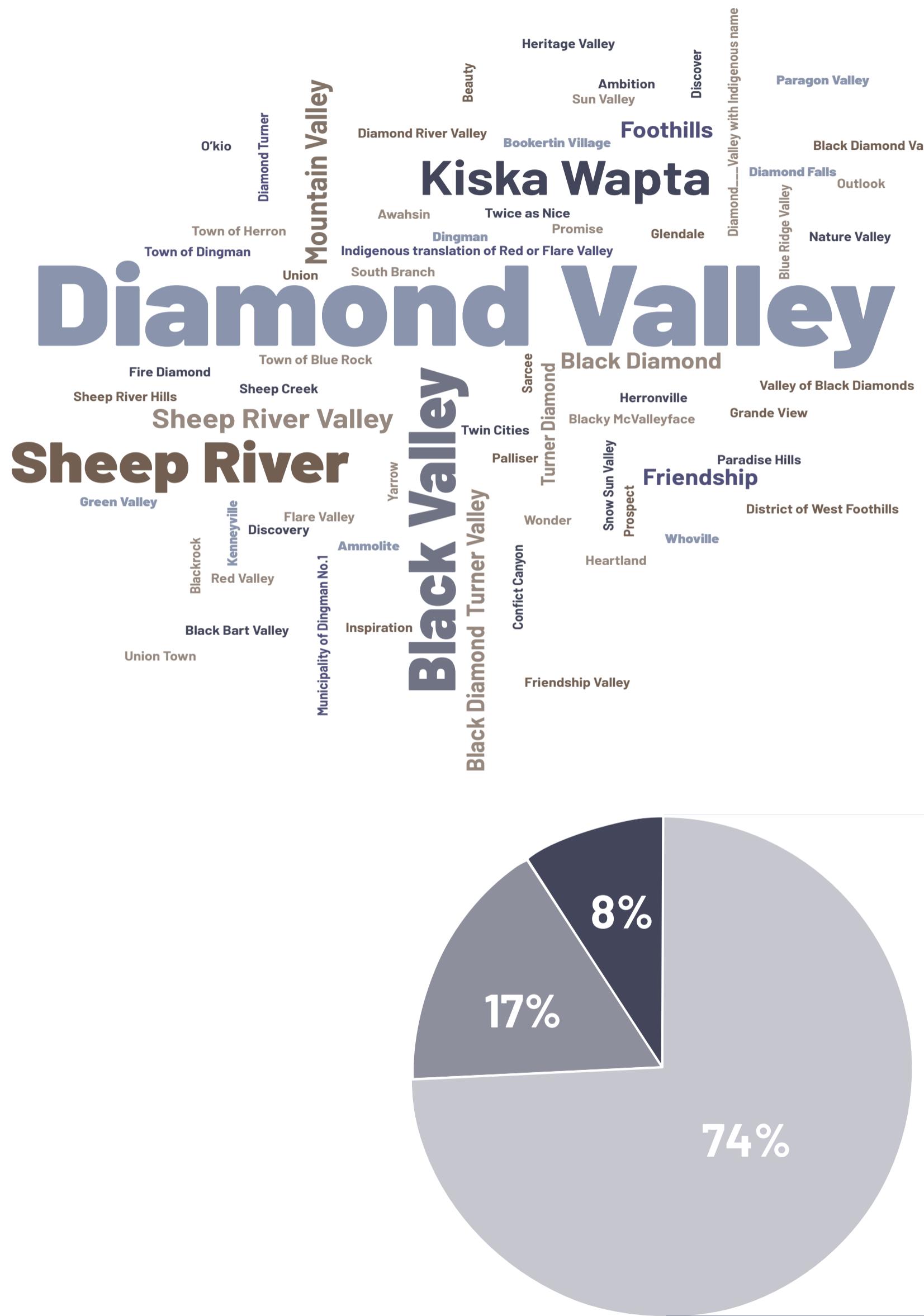
Staff Recommendation: that JFAC propose the name ‘Town of Diamond Valley’ as the name of the amalgamated municipality in the amalgamation negotiation report to the province.

Proposed Motion – Move that JFAC propose the name ‘Town of Diamond Valley’ as the name of the amalgamated municipality in the amalgamation negotiation report to the province.

All Responses		
Town of Diamond Valley	972	57%
Town of Sheep River	389	23%
Town of Black Valley	336	20%
		1697
Responses with 4 or Fewer Submissions		
Town of Diamond Valley	822	74%
Town of Sheep River	191	17%
Town of Black Valley	92	8%
		1105
Number of Responses Omitted		
Town of Diamond Valley	150	
Town of Sheep River	198	
Town of Black Valley	244	
		592
Percent of Responses Omitted		
Town of Diamond Valley	15%	
Town of Sheep River	51%	
Town of Black Valley	73%	



Naming Activity Results



Phase 1 of the Naming Activity ran from May 19 - June 6, 2021*
and saw a response of **222** name suggestions for the new amalgamated municipality.

Diamond Valley made up **47%** of suggestions.

Black Valley, 5.4%	Black Diamond, 0.9%
Sheep River, 4.5%	Black Diamond Turner Valley, 0.9%
Kiska Wapta, 3.6%	Foothills, 0.9%
Mountain Valley, 1.4%	Friendship, 0.9%
Sheep River Valley, 1.4%	Other, 27%

3.6% of respondents called for further Indigenous consultation

8.1% of respondents indicated to retain town names under suggested municipality name

*responses were included up to June 9

Phase 2 of the Naming Activity ran from June 14 - June 20, 2021
as an online survey and saw over 1100 responses. Participants were asked to choose their favourite name from the top three most frequently suggested names in Phase 1.

- Town of Diamond Valley, 74%**
- Town of Sheep River, 17%**
- Town of Black Valley, 8%**



Amalgamation Negotiations: Finance Report to Public

June, 2021

Introduction

One of the main topics of amalgamation is how the two towns compare financially. To address the finance negotiation topics, a Finance Subcommittee was struck. The Finance Subcommittee included two Council members from each Town with support from both Town's administrative team. The Finance Subcommittee was responsible for reviewing the current and historical financial information and addressing the public's questions.

Finance topics were top of mind for citizens in all of the public engagement opportunities (i.e., emails, social media, online events). Questions from the public included what are the financial implications of amalgamation, and where are the cost savings of amalgamation to be realized?

To fulfill the Finance Subcommittee's scope, the following information was reviewed:

- Analysis of Municipal Debt and Reserves;
- Assessment and taxation;
- Operating Revenues and Expenditures;
- Capital Plans/ Asset evaluation review; and
- Comparisons to similar sized communities (Redcliff and Didsbury).

Following review of all information, recommendations were made to the Joint Friendship Agreement Committee (JFAC), and decisions were made by the JFAC. The JFAC decisions are included in this document for each required topic.

If the amalgamation negotiations proceed to an application to the Province, several topics must be addressed in the Financial report including:

- #16 Compensation to other Municipal Authorities
- #17 Financial Transitions
- #18 Interim Tax Treatment
- #19 Tax Treat (for properties previous annexed that have different tax considerations)
- #20 Authority to Impose Additional Tax (to service pre-amalgamation debt)
- #21 Assessment Matters

For more information on any of these topics, please refer to the [JFAC Report Finance report](#) which provides more technical background.

It is important to note that the recommendations were made based on information available today. Future Councils and administration can change everything to suit the needs of the new Municipality. There are no safeguards to "protect" the current Councils and Administration recommendations. All recommendations being made can be undone.

Overarching Recommendation

Both Turner Valley and Black Diamond are in good financial position and no red flags have been identified on financial issues.

Operating Revenues and expenditures

Findings: Both Turner Valley and Black Diamond have similar revenue sources, and operating costs are very similar. Revenue is derived from property taxes, grants, utility services and other income such as franchise and user fees. Examples of similar municipalities with populations comparable to 5,000 are provided for information only as a relative comparison of the costs and revenues of towns similar in size to an amalgamated municipality. Didsbury and Redcliff were picked for comparable municipalities as they are close to larger centres and have similar population sizes to the newly amalgamated municipality. The expenses of a joint municipality are in line with similar-sized comparisons.

A comparison table has been included on the next page. The expenses and revenues for both Turner Valley and Black Diamond have been combined for example purposes only.

Based on this comparison, nothing of significant concern has been identified.

**Consolidated Statement of Operations
for the year ended December 31, 2020**
Black Diamond and Turner Valley Combined
Comparison to
the Towns of Didsbury and Redcliff

	Turner Valley & Black Diamond	Town of Didsbury	Town of Redcliff
REVENUE			
Net municipal property taxes	\$ 5,901,661	\$ 4,684,298	\$ 5,489,494
User fees & sales of goods	4,027,992	3,808,497	5,208,139
Government transfer for operating	906,389	1,095,263	643,123
Investment income	282,907	63,450	1,019,273
Penalties & costs of taxes	169,697	159,930	93,768
Licenses & permits	207,897	122,600	
Franchise & concession contracts	675,091	756,720	
Gain on disposal of TCA	8,000		
Contributed assets		637,153	
Rental	188,454		200,057
Other	126,730		1,157
Offsite levies & assessments	39,337		
	12,534,155	11,327,911	12,655,011
EXPENSES			
Legislative	352,632	207,502	137,002
Administration	1,891,100	871,962	1,360,524
Economic and agriculture development			
Protective Services	1,536,441	1,512,484	1,818,621
Transportation services	2,975,923	2,192,104	3,281,923
Water, wastewater and waste management	4,014,336	2,613,888	3,707,966
Other environmental use & protection	139,783		
Family & community support services	138,217		329,343
Cemeteries & crematoriums	112,000		
Planning & development	779,005	400,810	475,329
Parks & recreation	1,763,138	2,348,652	1,722,397
Culture -libraries, museums, halls	441,762		
Community services	-	514,044	
	14,144,337	10,661,446	12,833,105
Deficiency of revenue over expenses before other	(1,610,182)	666,465	(178,094)
Government transfer for capital	2,499,904	1,598,841	2,329,729
Gain (loss) on disposal of capital assets	(17,391)		
	2,499,904	1,581,450	2,329,729
Excess of revenue over expenses	815,945	2,247,915	2,151,635
Accumulated surplus, beginning of year	-		
Accumulated surplus, end of year	\$ 94,657,356	\$ 66,244,288	\$ 106,665,213

Topic #16 Compensation to other Municipalities

Background: In an amalgamation, the Province requires any financial commitments to other municipalities be accommodated. If there is a need to provide compensation from the proposed municipality to other municipal authorities, then the details of the compensation should be included with the application.

Findings: Both Black Diamond and Turner Valley have contractual agreements with Foothills County that will need to be continued by the proposed new municipality:

- Black Diamond is committed to paying Foothills County \$22,154 annually until 2024 for the purposes of the annexation payments.
- Turner Valley is committed to paying Foothills County \$10,000 annual compensation for the paving of 16th Avenue (Turner Valley portion of 434 Avenue). This is a ten-year agreement, with the last payment to be made in 2030.
- There is no other compensation to other municipal authorities.

JFAC Decision: That JFAC includes under Topic 16 in the amalgamation negotiation report that the amalgamated Municipality would be required to pay Foothills County \$32,154/year until 2024 (for previous contractual agreements, which include annexation agreements and municipal road maintenance agreement) after which time the payment would be reduced to \$10,000/year with the last payment made in 2030.

Topic #18: Interim Tax Treatment

Background: The Province requires amalgamating municipalities to assess whether there are different property taxes in each municipality that would need to be changed midway through a tax year.

Findings: In this case, the municipalities are proposing an amalgamation incorporation date of January 1, 2023 and so no interim taxes treatments are applicable.

JFAC Decision: That JFAC include under Topic #18 in the amalgamation negotiation report to the Province that no interim tax treatment is required since the incorporation date would be January 1, 2023.

Topic #19 Tax Treatment (for properties previously annexed that have different tax considerations)

Background: The Province requires commitment to any previous annexation agreements. Typically, these include taxing properties at the rural taxation rate until a specific date or such time as the property owner makes a change to the property (i.e., land use change or development change).

Findings: In 2020, the Town of Black Diamond annexed lands to create a contiguous border with Turner Valley. The annexation agreement includes a clause that states for taxation in 2020 and in each subsequent year up to and including 2044, the subject lands must be assessed as if they were in Foothill County and taxed as if they were in Foothills County until a triggering event noted in the agreement. This is also inclusive of any discounts which Foothills County offers their ratepayers. This agreement is in an "[Order of Council](#)" and must be adhered to under legislative requirements.

JFAC Decision: That JFAC includes under Topic #19 in the amalgamation negotiation report that for the lands annexed by Black Diamond to unify a boundary between Black Diamond and Turner Valley, for the purposes of

taxation in 2020 and in each subsequent year up to and including 2044, these lands must be assessed as if in the County of Foothills and taxed as if in the County of Foothills, until a triggering event noted in the agreement.

Topic #20: Authority to Impose Additional Tax (to service pre-amalgamation debt)

Background: The MGA provides the ability for the Lieutenant Governor in Council (Cabinet) to establish authority for the proposed amalgamated municipality to impose an additional tax(es) to service debt from prior to amalgamation. If approved, the additional taxes may be restricted to the properties of an area/community, and the authority will be time-limited to ensure that the additional tax revenues are used to service that debt and nothing else.

A review of infrastructure deficits and assets (including debentures, reserves and condition of infrastructure) and capital equipment purchases occurred at a high level to determine if there was rationale or not for imposing an additional tax to either municipality.

This section has four JFAC decisions:

1. local improvement levies;
2. long-term debt;
3. reserves; and
4. capital plans and tangible capital assets (TCAS).

1. Local Improvement Levies

Findings: Local Improvement levies are utilized by the Town of Turner Valley to assist with the payment of large construction projects that benefit specific residents. The levies will stay with those properties in Turner Valley until such time as they are paid in full.

The Town of Turner Valley has ten (10) Local Improvement Levy bylaws. The total amount outstanding on December 31, 2020, is \$271,718.

The Town of Black Diamond does not utilize local improvement levies for infrastructure replacement.

JFAC Decision: That JFAC include under Topic #20 in the amalgamation negotiation report that the Local Improvement Levies remain with the Town of Turner Valley properties until such time as they are paid in full.

2. Long Term Debt

Background: Long-term debt is used by both municipalities to support upgrades in infrastructure replacement, equipment and buildings. Debt cannot be used to support operations.

Findings:

The following is the current summary of long term debt for each municipality.

(\$000's)	Principle Balance 2021	Principle Balance 2022	Principle Payments 2022	Interest Payments 2022
Town of Black Diamond	\$611,337	\$519,586	\$ 97,113	\$ 26,585
Town of Turner Valley	\$1,447,438	\$1,330,989	\$120,199	\$ 48,017
Variance	\$836,101	\$811,403	\$23,086	\$21,432

JFAC Decision: That JFAC include under Topic #20 in the amalgamation negotiation report that operating revenues continue to support the existing debts of both municipalities before and after amalgamation.

3. Reserves

Background: Alberta's municipalities provide a wide range of services to their residents and businesses. Municipalities are not permitted to run deficit budgets, so financial reserves allow municipalities to save money for major infrastructure projects while adhering to financial management requirements. Reserves are both operational and capital savings plans for the future.

Findings:

The following are the reserve balances at December 31, 2020, for each municipality.

	Turner Valley	Black Diamond
Operating Reserves	1,337,821	3,124,245
Capital Reserves	3,358,070	5,624,139
Offsite Levies	1,469,911	1,147,151
Total	6,165,803	9,895,535

Long-Term Debt	Principal Balance 2021	Principal Balance 2022	Principal Payments 2022	Interest Payments 2022
Town of Black Diamond	\$ 611,337	\$ 519,586	\$ 97,113	\$ 26,585
Town of Turner Valley	\$ 1,447,438	\$ 1,330,989	\$ 120,199	\$ 48,017
Variance	\$ 836,101	\$ 811,403	\$ 23,086	\$ 21,432
Reserves as at December 31, 2020	Operating Reserves	Capital Reserves	Offsite Levies	TOTAL
Town of Black Diamond	\$ 3,124,245	\$ 5,624,139	\$ 1,147,151	\$ 9,895,535
Town of Turner Valley	\$ 1,337,821	\$ 3,358,070	\$ 1,469,911	\$ 6,165,802
Variance	\$ 1,786,424	\$ 2,266,069	\$ 322,760	\$ 3,729,733

Both municipalities have designated capital reserves that are set aside to fund specific projects. The variance of \$3.7M will be addressed by having both municipalities equally contribute to the operational reserve of the proposed new municipality, and ensuring all reserves become designated reserves based on the 10-year capital plans. The intent is to direct current reserves to address infrastructure deficits.

JFAC Decision: That JFAC includes under Topic #20 in the amalgamation negotiation report that designated capital reserves to remain in individual municipalities until utilized. All existing undesigned capital reserves should be designated to restricted dedicated reserves contained within their 10-year capital plans prior to incorporation date. Operating reserves should be contributed to equally based on Black Diamond and Turner Valley's requirements, with the remainder to be designated to capital reserves.

4. Capital Plans and Tangible Capital Assets (TCAS)

Background: To fully compare the two municipalities' financial situations, the assets of both towns were compared.

Findings: The most significant infrastructure deficit between Black Diamond and Turner Valley is roads. Black Diamond has a replacement value in excess of \$67.4 M. Turner Valley has a replacement value in excess of \$45.2 M. An assessment of these assets should be performed upon amalgamation. It is noted that Black Diamond has 26 km more of roadways than Turner Valley. Black Diamond's capital plan costs for roads only includes bringing current gravel roads back to gravel roads, not pavement, once underground repairs are completed. The new Council will need to address the road infrastructure deficit and differences between the two municipalities upon amalgamation. A review of both municipalities' ten (10) year capital plans will assist with determining the priorities and needs in the immediate future. The Towns of Black Diamond and Turner Valley could draw on reserves to assist in the funding of roads to reduce the infrastructure deficit.

Town of Turner Valley and Black Diamond
Ten (10) Year Plan
2021-2030

	2021-2022		2023-2030		10 year plan total	
	Black Diamond	Turner Valley	Black Diamond	Turner Valley	Black Diamond	Turner Valley
Engineering Structures	\$ 3,885,020	\$ 4,666,000	\$ 20,329,000	\$ 22,304,150	\$ 24,214,020	\$ 26,970,150
Buildings	\$ 500,000		\$ 6,111,000		\$ 6,611,000	\$ -
Machinery & Equipment	\$ 499,415	\$ 95,000	\$ 4,565,250	\$ 194,000	\$ 5,064,665	\$ 289,000
Land Improvement	\$ 390,000		\$ 192,500		\$ 582,500	\$ -
Vehicles	\$ 1,125,000		\$ 619,800	\$ 1,145,000	\$ 1,744,800	\$ 1,145,000
	\$ 6,399,435	\$ 4,761,000	\$ 31,817,550	\$ 23,643,150		\$ 38,216,985 \$ 28,404,150

The ten-year capital plan will be utilized as the indicator of the infrastructure condition and costs to upgrade. Turner Valley has \$28.4M planned, and Black Diamond has \$38.4M planned. This will assist with addressing the infrastructure deficit between the two towns by comparing the future capital priorities.

JFAC Decision: that JFAC include under Topic #20 in the amalgamation negotiation report that the ten-year capital plan be utilized as the indicator of the infrastructure condition and costs to upgrade. For the ten-year capital plan, Turner Valley has \$28.4M planned, and Black Diamond has \$38.4M planned. This will assist with addressing the infrastructure variations between the two towns by comparing priorities in each municipality.

Topic # 21: Assessment Matters

Background: [Property assessments](#) occur annually by a certified contracted assessor appointed by the Province. The Province requires a review to determine if there is a need to treat current year property assessment differently for all or any portion of the proposed municipality.

Findings: As the incorporation date would be January 1, 2023, and both municipalities utilize the same contracted service provider, there would be no need to treat property assessment differently.

JFAC Decision: That JFAC include under Topic #21 in the amalgamation negotiation report that there is no need to treat property assessments differently since the incorporation date would be January 1, 2023.

Topic # 9 Other Matters

Background: Other Matters is a category that the Province provides for topics that Councils deem important to consider in making a decision. For Black Diamond and Turner Valley, this section includes:

1. the cost and savings of amalgamation,
2. utilities, and
3. the future build of the Westend Sewage Lagoon.

1. Costs and Savings of Amalgamation:

The costs and savings of amalgamation have been an important discussion topic surrounding the negotiation. Where possible, potential costs and savings have been included. Many possible one-time costs have been estimated in the 'Amalgamation Costs' chart on the following pages. Long term costs cannot be determined at this time as they will be based on the future decisions of administration and Council.

Estimated Cost Savings

There will be a reduction of one Council and one CAO. A service level review will be conducted by the new municipal Council and CAO. The results of the service level review will guide an organizational structure assessment to determine and identify the optimal requirements for the amalgamated municipality.

However, it must be noted that the future decisions of Council cannot be predicted. While we identify the possible efficiencies and/or additional costs related to amalgamation, decisions about whether those efficiencies or additional costs are realized will lie with future Councils and administrations. It is also expected that there will be some reduction in administrative costs by eliminating redundancies between the two towns, including financial audits, IT, software, hardware, and office equipment as demonstrated in the chart above. Assets including equipment and facilities will be reviewed for redundancies and efficiencies. The municipality will take advantage of economies of scale purchasing power and other utilities.

Upon approval of the amalgamation and through the transition period, a 1-to-3-year plan will be developed to guide administration and Council through the transition period by identifying key tasks necessary to move both towns forward as one. During this time frame, there may be other savings recognized.

NOTE: Not included in the charts below are potential savings related to policing costs, which can be found on the page 12. Also not included below are grant opportunities related specifically to amalgamation under the Alberta Community Partnership (ACP) program which are also listed on page 13.

Some potential annual savings have been estimated on the Estimated Amalgamation Savings and Costs table. Long Term costs can not be estimated at this time until a service level review is conducted and implemented.

ESTIMATED AMALGAMATION SAVINGS & COSTS - BLACK DIAMOND AND TURNER VALLEY

		Pre	1-3 mo	1-2 years	Long Term Annual Savings
<i>Amalgamation Savings - Black Diamond and Turner Valley</i>					
ADMINISTRATIVE	Audit - amalgamated entity			-15,000	
	IT - Software (eliminate redundancy)		-20,000		
	IT - Hardware (eliminate redundancy)				-20,000
	Office Equipment savings - postage meter / photo copiers			-12,000	
COUNCIL:	One council - comprised of seven (7) members, six (6) councillors and one (1) mayor		-200,000	-200,000	-200,000
	Reduction of CAO role - Salary / wages / benefits / other costs / travel		-150,000	-150,000	-150,000
GRANTS:	Transition stream(Feasibility study and Maven Contract)	-250,000			
	RCP ACP Grant 1/2, BD 1/4, TV 1/4 -pd portion of Maven	-32,500			
	Alberta Municipal Policing Assistance Grant			X	X
	Debt Servicing / Infrastructure		X		
ORGANIZATIONAL RESTRUCTURING:	Duplication of duties and responsibilities - unknown will require service level review / organization structure review			X	
	Review of amalgamated workforce, senior management team - unknown will require service level review / consultant assistance with organization structure			X	
Expected Amalgamation Savings - Black Diamond and Turner Valley		-282,500	-370,000	-377,000	-370,000

One Time Amalgamation Costs - Black Diamond and Turner Valley					
		Pre	1-3 mo	1-2 years	Long Term
BRANDING:	Logos / Branding	10,000			
	Community Entrance Signs, Buildings and other facilities, town flags			17,500	25,000
	Vehicle and equipment decals		8,100		
	Uniforms (CPO, Fire)		1,000	1,000	
	Mapping- GIS incorporation -		X		
	Domains (website)		200		
	Webpage development		50,000		
	Other Costs - name change/letter head/address change notices/printing costs/vehicle registries/Legal Seals/town stamps		5,000		
MERGING:	Roll files (including actual moving) - Reorganization/creation of file storage to accommodate merged records		15,000		
	IT/Telus/compatibility of technology/computer software, merging or incorporating other users		10,000		
	Upgrade of phone system to accommodate additional lines and extensions for more staff		12,000		
	IT - merging and changing e-mails, servers, etc.		51,500		
	Accounting System - we use the same agency, but there will be a cost to merge the systems into a new data base	75,000	15,000		
MOVE:	Deploying staff to different locations/ furniture/office equipment/renovations to accommodate staff in buildings		100,000		
	Infrastructure - electrical/wiring to expand space			50,000	
CONSULTANTS:	Mavin - amalgamation consultant	200,000			
	Urban Systems (feasibility study)	134,000			
	HR consultant HR policies should be done/reviewed by an expert		125,000	175,000	
LEGAL:	Any legal advice required when going through the bylaws/policies/contracts/alignment process		25,000	175,000	
BANKING:	Banking requirements; selection/new cheques/deposits/information for vendors	X			
COUNCIL:	Increased costs of Councils attending Amalgamation meetings	32,000			
	2022 Election	8,000			
STAFF:	Severance packages - organizational structure review and development			X	
OTHER:	Miscellaneous costs	25,000	25,000	25,000	25,000
PLANNING:	Update of Planning documents			100,000	100,000

EXPENSES - ONE TIME COSTS \$ 484,000 \$ 442,800 \$ 543,500 \$ 150,000

Policing Savings

With a population over 5000, an amalgamated municipality would be eligible for the Municipal Policing Assistance Grant. The Municipal Policing Assistance Grant assists communities with the financial costs of municipal policing and are available to municipalities with a population over 5001. Allocations are based on \$200,000 base payment plus \$8.00 per capita.

Prior to Amalgamation

<i>Police Funding Model - Requisition - municipal population based on 5,000 and under (Provincial Police Service Agreement with RCMP)</i>			
<i>*Based on information received in 2020</i>			
Year	Black Diamond	Turner Valley	Total Both Towns
Payable 2020	56,446	54,632	111,078
2021	84,729	82,006	166,735
2022	112,891	109,263	222,154
2023	169,458	164,013	333,471

After Amalgamation

<i>Police Funding Model - municipal population based on 5,001 to 15,000 (Municipal Police Agreement with RCMP)</i>			
<i>*Based on information received in 2020</i>			
Year	New Municipality	Provincial Funding *	Net Amount - Post Amalgamation
Estimated Cost -			
2023	550,000	(242,072)	307,928
Total	550,000	(242,072)	307,928

MPAG financial assistance is based on the following thresholds:

**Towns and cities with a population from 5,001 to 16,666 receive a \$200,000 base payment plus an additional \$8.00 per capita.*

** Population baseline ~ Black Diamond 2,700 and Turner Valley 2,559 total combined 5,259 (based on 2016 Census)*

**Does not replace the Municipal Enforcement/CPO Costs*

The new municipality could recognize savings of \$25,543 under the new model based on a municipal population of 5,001 to 15,000.

Grants:

There are grant opportunities that will be available to assist with the amalgamation transition costs:

Alberta Community Partnership Funding (ACP):

Following the amalgamation, the new municipality can apply for this grant. In accordance with the currently available 2020/21 guidelines, \$1,200,000 is the total grant amount the new town would be eligible to apply for following the incorporation on January 1, 2023.

Grant totals could change based on program approval/guidelines in subsequent years, depending on provincial guidelines.

The grant is provided based on the following two streams:

- Transition Stream - base amount of \$100,000 plus \$500 per capita – to a max of 300 persons for a total of \$250,000
- Debt servicing/Infrastructure Stream – base amount of \$500,000 plus \$1,500 per capita - to a max of 300 persons for a total of \$950,000

Projects occurring as a result of restructuring should be completed within two years following the date of municipal restructuring.

Municipal Sustainability Initiative and Federal Gas Tax:

These are standing grants that the municipality can apply for as long as the criteria is met.

Municipal Sustainability Initiative (MSI) Allocations - Municipal restructuring will not affect funding allocations to municipalities for a defined period under the MSI program. In cases where amalgamation or dissolution has occurred (post April 1, 2007), the restructured municipality will receive a funding allocation equivalent to that which would have been calculated pre-restructuring for a subsequent five years, and any unexpended funding will be transferred to the amalgamated/receiving municipality.

MSI – Capital grant program will be replaced with the Local Government Fiscal Framework beginning in 2024-2025. In the subsequent five years or end of the program, whichever is earliest, any unexpended funds will go to the new municipality. The funding mechanism is 48% per capita/48% based on education property tax requisition/4% kilometers of local roads.

Federal Gas Tax Fund (FGTF) Allocations – is a permanent source of funding provided to provinces. The FGTF would continue to be calculated separately for five years. After five years the calculation of the FGTF would be based on one municipality. The funding for the FGTF is based on a per capita basis.

Topic 9 Other Matters: Utilities

Background: The Province does not specifically request information on utility rates. The Finance Subcommittee decided to review utility rates as part of the comprehensive financial comparison of the towns.

Findings:

- Black Diamond passed a [new utility rate](#) effective May 1, 2021 based on cost recovery.
- In 2019, the Town of Turner Valley introduced a new [Utility Rate Bylaw](#).
- Turner Valley is currently considering another utility rate review in 2021.

Current Utility Rates:

Town	Water	Sewer	Storm	Consumption
Black Diamond	\$44.94	\$44.94	NA	\$2.46 m ³
Turner Valley	\$25.67	\$33.79	\$10.05	*See below 3 Tier Rates

Turner Valley Consumptive Rates m ³	0 – 23 m ³	23.01 – 45 m ³	Over 46 m ³	Commercial
Water	\$1.86	\$1.93	\$2.00	\$2.00
Wastewater	\$2.64	\$2.66	\$2.67	\$2.70

Town	Waste Management – Solid	Waste Management - Recycle
Black Diamond	\$ 25.83	\$ 12.00
Turner Valley	\$ 28.00	\$ 12.00
Variance	\$ 3.83	\$ 0.00

JFAC Decision: That JFAC include under Topic #9 in the amalgamation negotiation report that the current utility rates for each municipality be continued until such time as a new utility rate bylaw is established.

Topic 9 Other Matters: Westend Regional Sewage Services Commission

Background: Westend Regional Sewage Services Commission was established in 1984 by regulation of the provincial government. To meet regulatory compliance, the Westend Lagoon Project is underway. This project is a required upgrade and is required regardless of amalgamation.

The estimated cost of the required Lagoon Project is \$17.4 million, and the estimated completion date is early 2023. Funding for this project through grants, reserves, and possible debentures.

Lagoon upgrade:

- Cost of project \$17.4 Million
- Grant amount \$11,952,792
- Westend Commission must come up with 27% of total project \$4,698,000
- Reserves end of 2021 \$964,726
- Possible Debenture amount \$3,250,500 payment schedule of 20 years.

Payment #	Payment	Principle	Interest	Balance
1	\$105,517.40	\$61,944.45	\$43,572.95	\$3,188,555.55

The Commission involves only two parties, Black Diamond and Turner Valley. Upon amalgamation, the Commission's status would have to be dissolved because a Commission must have two or more parties. The assets and liabilities of the Commission, including the new facility, would be incorporated into the new municipality.

JFAC Decisions:

That JFAC request Westend Regional Sewage Services Commission establish a bylaw as per MGA S609.09(1) and provide the bylaw for inclusion into the Negotiation Report.

That JFAC request Westend Regional Sewage Services Commission provide recommendations for the disestablishment date - upon incorporation or extension timeframe of the Commission.