State of the Municipality

Welcome to the fifth annual State of the Municipality address, presented, as is tradition, to the Jasper Park Chamber of Commerce, courtesy of an invitation from your general manager, Patti Pavlov. Patti can take credit for having me here, but she’s not responsible for what I say.

Much has changed since my first address in 2012. In the intervening years, we’ve experienced changes of government at both the provincial and federal levels and had one municipal election. Visitation numbers have increased; the economy of the regional and provincial markets has changed.

We have also been subject to internal change. The evolution of our municipal organization has been rapid and extensive; new people, new positions, new challenges. And with those new people, fresh ideas, renewed enthusiasm, and continued commitment.

The state of the municipality is, as it has always been, best reflected in the spirit and attitude of our exceptional staff. That is something which has not changed.

There is another thing that hasn’t changed. Every year previous, I have spoken about the Library. Last year, I thought, for the last time. Well, I could have let it go. But I know you’ve been captivated by the subject. So, this year I’ll mention the Library once again – maybe now for the last time.

It’s been in operation for about 10 months. We held the grand opening event last September and if you missed it, you missed one of the best house parties this town has seen. The tenants – Habitat for the Arts, Jasper Artists Guild, the Francophone Association, and of course the library – all pitched in. There were speeches, a poem, a ribbon cutting – all dear to some of us – and there was food and drink and entertainment and people galore.

We hosted about 600 people throughout the evening. It was, I think, a smashing success. Apart from celebrating the opening – which was itself significant – it was also a grand opportunity to demonstrate the incredible potential the building offers as a venue for any celebration. Perhaps another year, it could be the venue for a State of the Municipality address.

Now, back to the current address. I spoke of change; change, of course, being a constant.

But to best understand the current state of the municipality – and how changes have influenced that state – it is helpful to know where we started and how we have evolved.

Throughout this address I will, from time to time, review some of our history and our legal status. Some of you will know this material; you have lived with it, as have I. But some of you are newer to the community and may not be as familiar with the jurisdictional and legal parameters within which our municipality must operate.
The Municipality of Jasper is a Specialized Municipality, established by Order in Council of the Province of Alberta, but reflecting The Agreement for the Establishment of Local Government in the Town of Jasper, signed off by the federal minister responsible for Parks Canada in 2001.

Like every other municipality in Alberta, we are subject to the laws of the Province of Alberta, particularly the Municipal Government Act.

But importantly, we are, excluded from all matters pertaining to land use planning and development. Those matters – as with matters relating to the environment – continue to fall under the exclusive jurisdiction of the Federal Government exercised through Parks Canada. That, of course, is a matter of some significance to which I will return later.

Continuing with a more general review of our legal state, the MGA has recently seen a major revision. The new act, the Modernized Municipal Government Act, represents a once-in-a-generation change.

We had hoped for more substantive change. We were not alone.

Jasper had supported the position of our provincial association, AUMA, which advocated for new revenue tools for all Alberta municipalities. The attitude among elected municipal councils throughout the province is consistent with that in Jasper: property tax is increasingly recognized as ineffective, inequitable.

Much of that derives from the very nature and inherent limitations of property tax. In the context of our tourism based community, those inequities are compounded. We devote resources directly targeted to meeting visitors’ needs. But, of course, we cannot target visitors in respect to contributing to the costs of those services. Not only do we not have direct access to visitors, we don’t receive any share of things to which they do contribute, like gate fees.

Further, unlike other provincial municipalities – with the sole exception of Banff – we have severely limited assessment growth. Throughout the province, other municipalities rely on growth – and the new assessment and property taxation it enables – to fund operations. It may not be a sustainable model, but at least it allows them to cover the cracks for now.

Jasper does not have that opportunity to fund on the basis of growth. We have a municipal boundary established in Federal legislation; and even within that fixed boundary we face a commercial development cap. Real assessment growth in our municipality is negligible. But that fact also presents us with an opportunity.

I have used the analogy of us being the canary in the mine. Given our fixed boundary and the restrictions within that boundary, we are already colliding with the inevitable future which faces our provincial counterparts: we can’t grow; we can’t finance tomorrow on the basis of today’s growth. Across the province – as cities expand into surrounding counties and urban centres within counties collide with their rural neighbours – others will eventually confront the same reality.
Most of the changes in the MMGA, in fact, deal with provisions intended to compel urban and rural neighbours to get along and to share resources and costs. But eventually, they will end up in a situation similar to that of Jasper and Banff. They will expand to their boundaries and will infill within those boundaries.

So, as we work with our colleagues in Banff and Canmore to have the province look at resolving our specific challenges, we also present them an opportunity to use us as a test case.

Those discussions continue. Establishing new relationships with the new government is critical. We are working now on a meeting between the three mayors and a combination of about five provincial ministers, each of whom has a connection to the process and the outcome. I cannot say that anything is imminent, but our resolve is steadfast.

We continue to make the case to have our tourism communities – the workhorses of the provincial tourism economy - recognized as having unique challenges.

We continue to seek recognition, or status, first: acknowledgment of our special circumstances and of our special ability to help the Province meet its own tourism targets. With recognition of our status and our role, we intend to pursue – with the Province – the identification and acquisition of specific tools best suited to meet common objectives.

I appreciate there is unease that those tools have not yet been identified or selected. Examples and possibilities have been floated; everything from a tourism levy to a real estate transfer tax.

We have hung our hat on nothing but the principle. Our tax payers pay for services which directly benefit visitors. Although there is undeniable local economic benefit from visitation, other levels of government reap the lion’s share of the tax revenue. The province alone rakes in about $50 Million annually from tourism activity in Jasper: a remarkable return, on what investment? We continue to make the case that they must recognize that reality and then join with us to find an appropriate solution which we keep our tourism anchor communities viable and sustainable.

Our opportunity to effect change in the context of the revision of the MGA has now passed, but our commitment has not diminished.

In the meantime, what else impacts the state of the Municipality? You are, I expect, interested in property taxes and assessments.

Despite high visitation numbers, the local retail sector is generally hurting; particularly, perhaps, those businesses which rent their commercial premises. Fixed rents, which typically include a share of the landlord’s property tax, don't float with business activity.

But the property tax is tied to assessments. Property assessment is by no means reflective of business activity. Consider a property which houses a variety of businesses including retail, restaurant, visitor accommodation and office; some of those businesses may be doing well in this economy, while others are not. Yet we tax only the property owner, not the businesses. The tax is simply passed along.
Even where the property owner operates the business, the assessment often remain problematic. Assessments based on 'highest and best' use of the property disregard business reality and community need. Businesses are squeezed; the hurt arising from on-line shopping, changing consumer preferences, a slower provincial economy are compounded by an inequitable assessment and property tax regime.

We can – as we have – work to limit property tax increases, but we have been required to paint with a very broad brush: we cannot achieve equities within the commercial sector which reflect the diverse impacts of the current economy. Until now, we have been permitted to apply one tax rate to all properties within the class of non-residential.

That is about to change.

Under the new legislation, it is proposed that municipalities will be allowed to increase the number of sub-classes of non-residential property and will be able to set different taxation rates for those different sub-classes. We could, conceivably, have an accommodation or hotel sub-class, a restaurant sub-class, a retail sub-class, perhaps an entertainment sub-class, maybe a professional or office sub-class. And each could be taxed at a different rate. That might produce greater equity. But regardless, we will still have a property tax; a tax levied against the property owner, not against the business: equity, I fear, will still be impaired.

It is also noteworthy that with the ability to create more tax rate splits comes a requirement to limit the split rate to a maximum of 5:1. That differential will be both between and among all classes and sub-classes. That may seem like good news to some; it will have little immediate effect here as we are already so close to the limit. There will also, I understand, be a grandfathering of existing split rates which exceed the legislated maximum.

It's also perhaps worth commenting here on the history of our local tax rate split.

Initially the split was 7.1:1. That split was selected to reflect the relative burden carried by commercial and residential leaseholders through the payment of land rent at the time of incorporation. An initial split rate of 7.1:1 retained the status quo in terms of burden as we transitioned from land rent to municipal property tax. Over time, the split was reduced; first to 6.1:1 and then to the current 5.1:1. Elsewhere in the province, tax rate splits have been more likely to see increases, not decreases.

Leaving taxes and assessments, I want to return, as promised, to the status of our negotiations on land use planning and development with Parks Canada. As mentioned, unlike other municipalities, and as a term of The Agreement for the Establishment of Local Government in the Town of Jasper, we do not have authority over those matters.

In 2015, the Municipality and Parks Canada completed a Land Use Governance Review, the purpose of which was to document the current system; identify opportunities for service improvements, including the business licensing process; and establish a common base of understanding to support discussions on how land use planning and development can be best
managed in the future. The consultant’s report was received and reviewed locally and has since been sent to Ottawa for further consideration. Where it will lead remains unknown.

The good news is that Mr. Fercho and I are scheduled to meet with Parks Canada officials in Ottawa on this subject later this month. Of course I can’t say what that meeting will bring, but it is significant that the issue is now to be discussed at the federal, not the local level. It is only at the federal level where changes to the Governance Agreement might be made.

In conjunction with those general discussions on land use planning and development, Mr. Fercho has also been spearheading the Jasper Community Housing Corporation initiative to help alleviate the perennial housing shortage in our community.

The Housing Corporation is working on a three point strategy to develop housing: first, to move forward on development on specific lands under the JCHC leadership; second, by releasing other designated lands to private developers for residential development; and third, to promote residential unit development by the private sector in areas already identified in past housing studies.

Housing in our community has always been challenging; this year, it seems, more challenging than before. Our view is that greater leadership from the JCHC, combined with our continued collaboration with Parks Canada, will yield some noticeable results, hopefully in the near future. I wish I could say more, but there are legal sensitivities and lines of confidentiality I simply cannot cross. In any event, although decisions or approaches may be revealed shortly, solutions will necessarily take longer to unfold.

The critical piece is land; for that, we need to continue to collaborate with Parks Canada and Parks, to its credit, is at the table in a meaningful way.

Government, at all levels, has a role to play, but do not overlook or diminish the value of self-help. There is land within the community which is properly zoned and under-utilized. Joint ventures or partnerships within the private sector may advance options and opportunities more quickly than government initiatives.

I want to conclude with reference to council priorities. Our over-arching priority is Community Health. Community health is both a reflection and a product of a number of other priorities: governance; organizational health; fiscal health; relationships and communications.

A healthy community requires open government. Our municipal mission is to provide open, honest and accountable government to the residents of Jasper.

Four days a month, essentially once per week, we sit in open public session. The public is often not there, but the press, representing the public, is always there. We discuss the issues which confront the community; we make decisions publicly. We raise our hands when it’s time to vote and we are accountable – individually and collectively – for our decisions. This year adds another level of accountability – an election. I believe council delivers open, honest, accountable
government, contributing to community health, but you and your fellow citizens will, in October, be the final arbiters.

Council also recognizes that we cannot deliver on our goal of Community Health without a healthy organization. I can attest that much Council time is spent trying to develop a full understanding of the needs of staff; what it takes to enable them to deliver services in a manner which maximizes efficiency, effectiveness and economy; and to figure out how to resource those needs. The guidance and insight of our CAO is crucial. The information and advice we receive from Administration is routinely of a very high standard, but it must be truly compelling before Council will accept major changes in organizational structure or service delivery.

In 2016 we approved the addition of one new manager in our Operations department and one in our Protective Services department: a Utilities Manager and an Assistant Fire Chief. Both of these additions have had positive impacts on service delivery and on the State of the Municipality.

Our Assistant Fire Chief not only provides additional command coverage – reducing the number of on-call hours of our Chief and Deputy Chief – and, as this is Mental Health Awareness week, it is perhaps worth mentioning the reduction in stress and the improvement in health we can now offer to our staff – and secondly, our Assistant Fire Chief is able to provide enhanced training to the Jasper Volunteer Fire Brigade. Her presence has already proved invaluable in supporting our first responders.

In the Operations Department, the role of the new Utilities Manager, focused on our water and sewer infrastructure, has allowed the rest of the team freedom to better allocate existing resources. Our other managers – fleet and building maintenance and operations service delivery – are able to dedicate more time to their respective crews. Our preventative maintenance programs have been reactivated; our staff has better direction and is more efficient; and all the front line service areas are now being managed by one individual, promoting greater effectiveness and more efficient use of staff time.

We’ve also been progressing with our Asset Management Plan development, performing condition assessments on our infrastructure and developing maintenance, replacement and funding plans to ensure we yield the best possible investments for municipal tax dollars. The first round of condition assessments, covering water and sewer systems, roads and sidewalks, have been received. The information we are acquiring is critical. Equipped with better knowledge, we can budget and plan more accurately and purposefully for the future.

Our auditors have recently confirmed that the fiscal state of the Municipality is positive and moving towards greater sustainability. Council recognizes the challenging balancing act of investments versus the ability of taxpayers to pay. Administration continues to actively pursue grant funding opportunities to alleviate the burden on local taxpayers but recognizes, too, that what may appear to be a saving today may result in compounded costs tomorrow.

Council recently approved the 2017 Operating Budget with an increase of 1.9%, consistent with CPI. We recognize that residents and business owners have a limited ability to pay and we
wanted our decision to reflect that. It means Administration will have to diminish the proposed transfers to reserves or find savings in the operating budget. But it reflects, also, the reality which many of our residents and resident businesses now face.

In addition to a healthy municipal organization and fiscal health, Community Health also requires strong relationships and effective communications.

Locally, our relationships remain strong with business partners – the Jasper Park Chamber of Commerce, Tourism Jasper, Parks Canada, the Jasper Hotel Association – all part of the Jasper Partnership Initiative – and with the arts and culture groups: JAG, Habitat for the Arts and the Francophone Association are all now tenants of the municipality enjoying their new premises at the Library and Cultural Centre.

We continue to believe in the value of collaboration and continue to participate actively in the Jasper Partnership Initiative as a reflection of a growing unity of purpose within the community. It is not a decision based group: it is a venue for the sharing of information and ideas, some of which are proprietary and confidential and won’t be shared with the press or the public. But the venue provides an opportunity to exchange such information, to align objectives and to build synergies. Each member retains its independence; each member determines, in its own venue and subject to its own procedures, whether to support any particular initiative of any other partner. But we have seen results, both in specific matters and in the growth of that sense of shared purpose: we have one community; we all want to see it – and all parts of it – succeed.

And, of course, we strive also to maintain a strong, open and transparent relationship with our residents.

Beyond our community, we continue to maintain important relationships with municipal neighbors, particularly within the context of our tourism communities’ initiative, but also with our more immediate neighbors in Hinton, Yellowhead County and Edson where we continue to share information regarding pine beetle.

Our relationship with our Provincial and Federal associations remains productive. We are still working on building relationships with our Provincial Government and some key portfolios, but the increasing presence of our MLA in our community is noted.

We have also established a new emphasis on communications. Our most recent internal reorganization was triggered by the retirement of Beryl Cahill. In February, we merged our Communications, Legislative and Administrative Officer duties into two positions to better manage the relationship and flow of communications between Council, Administration, stakeholders and the community. Effective Communications underlays all of which we do, and will continue to be a Council priority.

Two brief items remain; both relating to Community Health in the broadest sense.

Mountain pine beetle has ravaged our surrounding forest. The Municipality is concerned with the safety of individual affected trees and will continue to remove dead trees within the town. We have a greater concern with wildfire. We are working with Parks Canada on fuel reduction
outside the town to reduce the risk. But those red, dead trees must serve as a reminder that everyone has a role to play in community safety by fire smarting their own property and being up-to-date on emergency preparedness and evacuation procedures. Watch for awareness campaigns on that subject as summer approaches.

Lastly, of all the internal and external factors influencing the state of the Municipality, one of the most impactful will take place this fall: a municipal election. For only the sixth time in our history, Jasper residents have an opportunity to elect a Municipal Council. Some of you may covet the position: I hope you will run. Some of you will have in mind someone else you think would make an exceptional candidate: I hope you will nominate. Some will see others who chose to run and will recognize potential: I hope you will offer support. All of you will recognize that a healthy community depends upon an engaged citizenry. Your next council will be as effective as you make it.

I sincerely hope some of you avail yourselves of the opportunity to become involved in municipal politics – it has its rewards, chief among them a sense of service – but service is relative; you serve also by being engaged. So be engaged. Stay informed. Vote.

The State of the Municipality continues to be bright with promise and potential. We enjoy a state of increasing awareness of our interdependence; we need each other; we are working better together towards common goals.

The future State of the Municipality of Jasper is, in this election year, in your hands. Keep it well.