

## D'Argis, Krista CSCD:EX

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**From:** Tubman, Tammy CSCD:EX on behalf of Minister, CSCD CSCD:EX  
**Sent:** Tuesday, February 24, 2015 2:54 PM  
**To:** 'mnichols@gochetwynd.com'; 'mayorbumstead@dawsoncreek.ca';  
'lackerman@fortstjohn.ca'; 'mayor@hudsonshope.ca'; XT:PouceCoupe, Village ENV:IN;  
'Mayorfraser@districtoftaylor.com'; XT:TumblerRidge, District ENV:IN;  
'prrd.dc@prrd.bc.ca'  
**Cc:** OfficeofthePremier, Office PREM:EX; Minister, MEM MEM:EX; Minister, FIN FIN:EX;  
Minister, MNGD MNGD:EX; Pimm.MLA, Pat LASS:EX; Bernier.MLA, Mike LASS:EX;  
Denlinger, Becky TRAN:EX; Schlosar, Jay M CSCD:EX  
**Subject:** 157278: Peace River Memorandum of Understanding

Ref: 157278

His Worship Mayor Merlin Nichols, District of Chetwynd  
His Worship Mayor Dale Bumstead, City of Dawson Creek  
Her Worship Mayor Lori Ackerman, City of Fort St. John  
Her Worship Mayor Gwen Johansson, District of Hudson's Hope  
His Worship Mayor William Plowright, Village of Pouce Coupe  
His Worship Mayor Rob Fraser, District of Taylor  
His Worship Mayor Don McPherson, District of Tumbler Ridge  
Her Worship Mayor Lori Ackerman, Chair, Peace River Regional District

Dear Mayors and Board Chair:

I am pleased to follow up on previous correspondence in which I communicated the Province of British Columbia's interest in a positive engagement with Northeast communities (Chetwynd, Dawson Creek, Fort St. John, Hudson's Hope, Pouce Coupe, Taylor, Tumbler Ridge and the Peace River Regional District) with respect to the Peace River Memorandum of Understanding (MOU) and opportunities for extension of that agreement to 2030.

In recent weeks I have had the opportunity to meet or speak with a number of elected representatives from the region in order to discuss many of the broad objectives for those communities in areas such as infrastructure and economic development. In each of those cases, we also had the opportunity to discuss their views with respect to the MOU and the value of a stable, long-term agreement in ensuring that individual communities could meet their obligations into the future.

What was evident to me from those discussions is that communities in the region are strongly reliant on the annual grant in lieu of taxation to meet and sustain their ongoing needs, including their ability to finance core infrastructure. Concerns have been raised that a lack of certainty on the existing MOU beyond 2019/20 was impacting the ability for some communities to adequately plan for future needs.

Given these concerns, the Province believes that there is a compelling and urgent need to see the issue of extension to the MOU to 2030 resolved expeditiously in order to provide stability and certainty to those communities. Renewal of the agreement will provide communities with the substantial benefits of long-term security and the opportunity to raise other issues of regional significance. It will also give the Province the opportunity to work toward its goal of a renewed agreement that grows at a rate that is affordable to all taxpayers.

In consideration of the issues above, the Province would immediately like to commence negotiations with the seven municipalities (Chetwynd, Dawson Creek, Fort St. John, Hudson's Hope, Pouce Coupe, Taylor and Tumbler Ridge) and

the Peace River Regional District to discuss the MOU with the intention to extend through to 2030. The Province has appointed Mr. Dale Wall, former Deputy Minister of the provincial government, to act as the primary negotiator on behalf of the Province.

Recognizing that all municipalities and the regional district are equal signatories to the current MOU, it is the Province's expectation that negotiations will be conducted directly with all local governments in the region. Paramount in this approach is ensuring that the signatories have established the necessary governance and have identified the appropriate individual or individuals to negotiate on their behalf.

The Province's goal is to have a new agreement in place by April 30, 2015.

It is my hope that this request will be given priority for discussion at the earliest opportunity. Formal discussions with Mr. Wall can begin at the first available opportunity once the signatories have confirmed their preferred approach to negotiations, with the initial meeting coordinated through the office of my Deputy Minister, Ms. Rebecca Denlinger. Recognizing the need to initiate discussions in a timely fashion, I would like to see formal discussions commence no later than the second week in March.

It is our belief that under this approach, the region stands to gain through an agreement that provides certainty and stability of funding over a longer time frame. With a clear commitment toward discussions by all parties, a negotiated resolution, respectful of the need for financial stability and certainty, can be reached that will deliver significant, unique benefits to the region over the next 15 years while also ensuring that the costs are appropriate and fair for taxpayers across the province.

I look forward to hearing from you.

Sincerely,

Coralee Oakes  
Minister

pc: Honourable Christy Clark, Premier  
Honourable Bill Bennett, Minister of Energy and Mines  
Honourable Mike de Jong, Minister of Finance  
Honourable Rich Coleman, Minister of Natural Gas Development  
Mr. Pat Pimm, MLA, Peace River North  
Mr. Mike Bernier, MLA, Peace River South  
Ms. Rebecca F. Denlinger, Deputy Minister, Ministry of Community, Sport  
and Cultural Development  
Mr. Jay Schlosar, Assistant Deputy Minister, Ministry of Community, Sport  
and Cultural Development

FEB 24 2015



Ref: 157278

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.../2

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Coralee Oakes  
Minister

pc: Honourable Christy Clark, Premier  
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Honourable Rich Coleman, Minister of Natural Gas Development  
Mr. Pat Pimm, MLA, Peace River North  
Mr. Mike Bernier, MLA, Peace River South  
Ms. Rebecca F. Denlinger, Deputy Minister, Ministry of Community, Sport  
and Cultural Development  
Mr. Jay Schlosar, Assistant Deputy Minister, Ministry of Community, Sport  
and Cultural Development

157969

**Weich, Rika I CSCD:EX**

**From:** Hart, Emma CSCD:EX  
**Sent:** Monday, March 23, 2015 11:30 AM  
**To:** CSCD Minister's Correspondence Action Items CSCD:EX  
**Subject:** FW: Letter to Dale Wall Regarding Fair Share Agreement  
**Attachments:** 150320\_Dale\_Wall\_Letter.pdf

**Emma Hart**  
Administrative Assistant  
Office of the Minister  
Community, Sport and Cultural Development  
T: 250 387 2283 F: 250 387 4312  
Email: [Emma.Hart@gov.bc.ca](mailto:Emma.Hart@gov.bc.ca)

Please consider the importance of the information in this email.

**From:** Janet Prestley [<mailto:JPrestley@fortstjohn.ca>]  
**Sent:** Monday, March 23, 2015 11:29 AM  
**To:** Minister, CSCD CSCD:EX  
**Subject:** FW: Letter to Dale Wall Regarding Fair Share Agreement

Good morning Minister Oakes,

Please see the attached letter that was sent to Dale Wall and Lauren Kerr on Friday, March 20.

Janet Prestley  
Director of Legislative and Administrative Services  
City of Fort St. John  
10631 – 100 Street  
Fort St. John, BC V1J 3Z5  
Direct Line (250) 787-8153  
Fax Number (250) 787-8181

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**CORRESPONDENCE SERVICES**

Received: MAR 23 2015

Sent: MAR 24 2015

ASSIGN TO:

26

☐ MINISTER'S RESPONSE  
☐ DM RESPONSE  
☐ DIRECT REPLY  
☐ NECESSARY ACTION  
☐ COMMENTS/ADVICE  
☐ PREMIER'S RESPONSE  
☒ INFO/FILE

email sent to Lauren & Gary

Xref: BN 157767  
157776



March 20, 2015

Sent by email: dale@circlesquaresolutions.com

Dale Wall

Dear Mr. Wall:

Reference: **Fair Share Negotiations**

We have received a report from our negotiating committee on the meeting you convened in Fort St. John on March 19, 2015. We certainly appreciate the intention of the Province to deal with the Fair Share issue.

We have instructed our negotiating team to fully participate and engage with you in negotiations on the future of the Fair Share issue. Our team will be available for all negotiating sessions that are organized and we understand that the next meeting is tentatively scheduled for March 31<sup>st</sup>.

We also want to ensure you that we have no intention of conducting negotiations "through the press".

Again, we want to extend our appreciation to you and the Province for agreeing to address this most significant issue challenging Peace Region municipalities and the PRRD. Taylor, Fort St. John and the NEBC Resource Municipalities Coalition are committed to supporting natural resource development while building vital, permanent, and sustainable communities.

Yours sincerely,

Mayor Lori Ackerman

Acting Mayor Brent Taillefer

Copy: Mayor and Council, City of Dawson Creek  
Chair and Directors, Peace River Regional District  
Mayor and Council, District of Chetwynd  
Lauren Kerr, Financial Officer

Mayor and Council, District of Hudson Hope  
Mayor and Council, District of Tumbler Ridge  
Mayor and Council, Village of Pouce Coupe

## Weich, Rika I CSCD:EX

**From:** CSCD Minister's Correspondence Action Items CSCD:EX  
**Subject:** FW: Fair Share Negotiations  
**Attachments:** Letter to Premier re Fair Share.pdf; Position Paper on Preparing NEBC Municipalities for LNG.pdf

**From:** Julie Rogers [mailto:julierogers@fortstjohn.ca]

**Sent:** Wednesday, April 8, 2015 11:26 AM

**To:** OfficeofthePremier, Office PREM:EX

**Cc:** Minister, CSCD CSCD:EX; Minister, MNGD MNGD:EX; Bernier.MLA, Mike LASS:EX; Fassbender.MLA, Peter LASS:EX; ndp@leg.bc.ca; Bennett.MLA, Bill LASS:EX; deJong.MLA, Mike LASS:EX; richard.neufeld@sen.parl.gc.ca; Minister, ABR ABR:EX; s.22 Pimm.MLA, Pat LASS:EX; Minister, JAG JAG:EX; Robinson.MLA, Selina LASS:EX

**Subject:** Fair Share Negotiations

Good Morning,

Please find attached a letter from the Mayors of Fort St. John and the District of Taylor and a position paper that was presented at the last 'negotiation' session.

*Julie Rogers*

**Communications Coordinator**

City of Fort St. John

10631 100<sup>th</sup> St. Fort St. John, BC V1J 3Z5

250-794-3313



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<input checked="" type="checkbox"/>	INFO/FILE



April 8, 2015

Premier Christy Clark  
Office of the Premier  
PO Box Stn Prov Govt  
Victoria, BC V8W 9E1

Dear Premier Clark:

RE: Fair Share Program

We are requesting that you immediately halt the current process to impose a new Fair Share agreement on municipalities in Northeast BC. We are also requesting that you convene a meeting of all parties for the purpose of developing an MOU that will guide the parties toward development of a new Fair Share agreement to start in 2020 when the current agreement expires.

We are very alarmed at the process outlined by the Ministry of Community Sport and Cultural Development unilaterally announcing that a new 15 year Fair Share agreement was to be put in place and that our municipalities had 6 weeks to participate in 'negotiations'.

It is an unreasonable and impossible request. It can only be characterized as an attempt to force municipalities to accept a Provincial cost cutting agenda which unfortunately would also break the existing Fair Share Program. The net result would be that our municipalities never share in future economic growth as we would be severed from the industrial tax base that is the life blood for our municipalities.

On March 21, 2015 the Provincial Negotiator tabled a Provincial position that is completely unacceptable to the District of Taylor and the City of Fort St. John. It was clearly stated that he had no mandate to negotiate beyond the fundamentals of the tabled proposal. This Provincial Proposal effectively breaks the 15 year Fair Share Agreement that is in place until 2020. The existing MOU provides that the 2015 grant in lieu of our industrial tax base (Fair Share) would exceed \$46 million and municipalities have already included these funds in operation and capital budgets. The loss to Fort St. John will exceed \$32

million over the next 5 years. The long term losses would be staggering. As we are already one of the fastest growing communities in the province with Site C and LNG imminent we are nothing but dismayed by this proposal.

	2015 Loss by Municipality/ Rural Area	Loss by Municipality/ Rural 2015-2019
Chetwynd	\$ 469,313.00	\$ 4,671,527.12
Dawson Creek	\$ 1,807,864.00	\$ 20,907,872.51
Fort St John	\$ 2,674,828.00	\$ 32,763,371.09
Hudsons Hope	\$ 32,322.00	\$ 677,951.65
Peace River Rural	\$ 195,447.00	\$ 3,370,557.20
Pouce Coupe	-\$ 31,973.00	\$ 593,401.89
Taylor	\$ 149,779.00	\$ 1,753,960.59
Tumbler Ridge	\$ 731,343.00	\$ 5,294,681.81
Total	\$ 6,028,923.00	\$ 70,033,323.86

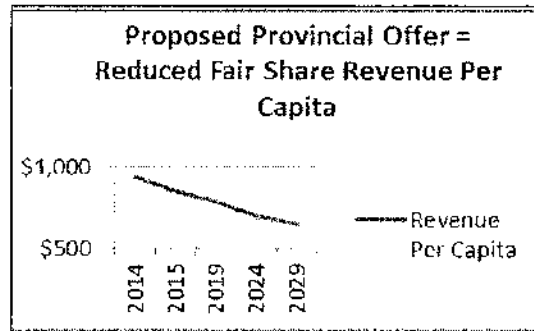
City of Fort St. John  
10631 – 100<sup>th</sup> Street  
Fort St. John, B.C. V1J 3Z5  
250-787-8150

District of Taylor  
10007 100a St.  
Taylor, BC V0C 2X0  
250-789-3392





Municipalities Only - Per Capita No indexing 2% population growth			
Actual 2014	43205	40,500,000	\$937
Provincial Proposal Per Capita			
2015	44069	37,500,000	\$851
2019	47701	37,500,000	\$786
2024	53719	37,500,000	\$698
2029	58148	37,500,000	\$645



For example, a conservative population increase of 2% would result in a cost per capita decrease of \$292 or 31% over the life of the Provincial offer.

We are reconfirming our position that the current process and the offer from the Province are unacceptable in every way. It is a slap-in-the-face to municipalities in the Northeast and, in our view, sets a very dangerous precedent for British Columbia. An annual grant-in-lieu of taxation is required because the Northeast municipalities do not have access to the industrial tax base which they service. The current MOU includes an indexing formula that is directly linked to the rate of economic growth and funds the corresponding impacts on municipalities. Access to the industrial tax base is the lifeblood for any resource municipality and we will not abandon this principle for the sake of a 'political quick fix' solution that will penalize our citizens for decades to come.

Our citizens and taxpayers are preparing for the Site C dam and B.C.'s new LNG industry and they deserve safe, sustainable municipalities with paved streets and modern water, sewer and other infrastructure in which to raise their families.

In 2013, in committing to extend the Fair Share Program, you stated,

*"This resource drives the economy, not just here but all over the province. I believe that it is not only right but it is fair that it should drive your growth, your jobs, your wealth and just as importantly improve your community here. We are going to work with the Peace River Region to ensure you continue getting your fair share." You went on to state; "We've been able to afford these things because we're growing our economy and we're growing our economy in large part because of the hard work, the ingenuity of the Peace River Region. The people in the northeast are driving B.C.'s economy and are going to be very soon driving our national economy."*

We have every faith that the Province wants to work with us to reach a new long term Fair Share agreement that reflects the true spirit of partnership between the Province and municipalities in Northeast BC that has worked so well for many decades.

City of Fort St. John  
10631 – 100<sup>th</sup> Street  
Fort St. John, B.C. V1J 3Z5  
250-787-8150

District of Taylor  
10007 100a St  
Taylor, BC V0C 2K0  
250-789-3392



We also realize the Province has some current fiscal challenges that will impact all areas of government service and spending. We want you to know that we are prepared to do our part to help deal with BC's current fiscal challenges but we'll only do so in the spirit of true collaboration and cooperation without jeopardizing our long term future.

Yours Truly,

---

Mayor Rob Fraser  
District of Taylor

---

Mayor Lori Ackerman  
City of Fort St John

Cc: Minister Oakes  
Minister Coleman  
Minister Anton  
Minister Fassbender  
John Horgan, Leader of the Opposition

Minister Bennett  
Minister de Jong  
Minister Rustad

MLA Selena Robinson  
MLA Pat Pimm  
MLA Mike Bernier  
Senator Neufeld

# Position Paper on the Future Funding of Resource Municipalities in Northeastern British Columbia

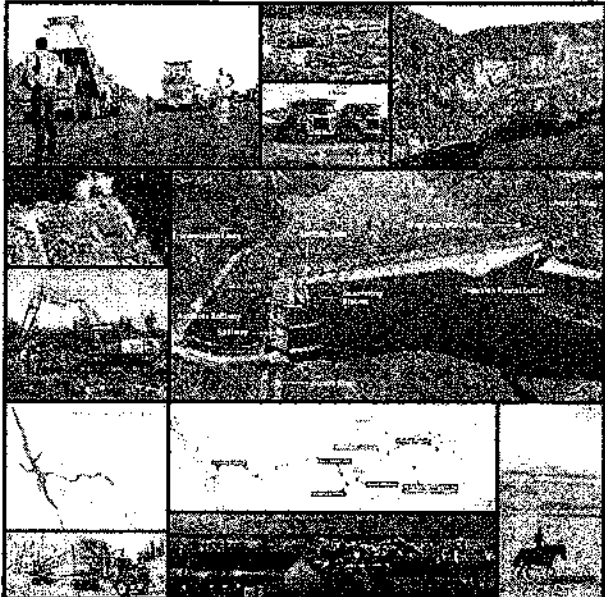
*The Cost of Future Resource Development Should Not be the Sole Responsibility of the Residents and Businesses of Northeastern BC*



*District of Taylor*



*City of Fort St John*

	<p><b>Resource Sectors:</b></p> <ul style="list-style-type: none"><li>• LNG &amp; Natural Gas</li><li>• Site C Hydro Dam</li><li>• Forestry</li><li>• Mining</li><li>• Agriculture</li><li>• Tourism</li></ul>
--	--

*"It would be a disservice to British Columbians, and particularly to those living in resource-based communities, if the energy sector in B.C. develops as a predominantly frontier industry, serviced by a temporary and itinerant skilled labour force, dependent on intellectual capital imported from other jurisdictions, and bringing little long-term benefit to the regions from which it derives its profits"*

**Charles Jago - Past President-UNBC**

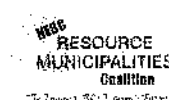
Research & Data By:



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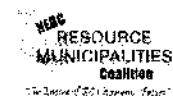
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*Research & Data By:*



## Executive Summary

The District of Taylor and the City of Fort St John have developed this formal Position Paper to fully document the rationale for their position that a permanent solution is required to address the disconnect that exists between the rural oil & gas tax base and the Resource Municipalities that service that industry.

The oil & gas industry started in the 1950s with the construction of the Westcoast Pipeline to the lower mainland. The advent of BC's oil & gas industry paralleled, to a large degree, the growth of BC's northern forest industry, mining, hydroelectric development and agricultural expansion.

As Resource Municipalities in the north expanded to service and house the work force employed in the various industries, the vast majority of the industrial tax base was incorporated in the respective municipalities and gave them the financial capacity to expand their infrastructure and services to house the industrial work force and their families.

The only region that was uniquely different was Northeastern British Columbia and the oil & gas industry development where over 90% of the industrial tax base is located in rural and remote areas and not included in the property tax base of the resource municipalities.

This disconnect has historically been a structural problem that has severely limited the financial capacity of the resource communities. This dilemma has existed for over 50 years. Local Municipal Councils continuously lobbied the Province from the 1950s through to the early 1990s to address this structural challenge.

In the early 1990s based on documented research and analysis confirming this disconnect from the oil & gas tax base the Resource Municipalities and Regional Districts were able to mount a united campaign convincing the Province to provide grants in lieu of direct access to the oil & gas tax base. In 1994 the Province approved a grant in lieu of \$4 million per annum to be shared by 7 municipalities and 4 electoral areas. In 1997 the grant in lieu was increase to \$12 million per annum again to be shared amongst the 7 municipalities and 4 electoral areas. Finally in 2005 an agreement was reached with the Province that resulted in them acknowledging that the 7 municipalities and 4 electoral areas should have the equivalent of an industrial property tax base. The 2005 Agreement provided that the grant of \$20 million would be annually adjusted or "indexed" to the changes in the rural oil & gas tax base.

In 2005, the 7 municipalities and 4 electoral areas finally achieved support from the oil & gas tax base similar to what municipalities in the balance of British Columbia had enjoyed for the previous 50 years.

The growth of the oil & gas industry over the past 30 years has been significantly magnified by the advent and discovery of vast shale gas reservoirs in the past 10 years. The result is that natural gas (LNG) is viewed by both the Province and Industry as the resource opportunity that will lead the Province's economic development over the foreseeable future.

In promoting the LNG opportunity, and to garner public support outside of the north the Province has indicated that paying off the Provincial debt and other Provincial funding priorities will benefit significantly from development of natural gas in Northeastern BC.

Since 2003 the industry has invested over \$60 Billion in developing the shale gas resources in Northeastern BC and projections for increased natural gas production through LNG exports foretell doubling and tripling of the existing production levels. As a result of this industry investment the rural property tax base has more than doubled.

*Research & Data By:*



In this time frame the Province has received \$20 Billion from land sales and royalties in Northeastern BC.

The Resource Municipalities in Northeastern BC face the expiry in 2020 of their existing MOU grant in lieu of taxes which is the same time frame that BC Hydro's Site C hydro-electric dam, estimated to cost \$8 billion, will be in full construction and two or more LNG plants will be completed driving vast increases in employment and population levels as BC's Upstream Natural Gas Production in Northeastern BC.

We are now advised by the Minister of Community, Sports and Cultural Development that the existing Fair Share MOU is to be reopened and replaced by a proposed 15 year agreement starting in 2015 and terminating in 2030. They also contended that the direct linkage, or index, to the growth of the rural oil & gas tax base must be reduced as it is unaffordable to provincial tax payers.

The existing MOU anticipates that it would take a year or more to negotiate a new agreement to start in 2020. The Minister however has appointed a negotiator and advised municipalities and the regional district that this new 15 year agreement must be in place by April 30<sup>th</sup>, 2015 a period of less than 6 weeks.

Given that the resource municipalities are vital and integral to the Province's and industry agenda for Site C and natural gas production increases to meet LNG demand a more reasonable expectation would be that a structured negotiating process be established that would base any examination of future municipal support from the industrial tax base to be determined by:

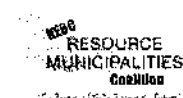
- A full review of future resource development projects and the related population increases, as well as permanent and transient job projections.
- That a comprehensive Peace Region infrastructure plan would be developed in consultation with the industry and the Province to closely examine their needs in terms of housing and other services for workers, their families, and the transient work force.
- An examination, given the synergies and joint responsibilities between the Province and Resource Municipalities of the impacts and plans for a number of key functions such as transportation, policing, environment and social issues.

The BC Business Council in its 2014 White Paper on infrastructure and financing advocates that the Province needs a comprehensive infrastructure strategy:

*Develop a long-term and comprehensive infrastructure strategy for the province. Such a strategy would support and enable long-term planning and prioritizing of infrastructure investments, in the process helping to make infrastructure decision making less reactive and more thoughtful and proactive. It would also facilitate coordination of infrastructure planning and needs assessment across different levels of government and foster stronger governance. Another benefit of a long-term strategy is that it would provide a "pipeline" of projects and signal the government's commitment to investing in infrastructure going forward.*

The District of Taylor and City of Fort St John support the BC Business Council's position and strongly believe that a comprehensive infrastructure planning process is required for Northeastern BC given the vast hydroelectric and shale gas resources that are being developed. Working through the NEBC

Research & Data By:



Resource Municipalities Coalition economic planning has already been initiated and preliminary projections for future population and work force are available and included in this Position Paper.

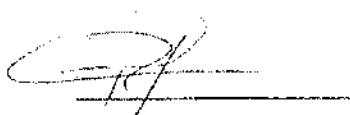
There has been a strong and widely held misconception surrounding the industrial grant in lieu we receive from the rural oil & gas tax base. It has been widely represented as Provincial revenue sharing and is advanced by all local government and regions in their quest for additional funding. This misunderstanding appears to be contributing to the Province's motivation to sever the connection of the grant in lieu to the property tax base and economic growth.

The District of Taylor and City of Fort St John are two of the fastest growing municipalities in BC having grown over 30% since 2005 with a combined annual growth rate exceeding 3%.

As one of the fastest growing areas in British Columbia today and confronted with the necessity to deal with the immediate impact of Site C and the impending impacts from LNG development, the District of Taylor and City of Fort St John area requires a permanent and predictable connection to the industrial tax base if we are going to have the capacity to immediately implement the planning and engineering for major expansion of its municipal infrastructure services and facilities.

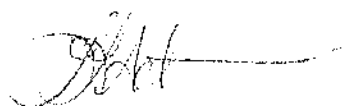
The District of Taylor and City of Fort St John are prepared to negotiate a permanent solution for a new agreement to take effect in 2020, and conditional upon that happening would be prepared to open discussions with the Province to provide some contribution to assisting with the Province's fiscal frame work and budget limitations for the 2016-2019 period.

The District of Taylor, City of Fort St John and the NEBC Resource Municipalities Coalition are very supportive of the Province's objectives for development of the resources of Northeastern BC as long as our communities are protected and enhanced and development is undertaken in a planned and orderly fashion. We will however resist any initiative that requires our residents and businesses having to shoulder an inappropriate share of the cost of the impending new resource development taking place in our region.



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Mayor Rob Fraser  
The District of Taylor

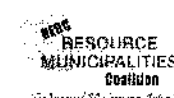


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Mayor Lori Ackerman  
The City of Fort St John



Research & Data By:





## Context of Resource Development in Northeast BC

Northeast British Columbia is widely regarded as the engine which will drive BC's economic future. Current and future industrial development initiatives in the oil and gas, energy, mining and forestry sectors are central to the Provincial economy. These industrial development initiatives also augment the region's long-standing contributions through agricultural, tourism and other activities.

Recognition of the region's role in the provincial economy has come from many quarters, and is embedded squarely in key Provincial initiatives. Our current Provincial government has proposed a 'Prosperity Fund' which is founded on the advancement of a liquefied natural gas (LNG) industry in British Columbia. There is a vital link between the processing and transportation components of this industry, which are proposed to locate on BC's northwest coast (Kitimat and Prince Rupert areas) and have garnered much attention, and the upstream supplies of natural gas located in northeast BC. In its 2012 report *"The Role of Natural Gas in Powering Canada's Economy,"* the Conference Board of Canada envisioned the upstream supply area to require nearly five times the level of investment as coastal liquefaction terminals. In this regard, there are several key goals and priorities in relation to a Provincial Prosperity Fund:

*"To ensure that communities, First Nations, and all British Columbians benefit from the development of a new liquefied natural gas (LNG) industry."*

*"Billions of dollars in new revenue will be dedicated to the BC Prosperity Fund. Key priorities will be to eliminate the provincial debt, reduce cost burdens on families through tax reductions, and make long-term investments in the services that people depend on."*

The Province's Natural Gas, Mining and Forest Sector Strategies are all supportive of additional resource development, a substantial portion of which would be located in northeast BC. Following are some selected quotations which underscore this support.

*"British Columbia can be a global leader in secure and sustainable natural gas investment, development and export" (BC Ministry of Energy and Mines, British Columbia's Natural Gas Strategy – Fueling B.C.'s Economy for the Next Decade and Beyond, 2012).*

*"With the BC Jobs Plan, the Province has committed to having our first LNG plant up and running by 2015, with a total of three LNG facilities operating by 2020" (BC Ministry of Energy and Mines, LNG Liquefied Natural Gas – A Strategy for B.C.'s Newest Industry, 2012)*

*"Create eight new mines and expand nine existing ones by 2015," and "increase mineral exploration to ensure future mining activity" (BC's Mineral Exploration and Mining Strategy, 2012).*

Senator Neufeld, honorary member of the NEBC Resource Municipalities Coalition said in a Press Release dated June 3<sup>rd</sup>, 2014:

*"Resource municipalities provide 95% of the services to local residents, industry, rural residents and First Nations. It is critical for municipalities in the Northeast to plan and prepare properly for the decade of development that is coming soon and the thousands of new workers and their families that will call the region home."*

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*"The forest sector strategy is intended to advance economic and environmental sustainability in the forest sector as a whole." The Strategy goes on to note the importance of "Supporting prosperous rural forest economies." (BC Ministry of Forests, Lands and Natural Resource Operations, and Ministry of Jobs, Tourism and Innovation, Our Natural Advantage, Forest Sector Strategy for BC, 2012).*

The Speech from the Throne delivered by The Honourable Judith Guichon, OBC, Lieutenant-Governor on October 6, 2014 reflects the sentiments noted above with respect to the role of industrial development in our province. In the conclusion, the Lieutenant-Governor notes:

*"For over a generation, the funding commitments of Western governments have exceeded their means. In LNG, British Columbia has an opportunity to increase revenue and maintain the same world-class service we rely on."*

The Minister for Natural Gas Development – Minister Rich Coleman – provided comments following the Speech from the Throne which directly link northeast BC to the Province's industrial development strategy and the broader Prosperity Fund. As quoted by Vancouver Sun columnist Vaughn Palmer in his October 10, 2014 article:

*"Communities of Fort Nelson and Dawson Creek and Fort St. John support 13,000 jobs in BC through the oil and gas sector – whether it's construction of camps, of roads, whether it's a need for drilling equipment and people that can actually run the rigs and do all the servicing, all of that work comes. But if you get a diminishing market and you don't pursue a new market, you leave those communities at risk. And that would be failure on behalf of any elected official – not to know that they should go and pursue the opportunities to give those communities long-term stability which they deserve."*

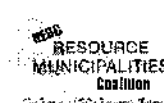
The municipalities of northeast BC have a central role to play in supporting the resource development that will drive the provincial economy. Industry relies heavily on the services provided by municipalities – serviced land, housing, recreation and policing are a few examples. Beyond these services, the municipalities are home to health care, education and social services provided by other agencies. And finally, the region's municipalities also host support industries ranging from equipment servicing to leasing, accommodations, food services and skilled trades.

The Northeast BC Resource Municipalities Coalition was initially launched in September 2014. It is today comprised of the City of Fort St. John, District of Taylor, Northern Rockies Regional Municipality as well as our honorary member Senator Richard Neufeld. Membership in the Coalition is evolving.

The Coalition has an overall policy position in relation to the protection and enhancement of existing resource municipalities. It reads:

*"To protect and enhance the existing quality of life and level of services for citizens in the Peace Region and Northern Rockies while facilitating resource development in North Eastern British Columbia."*

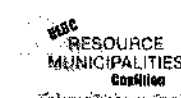
Research & Data By:



More specific goals of the District of Taylor, the City of Fort St John and the NEBC Resource Municipalities Coalition can be summarized as follows:

- Protection and enhancement of existing resource municipalities of Northeast B.C.
  - *The overarching policy position of the Northeast B.C. Resource Municipalities Coalition is to protect and enhance existing resource municipalities so that they continue to develop as permanent, sustainable and vibrant communities providing a high quality of life for existing and future residents.*
- Mitigation of impacts on resource municipalities.
  - *All economic, social, community and financial impacts incurred by the resource municipalities of Northeast B. C. attributable to future industrial development, including the cost to municipal infrastructure and services, must be fully mitigated by the provincial government and by industry.*
- Increase the proportion of the workers and their families that will take up permanent residency in the resource municipalities.
  - *The Resource Municipalities Coalition will work with industry and the provincial government to increase the proportion of workers and their families that permanently reside in the resource municipalities particularly those involved in the natural gas and mining industries.*
- Maximize local content in the labour, goods and services provided to the resource industries
  - *The Resource Municipalities Coalition will work with industry and the provincial government to increase the local content of goods and services required by the resource industries in Northeast B.C.*
- Resource Municipalities will be involved and consulted in all resource development decisions that directly or indirectly impact municipalities.
  - *The Resource Municipalities Coalition will advocate that resource municipalities are involved and consulted in all resource development decisions that directly or indirectly affect their interests.*
- Resource Municipalities Coalition will lead the preparation of a resource infrastructure plan.
  - *The NEBC Resource Municipalities Coalition will lead the preparation of a resource infrastructure plan for NEBC to guide decisions for the provision of community services and infrastructure required to accommodate projected future growth and development in the region.*
- Provincial investments are required to expand community and regional services and infrastructure.
  - *The Resource Municipalities Coalition will advocate for the provincial government to make timely investments in the expansion of provincial services and infrastructure within resource municipalities and in regional infrastructure to accommodate industrial growth within Northeast B.C.*

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- Protection and extension of existing funding agreements.
  - *The funding provided through the Grant in Lieu of Rural Industrial Tax (2005 MOU) negotiated between the provincial government and the local governments of the Peace River must be protected and extended to ensure adequate tax base or revenue support to address the financial impacts on the resource municipalities as well as the need to provide for the economic sustainability of the resource municipalities. The NRRM IDCA negotiated between the provincial government and the NRRM must be fully implemented and revised to address not only natural gas development but resource development in general.*
- Protection of the environment.
  - *The Resource Municipalities Coalition will work to ensure that the region's natural gas and other resources are developed in a manner that protects the natural environment and the safety and health of the residents of the region as a whole.*
- Collaboration and partnerships with First Nations.
  - *The Resource Municipalities Coalition and the individual resource communities will work to sustain and further develop relationships with the First Nations of Northeast B.C. to address issues of mutual concern related to future resource development within the region.*
- The benefits of resource development in Northeast B.C. must be shared with the Resource Municipalities of the region.
  - *The economic and financial benefits generated by future industrial development must be shared with the resource municipalities of Northeast B.C. to reflect the value that the resource municipalities are providing in supporting resource development and to enable them to invest in their future development and sustainability.*
- The coalition will develop an overview of proposed resource infrastructure planning process.
  - Guiding Principles:
    - *A consensus between the provincial government and the resource municipalities on broad goals for regional resource and economic development is vital to the achievement of economic and financial benefits.*
    - *Impacts of resource development on the resource municipalities must be addressed to protect the quality of life within the municipalities and region as a whole and to enable the municipalities to support development.*
    - *The cumulative impacts of resource development on the resource municipalities and the region as a whole must be identified and addressed through appropriate mitigation.*
    - *Local and regional economic benefits associated with resource development must be optimized.*
    - *The plans, policies, initiatives and investments of the provincial government, the resource municipalities and industry must be coordinated and aligned to enable the full benefits of regional resource development to be realized.*

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- Address the impacts of worker accommodations on municipal services and infrastructure.
  - *The Resource Municipalities Coalition will work with the provincial government and industry to ensure that worker accommodations are well planned and serviced and that any impacts on the services and infrastructure of the resource municipalities are mitigated.*

## Focused Impacts on the Greater Taylor and Fort St John Area

The greater Taylor and Fort St John Area with a growth rate exceeding 3% are two of the fastest growing communities in British Columbia far above the Provincial population growth rate of 1.2%.

With advent of shale gas and the announcement of Site C there will be specific challenges confronting the District of Taylor and the City of Fort St John.

These 2 communities jointly service a population of 30,000 people which is approximately 50% of the total population in the Peace Region.

These communities have grown by over 30% in the past 10 years with an annual growth rate of 3% which far exceeds the 1% growth rate in the balance of the municipalities and rural areas.

Greater District of Taylor, City of Fort St John and Area C Community			
2005	2015	Growth	Annual Growth Rate
23,007	29,972	30.30%	3%

These 2 municipalities jointly service a rural population of approximately 8,000 people. This is the fastest growing area in the Peace Region and will bear the brunt of the impacts of Site C and a majority of future LNG developments as this is the primary oil & gas service centre in the Peace Region.

## Provincial Economic Objectives for the Development of the Resources in Northeastern British Columbia

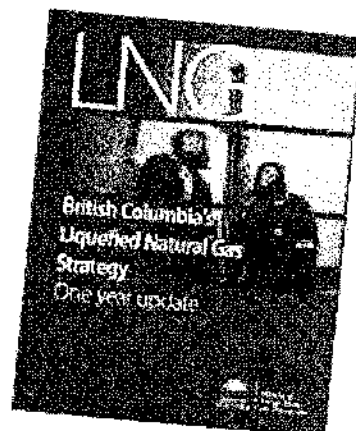
### LNG Development –Our Vision for the Future

*Excerpts from British Columbia's Liquefied Natural Gas Strategy*

*Just a few years ago, people were bracing for a shortage of natural gas in North America. Supplies of conventionally accessible gas were declining and contractors were considering options for importing liquefied natural gas – LNG – from other jurisdictions.*

*That all changed with the advent of technologies allowing for recovery of shale gas – an abundant form of natural gas with significant environmental benefits.*

*Natural gas is the world's cleanest-burning fossil fuel. For example, converting just one heavy duty truck from diesel to natural gas would reduce the same amount of greenhouse gas emissions as taking approximately 30 cars off the road. As proven*



supplies increase, so do the incentives to replace coal-fired generation with natural gas. So we believe it has an important role in the global transition to cleaner energy sources.

B.C. has been developing shale gas resources since 2005, generating billions of dollars in government revenue from land sales and royalties. Now we're moving forward to develop the potential of LNG for export.

Multiple investors across the natural gas sector have expressed interest in developing LNG export facilities. The first commercial LNG export facility in Canada is scheduled to open in Kitimat, on B.C.'s central coast, by 2015. The Province has committed to working with interested investors, such as Shell Canada, to have three facilities in operation by 2020, assuming all environmental and permitting applications are granted.

LNG is a brand new industry with massive potential for British Columbia. We have the supply, we have the technology, we have a great geographic advantage and, as we move forward to develop this industry, the whole province will benefit.

Thousands of people will have new jobs. Local economies will be more diversified. New skills training will be developed with new opportunities for future generations.

The LNG industry will generate economic spinoffs in areas such as the service sector and clean-energy development. First Nations will have new sources of economic strength and stability, and the Province will receive more revenues to pay for public services.

With this strategy, the government has laid out its critical priorities for LNG development:

- ❖ keeping B.C. competitive in the global LNG market;
- ❖ maintaining B.C.'s leadership on climate change and clean energy, and
- ❖ keeping energy rates affordable for families, communities and industry.

These three priorities will guide us going forward and help us to establish a thriving, competitive LNG industry that sets new standards for environmental and social responsibility.

As part of The BC Jobs Plan, this strategy is all about using our strengths to defend and create jobs in every community. This is B.C.'s time to lead and, together, we will.

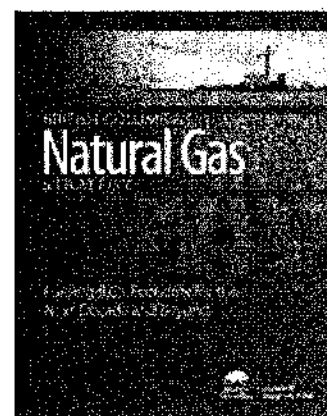
## Ensuring a Reliable, Abundant Supply

Excerpts from British Columbia's Natural Gas Strategy

Shale Gas is a "Game Changer"

Shale and tight gas is natural gas produced from shale and other fine-grained sedimentary rocks.

Over the past decade, the development of horizontal drilling, and improvements to hydraulic fracturing have made abundant shale gas recoverable. This has changed the natural gas industry forever, making natural gas an abundant natural resource.



Research & Data By:



*The development of shale gas resources in northeast B.C. began in 2005 and has rapidly evolved to generate billions of dollars in provincial revenue from natural gas tenure sales and royalties.*

*With shale gas now in play, it is conservatively estimated that B.C. has at least 100 trillion cubic feet of recoverable gas. This compares with total production of 22.5 trillion cubic feet in the province between 1954 and 2010.*

*Our enormous resources of natural gas will be a major contributor to our economy.*

## Engage with Communities

People who live near oil and gas operations may have some concerns about how this work may affect them. The Province is working with local governments to find out what the concerns are in each community, and exploring new ways to work directly with groups and communities.

B.C. is also exploring creative solutions to ensure local communities reap the benefits of natural gas development.

## The Natural Gas Workforce Study & Action Plan

This Workforce Strategy Committee completed a significant assessment of the workforce requirements for future natural gas development and export including projections for the upstream natural gas development in Northeastern BC.

*Excerpts from BC Natural Gas Workforce Strategy and Action Plan*

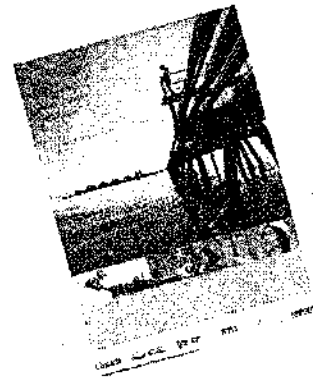
*Mission – the fundamental purpose of the workforce strategy and action plan is to: Build the capacity within industry, labour supply partners and communities to address current and future natural gas related construction and operations workforce requirements.*

*The objective of the workforce strategy is to ensure, through its implementation, that the natural gas sector has the right number of workers, with the right skills, in the right places, and at the right times to enable its further growth and diversification.*

*Geoff Stevens  
Chair, B.C. Natural Gas Workforce Strategy Committee*

*Recognizing that the benefits of natural gas investment and LNG development will not be realized without the right workforce, in the right place, at the right time, the B.C. Natural Gas Workforce Strategy Committee was formed to:*

- Develop an understanding of the workforce required to construct and operate natural gas related projects;*
- Conduct an environmental scan of the potential labour supply available to the projects; and*
- Build a workforce strategy and action plan to address labour supply/demand concerns.*



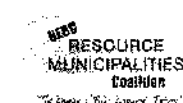
BC Natural Gas Workforce Strategy and Action Plan

**Values**  
The B.C. Natural Gas Workforce Strategy and Action Plan is developed in partnership with industry, labour, and communities. It is a living document that will evolve as the natural gas sector grows and diversifies.

**Commitments**  
The B.C. Natural Gas Workforce Strategy and Action Plan is a commitment to the natural gas sector, to the labour supply, and to the communities. It is a commitment to the future of the natural gas sector in B.C.

**Implementation**  
The B.C. Natural Gas Workforce Strategy and Action Plan is a living document that will evolve as the natural gas sector grows and diversifies. It is a commitment to the future of the natural gas sector in B.C.

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*The work to date clearly indicates that there is a strong desire by all stakeholders involved – industry, government and local communities – to ensure the local labour force and business sector benefit first from natural gas investment in northern B.C. However, northern B.C.'s labour force will simply not be able to meet the labour demand generated by the growth of the province's natural gas industry. The B.C. Natural Gas Workforce Strategy and Action Plan needs to take action to increase employment of local talent as well as attract and retain talent from other regions.*

*Deliver workers to current upstream natural gas operations in-demand jobs.*

*The following 2 strategies indicate that priority should be given to recruiting and relocating workers from other parts of B.C., Canada and the world to natural gas operating regions. This is strategy is predicated on the assumption that the existing municipalities in Northeastern BC are properly equipped to accommodate a significant increase in the population and that they have the capacity and financial capability to rapidly expand all of their community infrastructure and services.*

*A lack of understanding of what northern B.C. communities have to offer in terms of lifestyle, employment opportunities, etc. is a barrier to attracting workers.*

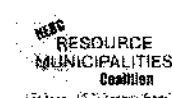
5.0 Strategy Source and relocate workers from other parts of B.C., Canada and the world to natural gas operating regions

6.0 Strategy Other work arrangements that support workers to rotate into the region for permanent work. Other work arrangements that support temporary relocation for short-term labour demand in the region.

The preparation and development of this workforce strategy takes for granted that the Northeastern BC municipalities are prepared for significant population growth and a rapid increase in natural gas production.

This report coupled with the balance of the Provincial government plans for Site C and LNG development as well as expansion of our existing forestry, mining, agriculture and tourism sectors is all predicated on the assumption that our municipalities have the financial capacity to fund the significant costs of all of the projected resource development expansion. That simply is not the case and with the future uncertainty as to industrial tax base funding support, a severe damper is placed on effective planning and service development activities for municipal services.

Research & Data By:





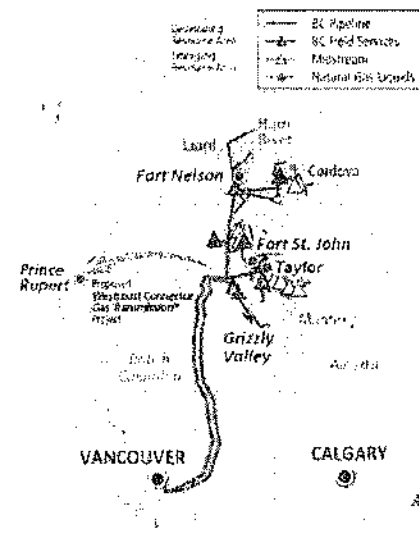
## The Game Changer - Discovery of Vast Shale Gas Reservoirs in NEBC

As a result of the discovery and development of Horn River, Liard, Montney and Cordova shale gas basins in BC's Northeast Region an unparalleled level of industry activity and Provincial interest focused on promotion of the development of this new found Provincial resource.

Land acquisition and development activity surged in 2003 & 2004 tempered only by the economic downturn in 2008 and the discovery of significant shale gas reserves worldwide.

The industry investment from 2003 to 2013 exceeded \$62 billion and Provincial revenues from 2003 to 2014 exceeded \$20 billion.

BC's natural gas reserves are of such magnitude that Provincial and industry focus is centred on developing overseas LNG markets.

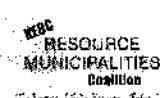


Net Cash Expenditures of the Petroleum Industry in British Columbia (Billions of Dollars)			
Year	Exploration	Development	Total Capital Expenditure by Industry
2003	\$1.5 billion	\$2.3 billion	\$3.8 billion
2004	\$1.2 billion	\$2.7 billion	\$3.9 billion
2005	\$1.4 billion	\$3.6 billion	\$4.9 billion
2006	\$1.9 billion	\$4.2 billion	\$6.1 billion
2007	\$2.3 billion	\$3.3 billion	\$5.5 billion
2008	\$4.0 billion	\$3.8 billion	\$7.9 billion
2009	\$2.1 billion	\$3.1 billion	\$5.2 billion
2010	\$2.1 billion	\$4.9 billion	\$7.1 billion
2011	\$1.5 billion	\$5.2 billion	\$6.7 billion
2012	\$0.8 billion	\$4.4 billion	\$5.2 billion
2013	\$1.2 billion	\$4.5 billion	\$5.7 billion
<b>Total</b>	<b>\$20.0 billion</b>	<b>\$42.0 billion</b>	<b>\$62.0 billion</b>

Provincial Oil & Gas Revenues from NorthEastern BC 2003 to 2014 (in billions)				
Year	Total Oil & Gas Royalties	Land Sale Bonuses (\$Millions)	Provincial Rural Property Tax Revenue	Total Provincial Revenue 2003-2014
2003	\$1,329	\$647		\$1,976
2004	\$1,500	\$232		\$1,732
2005	\$2,050	\$534	\$5.13	\$2,583
2006	\$1,319	\$630	\$10.11	\$1,959
2007	\$1,273	\$1,047	\$10.00	\$2,320
2008	\$1,460	\$2,663	\$10.89	\$4,134
2009	\$491	\$893	\$11.63	\$1,395
2010	\$402	\$844	\$11.93	\$1,258
2011	\$408	\$223	\$12.99	\$644
2012	\$248	\$139	\$14.46	\$401
2013	\$539	\$225	\$15.80	\$780
2014	\$427	\$383	\$16.83	\$827
<b>TOTAL</b>	<b>\$11.46 Billion</b>	<b>\$8.46 Billion</b>	<b>\$124 Million</b>	<b>\$20.03 Billion</b>

\*British Columbia Oil and Gas Industry Statistics (2003-2014) - Provided by the Ministry of Natural Gas

Research & Data By:



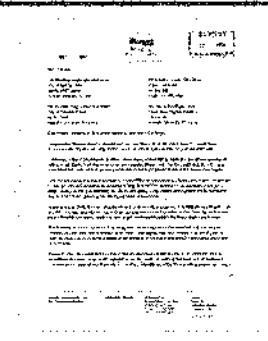
## Comprehensive Projections for Resource Development in NEBC

The following Economic Model projections have been developed by the District of Taylor, City of Fort St John and the NEBC Resource Municipalities Coalition as an integral element in planning for the impacts of resource development on their municipalities and the region.

The Economic Model is leading edge and has been developed in consultation with the upstream division of the Ministry of Natural Gas who are also utilizing aspects of the model.

*"In the meantime, I encourage you to initiate work on your own so that local governments and the industry are better prepared to have an informed engagement with the Province in a forward-looking discussion about the future impacts of new LNG facilities on the Peace."*

*In conclusion, the Ministry of Community, Sport and Cultural Development will continue to strategically invest in opportunities that enable communities in the Peace River Region to be prepared for future growth and to create vibrant and healthy communities that effectively respond to local needs."* Coralee Oakes - Minister

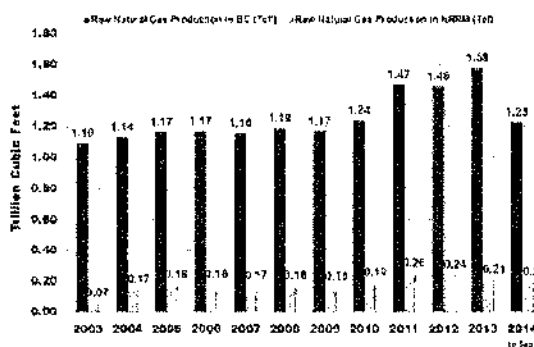


With the announcement of Site C approval and the Provincial objective of having 3 to 5 LNG plants running by 2020 the Peace Region municipalities face massive growth projections for which they require 3 to 5 years of lead time. They will be required to prepare for significant growth in their permanent populations as the economic development is announced, and given the industries reliance on the fly-in fly-out / drive-in drive-out business models, the municipalities and rural areas will have to plan for extensive increases in the transient workforce.

The impact of LNG natural gas production in Northeastern BC is illustrated in the following table:

### Total Production Today

1.23 TCF / Year = 3.5 BCF / Day

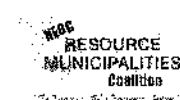


Natural Gas Production Currently and with LNG		
		Total Gas Production
McMahon Gas Plant	750 mcf/day	
Total NEBC Production Today	3.5 bcf/day	3.5 bcf/day
Petronas (Lolo Island - Port Edward)		
2 Trains	2.0 bcf/day	5.5 bcf/day
Expansion to 3 Trains	3.6 bcf/day	7.1 bcf/day
Shell (Kitimat)		
2 Trains	1.7 bcf/day	7.2 bcf/day
Expansion to 4 Trains	3.5 bcf/day	10.6 bcf/day

Petronas or Shell double today's BC Gas Production

Petronas and Shell triple today's BC Gas Production

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To date the Province has undertaken broad based projections of industry impacts and work force requirements all of which conclude major reliance on the municipalities to accommodate significant population growth. This will require major expansion of their existing infrastructure, services and facilities.

In order to prepare for this vast expansion of resource development activity the municipalities are required to immediately implement planning processes in terms of land use planning, capital systems upgrading and projected expansion of transportation, recreation, water, sewer, policing, fire and social services.

All of this planning activity needs to be underpinned by projected estimates of work force numbers and population growth horizons and this fundamental requirement must be met in the short term as it is the basis on which growth planning occurs.

In that regard the District of Taylor, City of Fort St John and the NEBC Resource Municipalities Coalition has initiated a Comprehensive Resource Economic Modelling Project.

### The NEBC Economic Planning Model

The economic model will project the economic impacts and outputs of LNG, Natural Gas, Site C, Mining, Forestry and Agriculture to determine collective impacts of resource development on the municipality's infrastructure facilities and services.

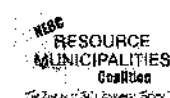
At this point in time there are 19 proposed projects which have been modeled:

- Model assesses LNG shipments, BC wells, raw gas production by region and operator
- Model allows portfolio of individual projects based on expectations for each project going forward (100% for Project A, 50% for Project B, 5% for Project C, etc.)
- Linked model assesses impacts for BC royalties and federal/provincial corporate taxes related to natural gas production
- Modular analysis of Impacts through Scenarios
- Analysis of Impacts with spatial identification at small (gridded) area
- Allocation to service centres - municipalities
- Analysis of more specific scenarios as events unfold

### LNG Scenarios

- BC government published results for Scenario based on 82 million MT
- We have developed Scenarios based on 20, 40, 60 and 80 million MT with a weighting of 9 projects with NEB LNG Export Licences
- Production distributed among NEBC basins (Montney, Horn, Liard) and Alberta with specific Grid scenarios
- Results for 40 million MT
- Estimates distributed to fields, jurisdictions based on Grid location

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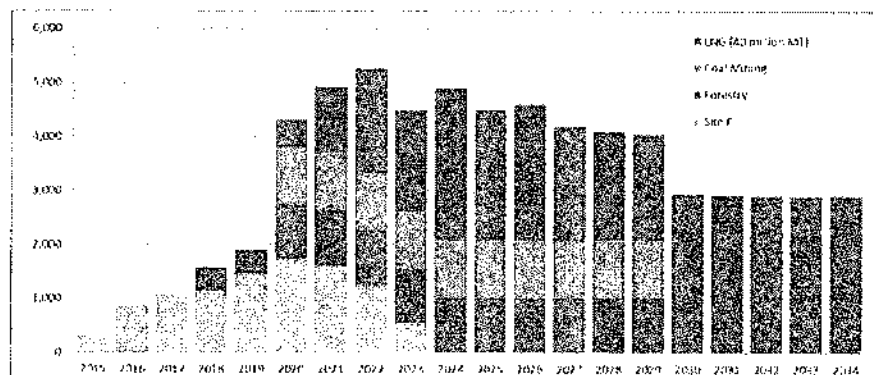


LNG Projects - Scenarios							
- Results for 40 million MT							
Estimates distributed to fields jurisdictions based on Grid location							
	Wells Drilled / yr	Sales Gas bcf / yr	Capital Cost billions annually	Total Employment FTE / yr	Royalty millions annually	Corporate Tax millions annually	
						Federal	Provincial
2020 - 2024	540	750	8.0	10,500	190	0	0
2025 - 2029	540	1,720	6.6	11,200	840	0	0
2030 - 2034	370	1,760	4.2	8,300	1,000	50	40
2035 - 2039	360	1,760	4.1	8,200	950	150	110
2040 - 2044	320	1,670	3.5	7,300	910	220	160

\*dollars constant 2015

## Permanent Population Increase in NEBC Related to Identified Industrial Projects

These preliminary population increases are predicated on the mid-range scenario of 40 mtpa which is the equivalent of 2 LNG plants (3 trains each). Under this scenario existing natural gas production in NEBC is increased by 250%.



## Transient Workers Residing in Camps

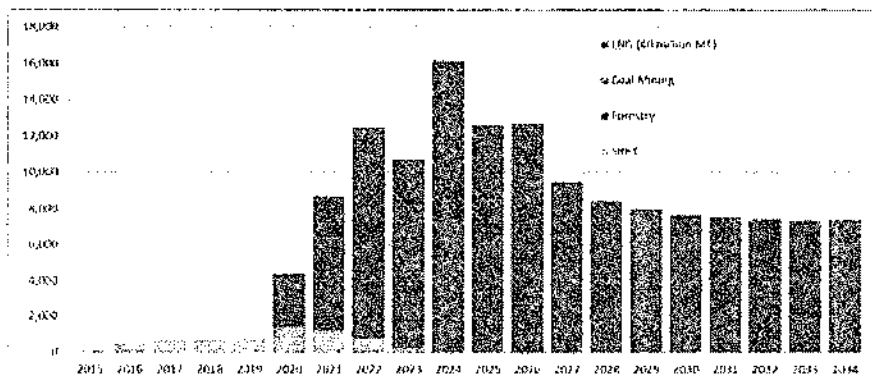
These preliminary population increases are predicated on the mid-range scenario of 40 mtpa which is the equivalent of 2 LNG plants (3 trains each). Under this scenario existing natural gas production in NEBC is increased by 250%.

The impact of the large influx of transient workers for Site C and LNG development will have immediate and significant impact on the Greater Taylor and Fort St John area. The current population growth rate of over 3% will accelerate rapidly in response to permanent population growth and the large influx of transient workers which will present immediate and significant challenges to the municipal infrastructure and services in the Greater Taylor and Fort St John area.

The issue of the accommodation and servicing of the large anticipated influx of transient workers needs to be jointly addressed by local governments, the province and industry. The experiences of Fort McMurray should be utilized as planning is initiated on how to best accommodate a large transient workforce which in most cases has significant impacts on municipal facilities and services.

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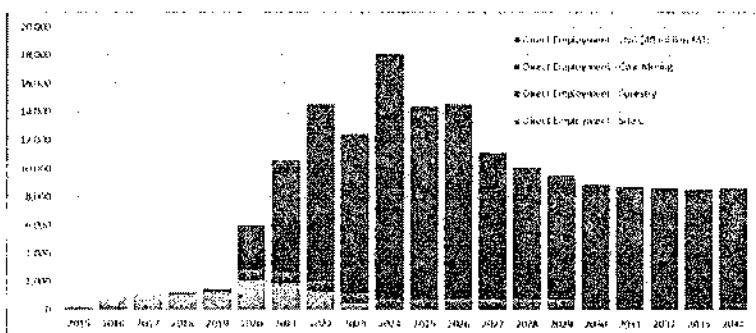




The results of this preliminary impact analysis clearly indicates that municipalities in the Peace Region will be facing a period of unprecedented growth with major work force and population surges to content with.

### Employment Growth from Identified Industrial Projects - NEBC

These preliminary population increases are predicated on the mid-range scenario of 40 mtpa which is the equivalent of 2 LNG plants (3 trains each). Under this scenario exiting natural gas production in NEBC is increased by 250%.



### Required New Wells to Maintain Existing Gas Production Levels in NEBC

The base case scenario is based on natural gas production in NEBC remaining constant and supplying only the domestic and American markets. In order to maintain the existing natural gas production levels requires the ongoing development of new wells to offset diminishing production as existing wells and fields deplete.

- Based on 3.5 BCF / day
- Estimates distributed to fields, jurisdictions based on Grid location

## Domestic Market - New Wells

- Based on 3.5 BCF / day

Estimates distributed to fields, jurisdictions based on Grid location

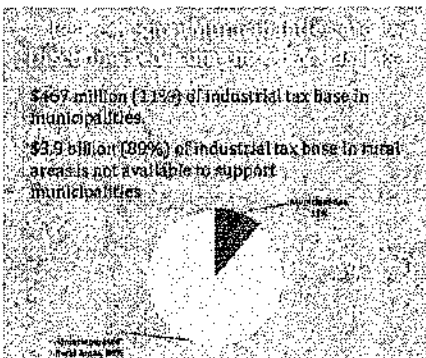
	Wells Drilled / yr	Sales Gas bcf / yr	Capital Cost billions annually	Total Employment FTE / yr	Royalty millions annually
2015 - 2019	310	440	3,900	5,900	110
2020 - 2024	310	820	3,600	6,100	440
2025 - 2029	320	1,040	3,400	6,100	600
2030 - 2034	310	1,180	3,300	6,300	690
2035 - 2039	320	1,250	3,300	6,400	750
2040 - 2044	320	1,280	3,400	6,500	780

\*dollars constant 2015

## The Disconnect Between the Oil & Gas Tax Base and the Municipalities

With the announcement of the construction of Site C, a hydro-electric dam and the potential for massive LNG development the Resource Municipalities in Northeastern British Columbia are facing unparalleled economic growth over and above the ongoing expansion of Forestry, Mining and Agriculture.

The most significant challenge for Resource Municipalities will be how to pay for this expansion of municipal infrastructure and services to accommodate a growing population and vast transient work force.



Resource Municipalities' primary source of revenue is their industrial property tax base. Northeastern BC has always had a structural problem in that 90% of the industrial tax base and future oil and gas development will take place in the rural areas outside of municipal boundaries.

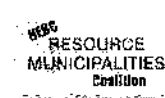
This situation has existed since the advent of the oil and gas industry in the 1950s and is the polar opposite to BC's mining and forestry municipalities that have always had the industrial tax base within their boundary to fully support the cost of all of their services and facilities.

The Fair Share Program was the Province's answer to this dilemma by providing municipalities with a grant in lieu of access to the vast rural oil and gas tax base. This temporary grant program expires in 2020 and Municipalities have no guarantee of any Provincial grants beyond that date.

The Province also created the Northern Rockies Regional Municipality which does incorporate the oil & gas tax base into their boundary and has reached a 22 year agreement ending in 2035 to provide infrastructure grants to the NRRM.

This dilemma of having no permanent access to the oil & gas tax base is threatening the Peace Region Municipalities' ability to support future resource development in NEBC.

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## An Overview of the Existing Fairshare Agreement

### Fair Share Overview

The Fair Share program was initiated in 1994 (Fair Share 1), it was increased in 1997 (Fair Share 2) and further increased in 2005 (Fair Share 3). The current 2005 agreement is set to expire in 2020.

The total to grants in lieu provided to Peace Regional Municipalities since 1994 to date is \$354 million, and over the 26 year lifetime of these Fair Share agreements approximately \$694 million dollars in provincial grants will be transferred to Peace River municipalities and electoral areas.

#### Exhibit 1 - Actual Fair Share Grant Totals to 2012 with Projections to 2019

Fair Share 1	\$ 16.00	million
Fair Share 2	\$ 83.50	million
Fair Share 3 (2005-2012)	\$ 219.69	million
Fair Share 3 One time Infrastructure Grant	\$ 34.99	million
<b>Total to Date</b>	<b>\$ 354.19</b>	<b>million</b>
Fair Share 3 Projected (2013-2019)	\$ 340.36	million
<b>Fair Share Total (1994-2019)</b>	<b>\$ 694.54</b>	<b>million</b>

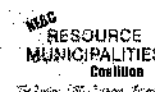
The Fair Share Grant funds are transferred to the Peace River Regional District and then distributed to the respective municipalities and regional districts. The funding provided to each participant to date and projected through to 2019 is shown on Exhibit 2 following:

#### Exhibit 2 – Total Fair Share Grants to Peace River Municipalities & Regional District

Total Fair Share Grants to Peace River Municipalities & Electoral Areas							
1994 - 2019							
(In Millions)							
	Fair Share 1	Fair Share 2	2005 - One	Fair Share 3	Total to Date	Fair Share 3	Total Grants
	1994-97	1998-2004	Time Grant	2005-2012	Aug-12	2013-2019	1994-2019
Fort St John	\$7.49	\$39.06	\$16.07	\$100.21	\$162.83	\$156.48	\$319.31
Dawson Creek	\$5.10	\$26.63	\$10.96	\$68.69	\$111.38	\$107.03	\$218.41
Chetwynd	\$1.02	\$5.35	\$2.20	\$13.93	\$22.50	\$21.62	\$44.12
Tumbler Ridge	\$0.67	\$3.51	\$1.44	\$9.71	\$15.33	\$14.73	\$30.06
Taylor	\$0.00	\$0.00	\$0.64	\$4.18	\$4.82	\$4.63	\$9.45
Hudson Hope	\$0.34	\$1.78	\$0.73	\$4.30	\$7.15	\$6.87	\$14.02
Pouce Coupe	\$0.40	\$2.07	\$0.85	\$5.49	\$8.81	\$8.47	\$17.28
<b>Total Municipal</b>	<b>\$15.02</b>	<b>\$78.40</b>	<b>\$32.89</b>	<b>\$206.51</b>	<b>\$332.82</b>	<b>\$319.83</b>	<b>\$652.65</b>
<b>Peace River Rural</b>	<b>\$0.98</b>	<b>\$5.10</b>	<b>\$2.10</b>	<b>\$13.18</b>	<b>\$21.36</b>	<b>\$20.53</b>	<b>\$41.89</b>
<b>Total PRRD</b>	<b>\$16.00</b>	<b>\$83.50</b>	<b>\$34.99</b>	<b>\$219.69</b>	<b>\$354.18</b>	<b>\$340.36</b>	<b>\$694.54</b>

\*\*Growth calculated 8.12%

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The Provincial Fair Share grants are distributed amongst the Peace Region Municipalities and electoral areas on the basis of allocation formulae developed by the Peace Region local governments and signed off by the Province. The formulae are included in the 2005 MOU between the Province and the Peace Region. The Province also outlined criteria to govern the design of the allocation formulae as follows:

The allocation systems should weight the allocations toward local governments that:

- Do not have adequate industrial tax base support, as evidenced by comparisons to a representative group of resource-oriented communities elsewhere in the Province.
- Have historically not benefited from industrial tax base support resulting in infrastructure deficits.
- Are experiencing high levels of population growth and demand for services, due to growth of the oil and gas industry.
- Play a vital service centre role in supporting both the oil and gas industry and a large contiguous rural population."

#### Exhibit 3 – Allocation Pools - Example

2010	Pool 1	Pool 2	Total
		(equalization - pool)	
RURAL ALLOCATION (10%)	\$ 1,870,236	\$ -	\$ 1,870,236
MUNICIPAL ALLOCATION (90%)			
Dawson Creek	\$ 5,750,871	\$ 4,081,806	\$ 9,832,678
Fort St. John	\$ 7,727,887	\$ 6,468,750	\$ 14,196,637
Chetwynd	\$ 1,330,278	\$ 607,916	\$ 1,938,194
Hudson's Hope	\$ 382,709	\$ 250,000	\$ 632,709
Peace Coulee	\$ 480,315	\$ 269,922	\$ 750,237
Tumbler Ridge	\$ 782,555	\$ 451,867	\$ 1,234,422
Taylor	\$ 397,813	\$ 250,000	\$ 647,813
Municipal Total	\$ 16,833,194	\$ 12,468,240	\$ 29,301,434
PRRD Total	\$ 16,742,362	\$ 12,468,240	\$ 31,470,602

#### Pool 1 - Criteria

- Based on the total converted assessment for municipalities.
- Municipal population
- This allocation formula was first approved by the Province in 1997 and was utilized for all of the Fair Share II period ending in 2004.
- This formula was reapproved for use in Pool 1 on March 9th, 2005.

#### Pool 2 Equalization -Criteria

During the 2004 / 2005 discussions the Province demanded the introduction of equalization measures to equalize total industrial tax base support between the Peace River Municipalities.

The following criteria was introduced and approved on March 9th, 2005.

- The incorporated industrial assessments were to be reflected in the formula.
- Other sources of industrial revenues included in the formula are:

- The BC Hydro grant provided to Hudson Hope
- South Peace Multiplex
- Chetwynd Recreation facilities
- Dawson Creek / Chetwynd revenue sharing
- North Peace Leisure Pool
- Dawson Creek Sub Regional Rec.

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## Historical Context

### 1991 - Identifying the Disconnect between Industry and Communities

In 1992 the 8 municipalities and both of the regional districts within North Eastern British Columbia commissioned a study by Peter Adams, a former Director of Tax policy for the Province, to analyze the disconnect resulting from the vast majority of the oil and gas industry tax base being located in the rural and remote areas of the region. This property tax base was not accessible to support the NEBC municipalities who house the majority of the oil and gas workforce and act as the service center's for the industry.

The study determined that there were over 14,000 separate oil and gas tax folios (1994) located within NEBC. They were widely dispersed over the entire region, which makes up 25% of the Province's land mass.

The study concluded that:

- Municipalities in the North East contain a small proportion of the area's industrial tax base but provide services to the majority of the industrial workforce. This pattern is unusual in the province.
- 92% of the oil & gas tax base is not accessible by municipalities as it is located in rural areas outside of municipal boundaries. The industrial tax base that does fall inside municipalities is so unevenly distributed that some of the area's municipalities have very limited ability to tax industrial properties.
- Despite the industrial character of the North East, the industrial property located in rural areas pays a lower industrial property tax than industrial property elsewhere in the province.

The study's findings confirmed that NEBC municipalities did not have access or support from the oil and gas industry which was in contrast to BC forestry communities. Over 90% of the Province's forest industry is incorporated in their host municipalities and therefore fully taxable to support all services, infrastructure and amenities.

### 1994-1997 Fair Share 1

In 1994 the Peace Region Municipalities formed a coalition to represent their interests to the Provincial Government. The Town of Fort Nelson and the Northern Rockies Regional District decided to pursue a separate and distinct course of action involving discussions with the Province around measures examining options for the direct incorporation of the industrial property tax base.

The 7 municipalities within the Peace River Regional District opened discussions with the Province and proposed that they should be granted the authority to levy property taxes directly on the oil and gas industry in NEBC by way of a variable tax rate levied through the Regional District. The funds were to be placed in a Regional Tax Pool and distributed to the municipalities and electoral areas pursuant to a sharing formula that they had developed and had pre-approved by the participating municipalities and electoral areas.

The Province did acknowledge that the municipalities in the PRRD were the service centers for the Oil and Gas Industry and that they did not have access to the Oil and Gas Industry Tax base. The Province

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also acknowledged that the municipal infrastructure was deteriorating and not capable of supporting the expansion of the Oil and Gas industry.

In the end the Province decided not to give the local governments direct ability to utilize the industrial tax base however they did adopt the tax model proposed by the local government and implemented a tax levy of \$2 million on only the 3 industrial classes. This Provincial property tax levy is referred to as the "Peace River Local Government Infrastructure Tax" and the tax is still levied and collected by the Province today.

The Province added \$2 million from Provincial General Revenue and offered the \$4 million to the Peace Region local governments on an annual basis. An agreement was executed with the Peace Region municipalities and provided for a review at the end of 5 years.

In signing the 1994 MOU the Peace Regional coalition also served notice that it was a good first step, but not adequate to meet the long term needs of the resource communities.

#### 1997-2005 Fair Share 2

As a result, in 1997, the municipalities again requested authority to directly tax industry. The Province responded by agreeing to increase the grant funding and offered the Region a new 10 year agreement which they funded by continuing the \$2 million provincial industrial property tax and by increasing the Provincial budget grant from \$2 million to \$10 million. The \$12 million was again transferred to the municipalities to be distributed according to their agreed formulae.

#### Fair Share 3 – 2005-2020

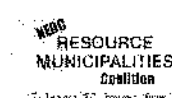
During the late 1990's and early 2000's the region experienced a considerable increase in oil and gas activity as well as provincial grant per capita reductions and major road downloading. This coupled with increasing policing costs in Fort St John lead to the rebuilding of a local government coalition which the Town of Fort Nelson and the Northern Rockies Regional Municipality rejoined.

Discussions were opened with the Province in 2002-3 and in 2004 the Province signed an MOU with the coalition. The MOU established a formal process to examine the oil and gas industrial property tax access issue in North Eastern BC, with the agreed objective to identify a permanent solution to the oil and gas property tax base issue.

Negotiations took place during the fall of 2004 and on February 1st, 2005 the Province offered the Peace Region Municipalities the following:

1. An MOU with a Term of 15 years. The proposal, if accepted, would replace the existing Fair Share Agreement. The offer was contingent upon being accepted by March 18th, 2005.
2. The annual grant starts at \$20 million in 2005 and is indexed by a formulae based on changes in Industrial assessments
3. A \$40 million grant for historical infrastructure deficits to be paid to beneficiaries by March 31st, 2005. The Peace Regional Municipalities agreed to allocate \$5million to the Town of Fort Nelson and the Northern Rockies Regional District in view of their exclusion from the permanent agreement.
4. The Province would support a Regional Policing Model as a local initiative.

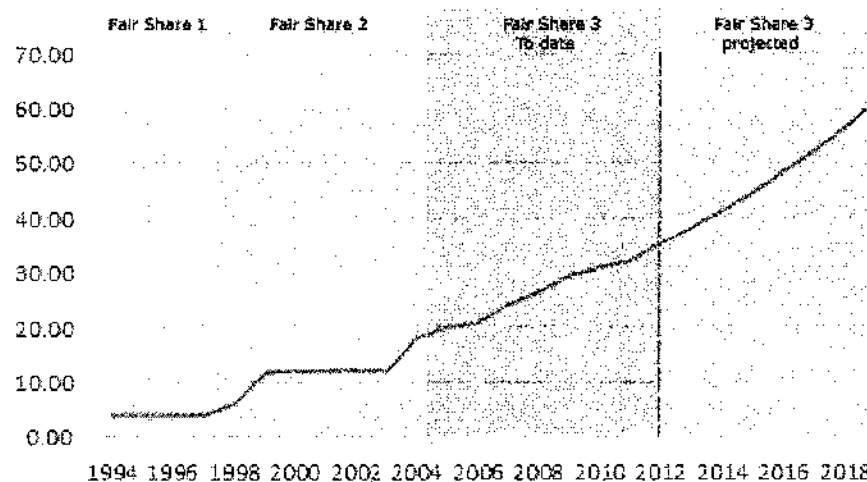
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5. The Province established broad criteria for the sharing of the funds between the communities and allocation agreements are to be developed by the communities, signed off by the Province and included in a new MOU.
6. Funds provided to communities will be unconditional except for the infrastructure funds which are to be used to address deficits in local infrastructure.
7. The Town of Fort Nelson and the Northern Rockies Regional District were exempted from the Provincial offer.

The base grant moved from \$12 million to \$20 million with the added provision that it would be indexed to the annual changes of the industrial property tax base. The results are reflected in the following exhibit:

Exhibit 4 - Fair Share Annual Grant Totals & Indexing Impacts



### Summary of Provincial Policy

The Provincial policy on industrial property taxation has remained consistent since 1994. In that year the Province decided it would not accept the arguments advanced by NEBC municipalities that they be given direct access to levy property taxes against the oil and gas industry.

The reason, simply stated, was that the Province was concerned with creating and maintaining a competitive, low cost, investment climate that would attract international oil and gas investments.

The Province again rejected the municipality's requests in 1997 and 2004 for direct access to the property tax base and continued with its policy of not allowing any increases in oil and gas property tax rates.

This policy was again applied to the 2009 restructure process when the Northern Rockies Regional Municipality was created with the condition that there could be no increase in industrial property tax rates.

The Provincial policies have been applied rigorously to industrial property tax rates in NEBC for the past 25 years.

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On the other hand the Province has acknowledged that the municipalities in NEBC do act as the services centres for the oil and gas industry and should have a form of property tax support from the industry they service.

The Province has accomplished this by providing grants in lieu of access to the industrial property tax base.

## **Provincial Action to Negotiate a New 15 Year MOU by April 30<sup>th</sup>, 2015**

Minister Coralee Oakes letter dated February 24<sup>th</sup>, 2015 states:

*Recognizing that all municipalities and the regional district are equal signatories to the current MOU, it is the Province's expectation that negotiations will be conducted directly with all local governments in the region. Paramount in this approach is ensuring that the signatories have established the necessary governance and have identified the appropriate individual or individuals to negotiate on their behalf. The Province's goal is to have a new agreement in place by April 30, 2015.*

*It is our belief that under this approach, the region stands to gain through an agreement that provides certainty and stability of funding over a longer time frame. With a clear commitment toward discussions by all parties, a negotiated resolution, respectful of the need for financial stability and certainty, can be reached that will deliver significant, unique benefits to the region over the next 15 years while also ensuring that the costs are appropriate and fair for taxpayers across the province.*

Mr. Dale Wall called the first negotiating meeting to Fort St John on March 19<sup>th</sup>, 2015. Mr. Wall was accompanied by Lauren Kerr Financial Officer, Local Gov't Infrastructure & Finance. Also in attendance were Colin Griffith - Chief Negotiator for The District of Taylor and The City of Fort St John, Harald Hansen - Consultant for The District of Taylor and The City of Fort St John, Dianne Hunter - CAO City of Fort St John, Charlette McLeod - CAO District of Taylor, Doug Fleming - CAO District of Chetwynd, Chris Cvik - CAO PRRD, Blair Lekstrom - Consultant, and Don Lidstone - Consultant.

Mr. Wall explained that his mandate was to negotiate a new 15 year MOU effective by April 30<sup>th</sup>, 2015 that included addressing the current indexing formula. He described it as bending down the cost curve and he indicated that a primary focus was Provincial affordability.

### **Analysis of the Implications Involved in a New 15 Year Agreement**

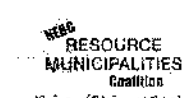
A new 15 year agreement starting April 30<sup>th</sup>, 2015 can only be accomplished by reopening the existing MOU which does not expire until 2020. The current MOU requires unanimity by all local government signatories before it can be reopened. This indicates that the Province will have to reopen the agreement unilaterally in the absence of unanimous approval by the local government signatories.

There are a series of important considerations to be examined:

1. On what basis has the government determined that the existing assessment based indexing is unaffordable to the Province?

The first indication received by municipalities that there was an issue with the indexing provisions of the Fair Share Agreement came at meetings in 2011 between Deputy Ministers and senior staff in the

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Ministry of Community, Sport and Cultural Development. In the interim period various Ministry Officials have reiterated concerns with the indexing formula with a particular reference to the difficulty the Ministry has in balancing their budget during times of fiscal restraint. Ministry Officials have made constant references to the cost of living index as being a more suitable measure.

At this point in time, the Province has not provided any evidence or argument to support its contention that the indexing provisions exceed the objectives for comparability with other industrial communities across British Columbia as stated in Section 5 of the 2005 MOU signed by the 7 Municipalities and the PRRD.

**Section 5 of the 2005 MOU**

The parties recognize that the considerations in paragraphs 1 through 4 must be addressed with the objective of achieving a reasonable degree of comparability with the industrial revenues from property classes 2, 4, and 5 available in other industrial communities across British Columbia.

**Section 16 a) of the 2005 MOU**

The Parties will enter into negotiations with the intent to ensure that the Region is maintained within the average per capita Industrial Revenues of the top ten industrial municipalities in the rest of British Columbia;

The Greater Taylor / Fort St John area has a combined population of 29,922 citizens which includes 6,909 people in Area C who rely on the municipal services provided by the two municipalities. Additionally there is a significant rural population in Area B that also are serviced.

We have selected four industrial communities from Northern BC that have an incorporated industrial tax base with a combined population of 29,103 in order that we can compare the level of industrial tax base support to the Greater Taylor / Fort St John area.

The results of this comparison are:

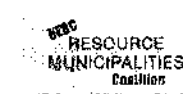
	Greater Taylor / Fort St John area	Four Industrial Municipalities in Northern BC
Population	29,922	29,103
Total Industrial Tax Revenue	\$27.81 Million	\$35.5 Million
Per Capita Industrial Tax Revenue	\$929	\$1219
Reliance on Fair Share Grant	82%	0%

Research and analysis of the performance and results of the existing MOU indicate that it is achieving the precise objectives of providing Peace Region Municipalities and Electoral Areas with the equivalent of a reasonable level of support from the industrial tax base

Greater Taylor / Fort St John Area Population of 29,922						
Combined Population of 29,922 - Total Industrial Revenue \$27.81 million - Per Capita \$929						
Area	Industrial Revenues (2014)				Population	Industrial Revenue per Capita
	Incorporated Tax Base	Fair Share	Per Capita Fair Share	Total		
Greater Fort St John Area						
Fort St John	\$1.62 million	\$21.03 million	\$977	\$22.65 million	21,523	\$1,052
Taylor	\$2.42 million	\$1.13 million	\$758	\$3.55 million	1,490	\$2,382
Electoral Area C	\$0.96 million	\$0.66 million	\$94	\$1.61 million	6,909	\$233
	\$5.00 million	\$22.81 million	\$762	\$27.81 million	29,922	\$929

Comparison to Four Resource Communities with a Population of 29,103			
Combined Population 29,103 - Total Industrial Revenue \$35.5 million - Per Capita Industrial Tax Base Support \$1219			
	Population	Taxes from 2,4 & 5	Per Capita
Kitimat	8363	\$15.7 million	\$1,877
Quesnel	9935	\$9.5 million	\$956
Trail	7307	\$7.8 million	\$1,067
Mackenzie	3498	\$2.5 million	\$714
	29103	\$35.5 million	\$1,219

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2. Is Provincial affordability to be the future determining factor for grant in lieu of access to the industrial tax base?

The current MOU was signed in 2005 and shale gas discoveries and development during last 10 years has seen the Provincial government receive over \$20 Billion in new revenue from Northeastern BC. During that same period the indexing provisions of the Agreement have provided an additional \$100 Million to Peace Region municipalities and regional district. This is less than ½ of 1% of the \$20 Billion received by the Province.

It is very difficult to comprehend opposition to the local municipalities and regional district receiving additional funding from the growth of the oil & gas tax base that they service.

3. If the current MOU is reopened by the Province will it set a precedent that any future MOU can be reopened at any time?

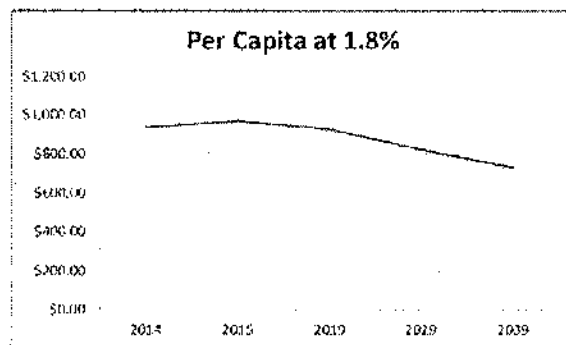
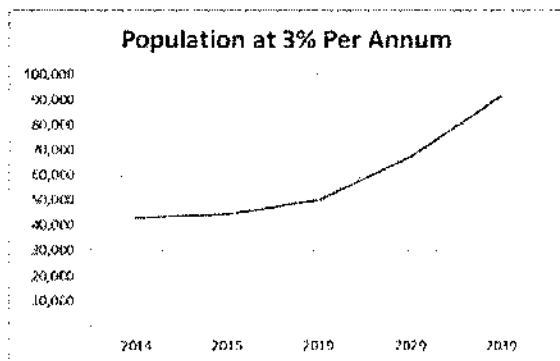
If the current agreement does not stand it will be difficult for municipalities and the PRRD to have any stable long term reliance on any future MOU that will be subject to review on the basis of Provincial affordability.

4. Does a new 15 year agreement with a reduced indexing formula provide Peace Region municipalities with the financial capacity to service the projected demands of economic growth on their services and facilities?

The short answer is that a reduced indexing formula will undermine the existing connection between economic growth and the industrial property tax base. It will severely limit the Municipalities capabilities to adequately fund all of the impending expenditures to accommodate work force and population increases.

<b>Municipalities Only - Per Capita</b>			
Assumed 1.8% Indexing			
	Population at 3% Per Annum	Grant in millions	Per Capita
2014	43,205	\$40.50	\$936.00
2015	44,501	\$43.30	\$972.00
2019	50,167	\$46.50	\$926.00
2029	67,167	\$55.70	\$822.00
2039	91,341	\$66.60	\$729.00

<b>PRRD Total Losses</b>			
Assumed indexing of 1.8% after 2015			
	Current Indexing 8%	Indexing at 1.8% After 2015	Total Losses
2015	\$46,028.00	\$46,028.00	
2016	\$49,710.00	\$46,856.00	\$2,854.00
2017	\$53,678.00	\$47,700.00	\$5,978.00
2018	\$57,982.00	\$48,558.00	\$9,424.00
2019	\$62,620.00	\$49,432.00	\$13,188.00
<b>Total Loss</b>			<b>\$31,444.00</b>



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Future limits of indexing will result in a per capita reduction of support from the industrial tax base in the upcoming decades particularly when the municipal cost increases for upgrading all of their infrastructure and facilities and expanding services are added to the mix.

The concept of breaking the direct connection between the growth of the oil and gas tax base and municipal funding levels turns the existing grant in lieu of industrial taxation into a relatively flat rate discretionary grant system.

These tables are provided simply to demonstrate that any future indexing agreement that is not directly linked to performance indicators tied to economic growth within the region will result in less funding from the industrial tax base being available to municipalities. Any such system would be particularly onerous for the resource municipalities who are confronted with extreme increases in population and service demands which at this point in time are not being considered in the discussions around future funding needs.

*The overarching policy position of the Northeast B.C. Resource Municipalities Coalition is to protect and enhance existing resource municipalities so that they continue to develop as permanent, sustainable and vibrant communities providing a high quality of life for existing and future residents.*

5. If the current MOU is reopened by the Province will it trigger the reopening of the existing allocation formula and distribution model?

The current allocation formula is the basis for regional cooperation and a vital component of the current MOU.

The District of Taylor and the City of Fort St John have a steadfast determination to protect the existing allocation model in the current MOU and in all future MOUs.

## Positions of the District of Taylor and City of Fort St John

The Province is attempting to impose unreasonable timeframes within which to discuss, let alone negotiate, a long term agreement to provide a permanent solution to the disconnect between Peace Region municipalities and rural oil and gas tax base.

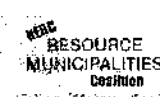
The District of Taylor and the City of Fort St John are prepared to enter negotiations with the Province but not under the framework and the restrictive and unreasonable time constraints that the Province is proposing.

### First Priority - a Permanent Agreement

The District of Taylor and the City of Fort St John are advancing the following position: That a permanent agreement be negotiated to take effect in 2020 following the expiry of the current agreement conditional upon the following:

1. That the Province agree to fund the 2015 grant pursuant to the agreement; and
2. That the Province enter into negotiations:
  - o To formally structure a process, to be formally enshrined in an MOU and which should include the following principles:

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- That a reasonable time frame be negotiated to the mutual satisfaction of all parties to reach a permanent agreement. It is suggested that the negotiations would require at least the balance of 2015 at a minimum.
- That the existing allocation model and formula is to be incorporated, as is, into any future agreement.
- That the negotiating frame work will involve a full examination and consideration of the future impacts of economic development on municipal infrastructure and services.

In addition, the Coalition position is to support responsible resource development. As British Columbians, we are very aware of the significant direct and indirect contributions this industry makes to the Provincial revenue by having strong municipal services that attract and retain strong businesses within the province of BC.

Therefore, the District of Taylor and the City of Fort St John requires any new agreement to include the following conditions:

- The Province needs to agree to a full review of all of the impediments faced by Peace Region communities in planning for future growth including issues related to boundary expansions, Provincial services and like matters.
- That the issue of a full examination of permanent access to the rural industrial tax base is to be addressed.
- Any future conversation on resource development in the region must include consultation and input with First Nations, Industry and the Province as well as our local citizens and businesses to ensure their needs are reflected in planning for the expansion of municipal infrastructure and services. All of which will be fundamental to ensuring municipal capacity is there to support Site C, LNG, Natural Gas, and other resource development activities.
- Our position is that local residents and businesses must be protected from absorbing that cost of economic growth which properly should be funded by industry and the Province.

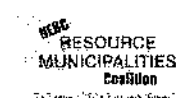
## Second Conditional Priority - 2005 MOU Amendment (Section 14 - indexing provision only)

*Conditional upon a permanent agreement being reached, the District of Taylor and the City of Fort St John will be prepared to consider entering discussions with the Province to recognize and contribute to dealing with the current fiscal challenges facing the Province conditional that any losses or reductions in the current MOU will be mitigated between the parties.*

### An Illustration of a Frame Work

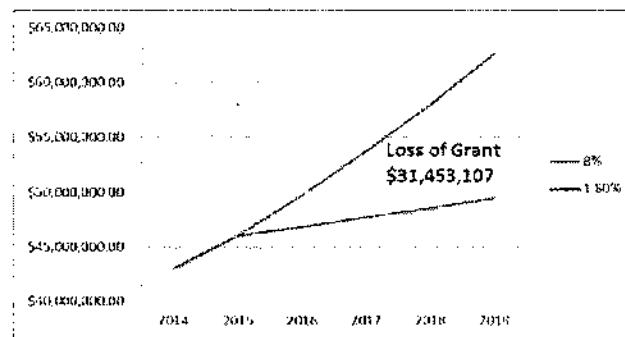
- The existing 2015 payment will be made by the Province. Mitigation of the Loss of \$31,453,107 for the 2016-2019 time period could be addressed by an upfront one-time payment from the Province in 2016. We are prepared to consider equal sharing of the loss of \$31 Million.

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### Mitigation of Loss of \$31,453,107



## Closing Statements

In conclusion the District of Taylor and the City of Fort St John are not agreeable to reopening of the current MOU except under the conditions detailed in this formal proposal. Failing establishment of a mutually agreed and reasonable negotiating process the two municipalities will revert to their established position of taking actions to protect the existing 2005 MOU.

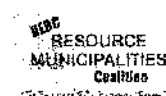
The District of Taylor and the City of Fort St John maintain that a permanent solution to the rural oil & gas tax base issue is fundamental and integral to the future development of the resources within the Peace Region.

This pivotal issue of determining the financial capacity of the resource municipalities to expand and develop their infrastructure and services to facilitate a major influx of workers and their families requires full involvement and consultation with industry and in particular LNG proponents.

Additionally, the District of Taylor and the City of Fort St. John intend to educate and consult with the citizens, businesses and industry in order to identify the challenges to supporting the identified industrial and population expansion of the region. The consultation process will focus on the ability or inability to finance increasing services and infrastructure in the absence of a permanent solution to the industrial tax base issue.

The consultation process will focus on the needs of the municipalities to have adequate financial resources to service the existing population as well as the future influx of permanent workers and their families as well as a significant transient work force.

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## Additional Analysis

Following are a series of additional tables providing preliminary estimates pursuant to the existing allocation formula:

### DRAFT - 4 Year Calculation of Financial Losses if Indexing Replaced with CPI (1.8%) Due to the existing agreement being opened by the Province

	2015 Based on PRRD Actuals	2016 projected 1.8%	2017 projected 1.8%	2018 projected 1.8%	2019 projected 1.8%	Total Projected Grant at 8% 2015-2019	Grant with 1.8% Indexing	Loss by Municipality/ Rural 2015-2019
Fort St John	\$22,373,886.00	\$ 22,776,615.95	\$ 23,186,595.04	\$23,603,953.75	\$ 24,028,824.91	\$ 108,884,775.09	\$ 93,595,989.64	\$ 15,288,785.44
Dawson Creek	\$13,695,522.00	\$ 13,942,041.40	\$ 14,192,998.14	\$14,448,472.11	\$ 14,708,544.61	\$ 66,650,640.51	\$ 57,292,056.25	\$ 9,358,584.26
Chetwynd	\$2,682,852.00	\$ 2,731,143.34	\$ 2,780,303.92	\$ 2,830,349.39	\$ 2,881,295.68	\$ 13,056,370.12	\$ 11,223,092.32	\$ 1,833,277.80
Hudson Hope	\$595,824.00	\$ 606,548.83	\$ 617,466.71	\$ 628,581.11	\$ 639,895.57	\$ 2,899,637.65	\$ 2,492,492.23	\$ 407,145.42
Pouce Coupe	\$869,220.00	\$ 884,865.96	\$ 900,793.55	\$ 917,907.83	\$ 933,513.97	\$ 4,230,146.89	\$ 3,636,181.31	\$ 593,965.58
Tumbler Ridge	\$1,890,105.00	\$ 1,924,126.89	\$ 1,958,761.17	\$ 1,994,018.88	\$ 2,029,911.21	\$ 9,198,386.81	\$ 7,906,818.15	\$ 1,291,568.65
Taylor	\$1,159,779.00	\$ 1,180,655.02	\$ 1,201,906.81	\$ 1,223,541.14	\$ 1,245,564.88	\$ 5,644,181.59	\$ 4,851,667.84	\$ 792,513.75
Peace River Rural	\$2,761,735.00	\$ 2,811,446.23	\$ 2,862,052.26	\$ 2,913,569.20	\$ 2,966,013.45	\$ 13,440,262.20	\$ 11,553,081.14	\$ 1,887,181.06
Annual	\$46,028,923.00	\$ 46,857,443.61	\$ 47,700,877.60	\$48,559,493.40	\$ 49,433,564.28	\$ 224,004,400.86	\$ 192,551,378.89	\$ 31,453,021.97

Draft document subject to change.

### DRAFT - 4 year Calculation of Financial Losses if Indexing is Lost (0%) Due to the existing agreement being opened by the Province

	2015 Based on PRRD Actuals	2016 projected 8%	2017 projected 8%	2018 projected 8%	2019 projected 8%	Total Projected Grant at 8% 2015-2019	Grant without Indexing	Loss by Municipality/ Rural 2015-2019
Fort St John	\$ 22,373,886.00	\$ 24,163,796.88	\$26,096,900.63	\$ 28,184,652.68	\$ 30,439,424.90	\$108,884,775.09	\$ 89,495,544.00	\$ 19,389,231.09
Dawson Creek	\$ 13,695,522.00	\$ 14,791,163.76	\$15,974,456.86	\$ 17,252,413.41	\$ 18,632,606.48	\$ 66,650,640.51	\$ 54,782,088.00	\$ 11,868,552.51
Chetwynd	\$ 2,682,852.00	\$ 2,897,480.16	\$ 3,129,278.57	\$ 3,379,620.86	\$ 3,649,990.53	\$ 13,056,370.12	\$ 10,731,408.00	\$ 2,324,962.12
Hudson Hope	\$ 595,824.00	\$ 643,489.92	\$ 694,969.11	\$ 750,566.64	\$ 810,611.97	\$ 2,899,637.65	\$ 2,383,296.00	\$ 516,341.65
Pouce Coupe	\$ 869,220.00	\$ 938,757.60	\$ 1,013,858.21	\$ 1,094,966.86	\$ 1,182,564.21	\$ 4,230,146.89	\$ 3,476,880.00	\$ 753,266.89
Tumbler Ridge	\$ 1,890,105.00	\$ 2,041,313.40	\$ 2,204,618.47	\$ 2,380,987.95	\$ 2,571,466.99	\$ 9,198,386.81	\$ 7,560,420.00	\$ 1,637,966.81
Taylor	\$ 1,159,779.00	\$ 1,252,561.32	\$ 1,352,766.23	\$ 1,460,987.52	\$ 1,577,866.53	\$ 5,644,181.59	\$ 4,639,116.00	\$ 1,005,065.59
Peace River Rural	\$ 2,761,735.00	\$ 2,982,673.80	\$ 3,221,287.70	\$ 3,478,990.72	\$ 3,757,309.98	\$ 13,440,262.20	\$ 11,046,940.00	\$ 2,393,322.20
Annual	\$ 46,028,923.00	\$ 49,711,736.84	\$53,688,135.79	\$ 57,983,186.65	\$ 62,621,841.58	\$224,004,400.86	\$ 184,115,692.00	\$ 39,888,708.86

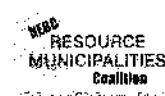
Draft document subject to change.

### DRAFT - 5 Year - Calculation of Financial Losses if Indexing is Lost (0%) Due to the existing agreement being opened by the Province

	2014	2015 Based on PRRD Actuals	2015 Loss by Municipality/ Rural Area	2016 projected 8%	2017 projected 8%	2018 projected 8%	2019 projected 8%	Total Projected Grant at 8% 2015-2019	Grant without Indexing	Loss by Municipality/ Rural 2015-2019
Fort St John	\$ 21,023,191.00	\$ 22,373,886.00	\$ 1,344,695.00	\$ 24,163,796.88	\$ 26,096,900.63	\$ 28,184,652.68	\$ 30,439,424.90	\$ 131,758,661.09	\$ 105,145,955.00	\$ 26,112,706.09
Dawson Creek	\$ 12,955,954.00	\$ 13,695,522.00	\$ 739,568.00	\$ 14,791,163.76	\$ 15,974,456.86	\$ 17,252,413.41	\$ 18,632,606.48	\$ 80,346,167.51	\$ 64,779,770.00	\$ 15,566,397.51
Chetwynd	\$ 2,525,063.00	\$ 2,682,852.00	\$ 157,789.00	\$ 2,897,480.16	\$ 3,129,278.57	\$ 3,379,620.86	\$ 3,649,990.53	\$ 15,739,222.12	\$ 12,525,315.00	\$ 3,113,907.12
Hudson Hope	\$ 581,578.00	\$ 595,824.00	\$ 14,246.00	\$ 643,489.92	\$ 694,969.11	\$ 750,566.64	\$ 810,611.97	\$ 3,495,461.85	\$ 2,907,890.00	\$ 587,571.85
Pouce Coupe	\$ 878,338.00	\$ 869,220.00	\$ 10,118.00	\$ 938,757.60	\$ 1,013,858.21	\$ 1,094,966.86	\$ 1,182,564.21	\$ 5,009,366.89	\$ 4,396,690.00	\$ 702,676.89
Tumbler Ridge	\$ 1,361,169.00	\$ 1,890,105.00	\$ 528,942.00	\$ 2,041,313.40	\$ 2,204,618.47	\$ 2,380,987.95	\$ 2,571,466.99	\$ 11,088,491.81	\$ 8,805,815.00	\$ 4,282,676.81
Taylor	\$ 1,131,081.00	\$ 1,159,779.00	\$ 28,698.00	\$ 1,252,561.32	\$ 1,352,766.23	\$ 1,460,987.52	\$ 1,577,866.53	\$ 6,803,960.59	\$ 5,655,425.00	\$ 1,148,535.59
Peace River Rural	\$ 2,587,768.00	\$ 2,761,735.00	\$ 178,967.00	\$ 2,982,673.80	\$ 3,221,287.70	\$ 3,478,990.72	\$ 3,757,309.98	\$ 16,701,977.70	\$ 12,913,840.00	\$ 3,788,137.70
Annual	\$ 43,046,136.00	\$ 46,028,923.00	\$ 2,982,787.00	\$ 49,711,736.84	\$ 53,688,135.79	\$ 57,983,186.65	\$ 62,621,841.58	\$ 270,033,323.86	\$ 215,230,680.00	\$ 54,802,643.86

Draft document subject to change.

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## **A Historical Analysis of the Industrial Property Taxation Issue and Industry Competitiveness Policy of the Province**

*The following information is an overview of the dynamics that arise whenever attempts are made to resolve the oil & gas rural property tax issue in Northeastern British Columbia. The following information has been copied from the 2004 Position Paper filed with the Province by the Coalition of NEBC Municipalities and Regional Districts. It is still an excellent overview of the policy issues and dynamics surrounding this interplay between Provincial Policy and the needs of the municipalities to have permanent access to the rural industrial tax base.*

*The Provincial Government has established a number of important conditions on which future discussions and negotiations must be based. These include:*

- *Industry competitiveness is maintained*
- *The flow of investment capital into oil and gas is accelerated*
- *The local role in the implementation of the Oil and Gas Development Strategy is reinforced*
- *Provincial fiscal constraints are recognized.*

*An important condition of the Provincial Government is that increased property taxation cannot affect industry competitiveness. It is local government's contention that this condition is too narrowly focused on the impact of property taxes on industry competitiveness. The broader question which should be asked is how does local government contribute to industry competitiveness? Local government believes that its major contribution to industry competitiveness is the cost effective provision of services both to industry directly and to industry's workforce. Local government services are a necessary precondition for any industrial development in the Province. In Northeast B.C. it is evident that industry relies heavily on the services local government provides and would not be in a financial position to construct, operate and maintain the services which local government provides and remain competitive.*

*Local government sees increased industrial tax support as an excellent investment for industry in that industry would not be able to provide the services as efficiently and as cost effectively as local government.*

*As property taxes represent a small part of the overall tax load of industry, local government believes it is unfair to single out the property tax as the basis on which industrial competitiveness turns. Industry competitiveness is much more influenced by the royalty, taxation and regulatory regimes of the Province than local government property taxes. Local government is not asking for an excessive property tax. They are not proposing to overtax industry but to request a level of property taxation which respects the standard of fairness the Provincial Government has established itself in the imposition of the capped Vancouver Port rates. Local government believes that with a level of industrial tax support close to the standards of fairness which the Province itself has established, local government can significantly add to the competitiveness of industry and provides exceptional value for the industrial property taxes it collects.*

*Recognizing the views and policies of both industry and the Provincial Government, local government in Northeast B.C. realizes that it is faced with a no win situation. If it advances the position that increased revenues should come from an increase tax on industry, opposition and*

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lobbying efforts on the part of industry is inevitable. This claim also runs up against the Provincial position that industry competitiveness and investment cannot be threatened. If local government agrees with industry and seeks increased revenue from the Provincial Government's own sources, it runs up against the wall of "Provincial fiscal constraints." Local government believes that the Provincial criteria that "the local role in oil and gas industry growth be reinforced" cannot be achieved if dogmatic positions described above are taken by industry and the Province. Local government too has issues which are as legitimate as those of industry and the Provincial Government. All partners must fulfill their responsibilities including local government. Without local government, services required by industry cannot be provided. This too threatens industry investment and competitiveness which in turn affects the revenue the Provincial Government will realize. All parties must recognize and value the roles and responsibilities which each must carry out. If one party fails all fail and the potential of the oil and gas industry is not realized at great cost to all parties.

### ***What Can Local Government Do About Provincial Fiscal Constraints?***

Past decisions by the former Provincial Government to fund the majority of the Fair Share program from Provincial revenues (rather than a tax on industry) has served to establish significant barriers to resolving the tax base issue due to extreme budget pressures which are challenging the Provincial Government. While local government recognizes the difficult fiscal position of the Province, it too faces extreme budget pressures due to the rising costs of servicing a rapidly expanding industry without the tax base to support it. Local government believes that it should not have to shoulder the full impact of the Provincial financial issues. Local government also believes that the issue of Provincial budget constraints is rooted in the belief that any increase in funding must come from Provincial sources. This has never been local government's choice or position due to the perception that local governments in Northeast B.C. enjoys a "windfall" which other local governments do not enjoy. The fact that the Fair Share Agreement is a grant in lieu of taxes providing only a fraction of the industrial tax revenues enjoyed by other local governments is lost in this debate. The grant aspect of Fair Share funding also places this funding in the context of other pressing Provincial Government servicing priorities including health and education. Local government funding needs should not have to compete with provincial priorities and it is clear that it will lose given the mounting pressure for funding key Provincial services.

Local government believes that an increased level of property taxation on industry to mitigate the impact on the Provincial Government's fiscal position is justified and will not have the impact on industry competitiveness which will be claimed by industry. Industry is already paying a higher tax rate in the Northern Rockies Regional District than in the Peace River Regional District. The variation in the levels of taxation has not even been alluded to by industry let alone impacted level of activity and investment in the region.

Research & Data By:



158523

## Weich, Rika I CSCD:EX

**From:** Hart, Emma CSCD:EX  
**Sent:** Friday, May 29, 2015 1:08 PM  
**To:** CSCD Minister's Correspondence Action Items CSCD:EX  
**Cc:** Ehl, Cameron CSCD:EX; Bell, Jordan CSCD:EX; Brown, Tom G CSCD:EX  
**Subject:** FW: NEWS RELEASE - Fort St. John sign new MOU with Province  
**Attachments:** NEWS RELEASE - Fort St. John signs new MOU with Province.pdf

**Emma Hart**

*Administrative Assistant*

*Office of the Minister*

*Community, Sport and Cultural Development*

**T:** 250 387 2283 **F:** 250 387 4312

**Email:** [Emma.Hart@gov.bc.ca](mailto:Emma.Hart@gov.bc.ca)

Please consider the environment before printing this email.

**From:** Jessica Harrison [<mailto:JHarrison@fortstjohn.ca>]  
**Sent:** Friday, May 29, 2015 12:18 PM  
**To:** Jessica Harrison  
**Subject:** NEWS RELEASE - Fort St. John sign new MOU with Province

Good afternoon,

Attached is a news release from the City of Fort St. John regarding the Fairshare MOU

### JESSICA HARRISON

Direct line (250) 787 8154

10631 100 Street | Fort St. John, BC | V1J 3Z5



**FORT ST JOHN**  
*The Energetic City*



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**CORRESPONDENCE SERVICES**

Received: MAY 29 2015

Sent: MAY 29 2015

ASSIGN TO:

LG-LGIF

☐ MINISTER'S RESPONSE

☐ DM RESPONSE

☐ DIRECT REPLY

☐ NECESSARY ACTION

☐ COMMENTS/ADVICE

☐ PREMIER'S RESPONSE

☒ INFO/FILE

## **Fort St. John Signs 'Peace River Agreement' with Province**

Fort St. John B.C. – Fort St. John Council announced they have signed the Memorandum of Understanding between the Province and the Peace River Region for 'Payments in Place of Direct Access to the Unincorporated Industrial Tax Base (MOU)', now called the Peace River Agreement. The Peace Region municipalities had a Fair Share Memorandum of Understanding signed in 2005 that provided an annual grant in lieu of access to the industrial tax base that was set to expire in 2020. In March 2015 the Province invited municipalities to begin negotiations for a new agreement to be completed by the end of April.

Fort St. John and Taylor advocated that the 2005 Fair Share MOU should be honoured. It was the hope of both Councils that an agreement beyond 2020 could be negotiated over time using solid research and considered discussion. On May 4<sup>th</sup> Fort St. John announced they would participate in negotiations as the Province indicated there would be a framework for negotiation broad enough to allow for consideration of the interests of their community.

Fort St. John values and appreciates the work of previous Councils and administration in drafting previous Fair Share Agreements. The Peace River Agreement is a departure from those agreements in that the link to industrial growth is no longer reflected.

Mayor Ackerman stated, "Although this agreement is not the agreement Fort St. John envisioned for the community, it does represent a commitment by the Province to provide consistent funding to the community for 25 years." The special 2015 payment, in excess of \$1 million, is welcome and Council will initiate a conversation with the community on the creation of a legacy project.

Fort St. John is committed to ensuring the Province understands and respects the unique needs of a resource based community with the highest growth rate in the province. The City will continue to seek strategies to offset impacts of rapid growth and ensure positive outcomes for citizens.

Mayor Lori Ackerman stated, "We will continue to advocate for long term reliable funding solutions to allow us to build on partnerships with other agencies and to provide services to industry."

This MOU comes with significant audit and reporting functions. Fort St. John welcomes terms which will hold municipalities accountable for the way in which they manage their finances. Fort St. John has always utilized Fair Share dollars for capital projects to enable the City to manage growth effectively and will continue to manage finances responsibly.

-30-

**CONTACT**  
Lori Ackerman, Mayor  
250-787-8160  
lackerman@fortstjohn.ca



Ref: 159589

Her Worship Mayor Lori Ackerman, Chair  
and Members of the Board  
Peace River Regional District  
PO Box 810  
Dawson Creek, BC V1G 4H8

OCT 28 2015

Dear Chair Ackerman and Board Members:

As the new Minister of Community, Sport and Cultural Development, I appreciated meeting with your delegation at the 2015 UBCM Convention in Vancouver. It is always valuable to hear directly from local governments regarding issues and concerns in their communities.

I appreciate you taking the time to raise the important issue of the resource development industry in the Northeast and the impact on local governments. The Ministry of Community, Sport and Cultural Development recognizes that industrial work camps present complex challenges to local governments as they are varied in size, scale, type, location and impact.

Having recently visited the Peace River area and seen the work being done, work camps are very much top of mind. Although the potential scale may be new, the issue is not. The Province of British Columbia is committed to supporting communities to prepare for the growth and economic opportunities arising from natural gas development and other major resource development. Different regions have different characteristics, opportunities and challenges, so approaches need to be tailored to differing circumstances. With this in mind, in the Northeast there are a range of initiatives in place designed to help local governments manage the impacts of resource development, including work camps. As you know, building on more than \$302 million in funding since 2005 under the old Memorandum of Understanding, the new Peace River Agreement will provide more than \$50 million to the region every year going forward - over \$1 billion over 20 years. This includes \$1 million in 2015 to support the work of the Agreement to collaborate on areas of shared interest - which could include research, planning and information sharing between communities, the Province and other stakeholders.

I appreciate you outlining in your UBCM meeting submission your interest in applying the Municipal and Regional District Tax (MRDT) to Industrial Work Camps. The design of the tax system balances fairness, competitiveness, efficiency, administrative simplicity and economic objectives. Each year, the Minister of Finance reviews provincial taxes and considers changes in preparation of the provincial budget. The government implements tax changes that it determines to be appropriate within the context of the

.../2

Ministry of Community,  
Sport and Cultural Development and  
Minister Responsible for TransLink

Office of the Minister

Mailing Address:  
PO Box 9056 Stn Prov Govt  
Victoria BC V8W 9E2  
Phone: 250 387-2283  
Fax: 250 387-4312

Location:  
Room 310  
Parliament Buildings  
Victoria BC

[www.gov.bc.ca/cscd](http://www.gov.bc.ca/cscd)

Her Worship Mayor Lori Ackerman, Chair  
and Members of the Board  
Page 2

Province's fiscal situation and other priorities. Your suggestion to expand the application of the MRDT to industrial work camp accommodation will be taken into consideration.

I understand that the proposed Ministry of Health Work Camps Regulation is also intended to assist in providing information on camp locations and operations which may prove helpful to local governments to support planning for infrastructure and services. We understand that this camp information would be useful to you, and Ministry staff will support the Ministry of Health in identifying mechanisms for gathering and accessing this information. Additionally, Ms. Tara Faganello, Assistant Deputy Minister, Local Government, will bring your concerns to the Ministry of Health. If you would like to discuss work camps further, please contact Ms. Meggin Messenger, Executive Director, Intergovernmental Relations and Planning Branch, by telephone at: 250 387-4045, or by email at: [Meggin.Messenger@gov.bc.ca](mailto:Meggin.Messenger@gov.bc.ca).

I believe we need to ensure local communities are supported, without compromising the competitiveness of resource industries. I hear your concerns around local hires, and, as I said, the Province's first priority is to hire locally. We are working hard to provide British Columbians, especially those entering the workforce, with the skills they need to fill anticipated workforce needs; however, I acknowledge there may be situations where we need to go beyond our provincial job pool, when specific skills are needed.

Thank you again for taking the time to meet with me at the Convention. I look forward to a continuing productive dialogue with your community.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Fassbender', with a stylized, flowing script.

Peter Fassbender  
Minister

pc: Ms. Tara Faganello  
Assistant Deputy Minister  
Local Government  
Ministry of Community, Sport and Cultural Development

Ms. Meggin Messenger  
Executive Director  
Intergovernmental Relations and Planning Branch  
Ministry of Community, Sport and Cultural Development



## Coleman, Nora CSCD:EX

---

**From:** Mindy Smith <mindysmith@fortstjohn.ca>  
**Sent:** Friday, November 6, 2015 9:49 AM  
**To:** Edwards, Liam CSCD:EX; Dianne Hunter; 'Doug Fleming'; Faganello, Tara CSCD:EX; XT:Chute, Jim MTIC:IN; Livolsi, Patrick C TRAN:EX; Piccinino, Ines MNGD:EX  
**Cc:** Grant, Sean CSCD:EX; Kerr, Lauren CSCD:EX; Richardson, Jennifer CSCD:EX  
**Subject:** RE: PRA PC minutes and PRRD Letter

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Thanks Liam,

Works for me.

---

**From:** Edwards, Liam CSCD:EX [<mailto:Liam.Edwards@gov.bc.ca>]  
**Sent:** November-06-15 10:07 AM  
**To:** Mindy Smith; Dianne Hunter; 'Doug Fleming'; Faganello, Tara CSCD:EX; XT:Chute, Jim MTIC:IN; Livolsi, Patrick C TRAN:EX; Piccinino, Ines MNGD:EX  
**Cc:** Grant, Sean CSCD:EX; Kerr, Lauren CSCD:EX; Richardson, Jennifer CSCD:EX  
**Subject:** RE: PRA PC minutes and PRRD Letter

Hi Mindy, sure thing, how about this:

- Mindy and Shelly (Dawson Creek) available to work on templates with CSCD and the OCG if necessary.

It may be that we don't even need to include the OCG after our first consultation with them, but this way we can loop them into our collective discussion if necessary.

Does that work for you?

Cheers, Liam

---

**From:** Mindy Smith [<mailto:mindysmith@fortstjohn.ca>]  
**Sent:** Friday, November 6, 2015 8:59 AM  
**To:** Edwards, Liam CSCD:EX; Dianne Hunter; 'Doug Fleming'; Faganello, Tara CSCD:EX; XT:Chute, Jim MTIC:IN; Livolsi, Patrick C TRAN:EX; Piccinino, Ines MNGD:EX  
**Cc:** Grant, Sean CSCD:EX; Kerr, Lauren CSCD:EX; Richardson, Jennifer CSCD:EX  
**Subject:** RE: PRA PC minutes and PRRD Letter

Hi Liam,

I have just one small adjustment. From our conversation in the room I thought the discussion with Shelly, myself and CSCD (Action item for Agenda item 2) was to include the OCG. I believe this was part of the discussion.

I hope the action item can be amended.

Thanks so much.

Mindy

---

**From:** Edwards, Liam CSCD:EX [<mailto:Liam.Edwards@gov.bc.ca>]

**Sent:** November-04-15 12:57 PM

**To:** Dianne Hunter; 'Doug Fleming'; Faganello, Tara CSCD:EX; XT:Chute, Jim MTIC:IN; Livolsi, Patrick C TRAN:EX; Piccinino, Ines MNGD:EX

**Cc:** Grant, Sean CSCD:EX; Kerr, Lauren CSCD:EX; Richardson, Jennifer CSCD:EX; Mindy Smith

**Subject:** PRA PC minutes and PRRD Letter

Hello Peace River Agreement Partnership Committee members,

My apologies for the delay in sending you the minutes from the October 15<sup>th</sup> meeting. Please find the minutes attached for your review and comment. Once we receive comments or the thumbs up from everyone, we will finalize them and send them out to all the CAOs, along with attached letter that was sent to the Peace River Regional District regarding the \$1 million payment.

Regards, Liam

**Liam Edwards**

Executive Director, Infrastructure and Finance

Local Government Division

Ministry of Community, Sport and Cultural Development BC

PO Box 9838 STN Prov Govt Victoria BC V8W 9T1

ph: 250.387.4067

fax: 250-387-7972

<http://www.cscd.gov.bc.ca/lgd/infra/index.htm>

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## Coleman, Nora CSCD:EX

---

**From:** Mindy Smith <mindysmith@fortstjohn.ca>  
**Sent:** Friday, November 6, 2015 8:59 AM  
**To:** Edwards, Liam CSCD:EX; Dianne Hunter; 'Doug Fleming'; Faganello, Tara CSCD:EX; XT:Chute, Jim MTIC:IN; Livolsi, Patrick C TRAN:EX; Piccinino, Ines MNGD:EX  
**Cc:** Grant, Sean CSCD:EX; Kerr, Lauren CSCD:EX; Richardson, Jennifer CSCD:EX  
**Subject:** RE: PRA PC minutes and PRRD Letter

Hi Liam,

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**Cc:** Grant, Sean CSCD:EX; Kerr, Lauren CSCD:EX; Richardson, Jennifer CSCD:EX; Mindy Smith

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## Coleman, Nora CSCD:EX

---

**From:** Dianne Hunter <DHunter@fortstjohn.ca>  
**Sent:** Tuesday, October 13, 2015 9:52 AM  
**To:** Edwards, Liam CSCD:EX; Doug Fleming; Faganello, Tara CSCD:EX; XT:Chute, Jim MTIC:IN; Livolsi, Patrick C TRAN:EX; Piccinino, Ines MNGD:EX  
**Cc:** Grant, Sean CSCD:EX; Richardson, Jennifer CSCD:EX; Kerr, Lauren CSCD:EX; Mindy Smith  
**Subject:** RE: PRA Partnership Committee Agenda and ToR

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Good morning Liam

Thanks for the agenda.

Please be advised that Mindy Smith ([msmith@fortstjohn.ca](mailto:msmith@fortstjohn.ca)) will also be in attendance as she worked with the other CFOs in the region to develop the draft documents required for our annual submissions to the Province.

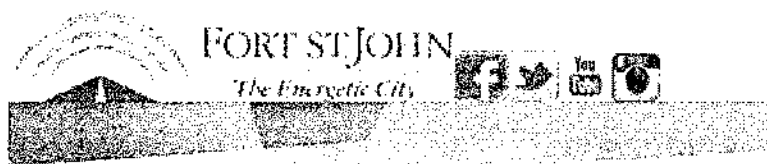
**Dianne Hunter**

*City Manager*

Direct line 250 787 8161

Cell s.22

10631 100 Street | Fort St. John, BC | V1J 3Z5



---

**From:** Edwards, Liam CSCD:EX [<mailto:Liam.Edwards@gov.bc.ca>]

**Sent:** October-13-15 9:28 AM

**To:** Dianne Hunter; Doug Fleming; Faganello, Tara CSCD:EX; XT:Chute, Jim MTIC:IN; Livolsi, Patrick C TRAN:EX; Piccinino, Ines MNGD:EX

**Cc:** Grant, Sean CSCD:EX; Richardson, Jennifer CSCD:EX; Kerr, Lauren CSCD:EX

**Subject:** PRA Partnership Committee Agenda and ToR

Hello everyone,

Please find attached a draft Agenda and draft Terms of Reference for your review and comment.

The draft ToR will likely be a focus of discussion at the meeting. Most sections reference the provisions in Appendix 3 of the Agreement which lay out some good foundational pieces for the PC. However, the ToR is an opportunity to provide greater clarity on those provisions and identify more specific expectations (e.g. frequency of PC meetings, use of the \$1 million for the PC etc).

I suspect it may take a couple tries to get the ToR right, so please see this draft just as a starting place.

Cheers, Liam

**Liam Edwards**

Executive Director, Infrastructure and Finance Branch

Local Government Division

Ministry of Community, Sport and Cultural Development BC

PO Box 9838 STN Prov Govt Victoria British Columbia V8W 9T1

ph: 250.387.4067

fax: 250.356.1873

[http://www.cd.gov.bc.ca/lgd/infra\\_index.htm](http://www.cd.gov.bc.ca/lgd/infra_index.htm)

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## Coleman, Nora CSCD:EX

---

**From:** Dianne Hunter <DHunter@fortstjohn.ca>  
**Sent:** Thursday, July 16, 2015 7:26 PM  
**To:** Schlosar, Jay M CSCD:EX  
**Cc:** Charlette McLeod; Chris Cvik; cao@hudsonshope.ca; XT:TumblerRidge, District ENV:IN; Doug Fleming; XT:Chute, Jim MTIC:IN; s.22 Edwards, Liam  
CSCD:EX; Grant, Sean CSCD:EX; Letawske, Kevan CSCD:EX; Kerr, Lauren CSCD:EX  
**Subject:** Re: Update from Ministry of CSCD

Jay

Thanks for the email.

1. UBCM works well for me for the inaugural meeting of the Partnership Committee. I will forward my thoughts for agenda items directly Lauren and Gary.
2. A suggestion for the third ADM would be Ines Piccinino, ADM for Upstream Development. As you are aware, Ines has extensive experience with the energy sector and has an established relationship with many of the communities in the region. I suspect she has a very full schedule but she would have my vote.
3. I am pleased to support Mindy Smith, General Manager for Corporate Services to sit with the other CFO's on the design of the application and other issues associated with the LTDP. Mindy was very instrumental during the negotiations in helping us understand how PSAB requirements would apply to the Peace River Agreement. She has indicated a willingness to continue to be involved.

Best of luck in your next position. Keep in touch!

Dianne

Sent from my iPad

On Jul 16, 2015, at 2:37 PM, Schlosar, Jay M CSCD:EX <[Jay.Schlosar@gov.bc.ca](mailto:Jay.Schlosar@gov.bc.ca)> wrote:

Hello all,

I'm writing today to provide a brief update on a few items related to the recently signed Agreement, and to suggest an opportunity for our teams to connect if appropriate.

### **1. Change in Local Government ADM**

s.22

s.22 Gary Paget will be acting ADM for a short period after which time a new ADM will be appointed.

None of these changes should have any impact on ongoing work between our offices or the functioning of the Agreement; however, I thought it was important to acknowledge this change amongst the parties. It has been a pleasure working with you all.

### **2. \$3M Special Payment**

Following the provision of the Agreement, all signatories will be receiving a portion of a \$3-million one-time payment. Those funds were transferred on June 30, distributed using the same allocation percentages used for the 2015 payment.

We are aware that there may be some discussion about public communication of that change. The Ministry will be in touch to finalize those specifics.

### **3. Municipal Liabilities Regulation**

Due to the change in the name and nature of the Agreement signed earlier this year, the Province will be amending the Municipal Liabilities Regulation to ensure that the benefits of this new agreement continue to be considered the calculation of the annual liabilities servicing limit for each local government.

s.12,s.14

s.12,s.14 As the regulation already follows this practice under the previous agreement, this timeframe will ensure no disruption of this practice into the future.

### **4. Partnership Committee – First Meeting and Membership**

The Agreement envisions establishment of a Partnership Committee to support ongoing work under the Agreement. While there is no technical urgency for the PC to meet, we do want to ensure that positive momentum is maintained going forward.

Given schedules, our suggestion would be to consider the inaugural meeting of the PC to perhaps take place during the week of UBCM when all participants are likely available and in the same community.

Feedback on that suggestion would be welcome, as would suggestions for the first agenda.

In terms of membership, there are two outstanding issues to resolve: confirmation of the provincial ADM participants (beyond the ADM for Local Government), and the third CAO representative for the local government signatories.

On the provincial side, we have secured support from the ADM for Natural Gas as a second participant and the second has yet to be decided. While I am not in a position to compel any individual ADM to participate on our side, if there are suggestions that a certain agency be represented, we can endeavour to make that request and hopefully finalize those names shortly.

On the local side, we recognize there is no established process to select the first CAO for the rotating third role, this is completely at the discretion of those remaining signatories. It is our understanding that you folks may be getting together in the near future to confirm that approach. Thank you very much for those efforts and we are very supportive of a positive outcome from those discussions.

### **5. Long Term Development Plans**

How time flies. Under the Agreement, these first plans have a deadline of October 31 for submission. While the Agreement is flexible on the format of these submissions, we would expect there may be some interest in establishing some common parameters and guidelines for those products to ensure consistency.

It is our view that the initial work in this regard maybe best conducted by a sub-committee or working group – our suggestion perhaps being to continue to ask the three CFOs who did the preliminary work with our team on this proposal (I believe they were from Dawson, FSJ and Taylor) to work with our group to develop an initial approach that could then be shared.

If that approach makes sense, there would also be room for any other CFOs wishing to participate if you would like to indicate interest. Clearly the product of this work would be delivered to all participants for decision.

### **Next Steps**

As you will note, a few of the items above may garner feedback. If there is interest, the team over here is happy to arrange for a short conference call to review these items or any others on your radar. Please let Lauren Kerr ([lauren.kerr@gov.bc.ca](mailto:lauren.kerr@gov.bc.ca)) know if you are interested and they can arrange for that opportunity.

Thank you again and best of luck in the future,

Jay

*Jay Schlosar*

*Assistant Deputy Minister – Local Government Division*

*Ministry of Community, Sport and Cultural Development*

*Phone: 250.356.6575*

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## Coleman, Nora CSCD:EX

---

**From:** Dianne Hunter <DHunter@fortstjohn.ca>  
**Sent:** Thursday, November 5, 2015 10:29 AM  
**To:** Kerr, Lauren CSCD:EX; Edwards, Liam CSCD:EX; 'Doug Fleming'; Faganello, Tara CSCD:EX; XT:Chute, Jim MTIC:IN; Livolsi, Patrick C TRAN:EX; Piccinino, Ines MNGD:EX  
**Cc:** Grant, Sean CSCD:EX; Richardson, Jennifer CSCD:EX; Mindy Smith  
**Subject:** RE: PRA PC minutes and PRRD Letter

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Lauren

Sure does! Thanks for the quick response.

### Dianne Hunter

*City Manager*

Direct line 250 787 8161

Cell s.22

10631 100 Street | Fort St. John, BC | V1J 3Z5



**FORT ST. JOHN**

*The Energetic City*



**From:** Kerr, Lauren CSCD:EX [mailto:Lauren.Kerr@gov.bc.ca]  
**Sent:** November-05-15 11:12 AM  
**To:** Dianne Hunter; Edwards, Liam CSCD:EX; 'Doug Fleming'; Faganello, Tara CSCD:EX; XT:Chute, Jim MTIC:IN; Livolsi, Patrick C TRAN:EX; Piccinino, Ines MNGD:EX  
**Cc:** Grant, Sean CSCD:EX; Richardson, Jennifer CSCD:EX; Mindy Smith  
**Subject:** RE: PRA PC minutes and PRRD Letter

Hi Dianne,

In reference to item 1 below, we have just seen a draft of the reserve establishment bylaw. There is a section that reads as follows:

- Money in this reserve fund, including interest earned, must only be used for operational and capital undertakings that are approved in writing by the Partnership Committee established under Section 7 of the Peace River Agreement.

Does this alleviate your concerns?

Thank you,

Lauren Kerr

---

**From:** Dianne Hunter [mailto:DHunter@fortstjohn.ca]

**Sent:** Thursday, November 5, 2015 9:57 AM

**To:** Edwards, Liam CSCD:EX; 'Doug Fleming'; Faganello, Tara CSCD:EX; XT:Chute, Jim MTIC:IN; Livolsi, Patrick C TRAN:EX; Piccinino, Ines MNGD:EX

**Cc:** Grant, Sean CSCD:EX; Kerr, Lauren CSCD:EX; Richardson, Jennifer CSCD:EX; Mindy Smith

**Subject:** RE: PRA PC minutes and PRRD Letter

Liam

Thank you for both of these documents. Two items to add to the agenda for further discussion:

1. Letter to the PRRD makes reference (bullet two on second page) to the fact that the funds are expended *"under the authority of the PRRD general governance function"*. This implies that the PRRD Board authorizes the use of the funds. I do not believe that was the intent of our conversation. Can we have a further conversation around that matter.
2. Item 1 (c) correctly captures the discussion at the meeting however, on reflection I believe that in accordance with the agreement that Dawson Creek and Fort St. John are permanent members, I do not believe either Jim or I can delegate our role to another CAO but it must be a person representing their respective City. Again, an item for further discussion and clarification on the next meeting.

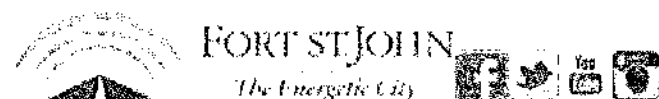
**Dianne Hunter**

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Regards, Liam

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**To:** Edwards, Liam CSCD:EX; Doug Fleming; Faganello, Tara CSCD:EX; XT:Chute, Jim MTIC:IN; Livolsi, Patrick C TRAN:EX; Piccinino, Ines MNGD:EX  
**Cc:** Grant, Sean CSCD:EX; Richardson, Jennifer CSCD:EX; Kerr, Lauren CSCD:EX; Mindy Smith  
**Subject:** RE: PRA Partnership Committee Agenda and ToR

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Good morning Liam

Thanks for a copy of the draft agenda.

Can I ask that the following items be placed on the next Agenda

1. Establish/clarify the Criteria for Approval as set out in Section 16 of the PRA
2. Clarify the role (if any) of the Treasury Board and the Office of Comptroller General in the PRA Approval process
3. Discussion around the framework for decisions by the PC members as it relates to "respective delegated authority" and the relationship between the PC and individual Councils/Boards (May require a decision making flow chart or matrix) Appendix 3 - Article 10 and Article 12

Future Agenda

4. Development of a Dispute Resolution Process

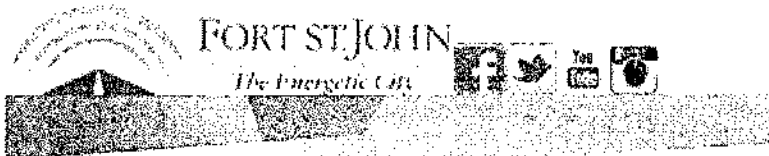
**Dianne Hunter**

*City Manager*

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**Sent:** October-13-15 9:28 AM

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---

**From:** Dianne Hunter <DHunter@fortstjohn.ca>  
**Sent:** Friday, October 2, 2015 9:49 AM  
**To:** Edwards, Liam CSCD:EX  
**Cc:** XT:TumblerRidge, District ENV:IN; Carol Bishop; Charlette McLeod; Chris Cvik; Doug Fleming; XT:Chute, Jim MTIC:IN; Tom Matus; Faganello, Tara CSCD:EX; Piccinino, Ines MNGD:EX; Livolsi, Patrick C TRAN:EX; Grant, Sean CSCD:EX; Kerr, Lauren CSCD:EX; Richardson, Jennifer CSCD:EX  
**Subject:** Re: Peace River Agreement Partnership Committee Membership

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Good morning Liam

Thanks for the update. It is great to hear that the members of the Partnership Committee have now been confirmed. Jim and Doug have requested that I act as the regional Co-chair, at least for the initial period. We look forward to our first meeting. Dianne

Sent from my iPad

On Oct 2, 2015, at 9:32 AM, Edwards, Liam CSCD:EX <[Liam.Edwards@gov.bc.ca](mailto:Liam.Edwards@gov.bc.ca)> wrote:

Hello everyone,

First off, thank you to all the CAOs (and Mindy) for the meeting at UBCM Convention last week. I think it was quite a productive meeting and we were able to clear some hurdles that will make the first Partnership Committee (PC) meeting go much more smoothly. Plus it was great to put faces to names. Secondly, I am happy to say we now have full membership of the Committee:

Tara Faganello, Co-Chair, ADM Local Government Division, Ministry of Community Sport and Cultural Development

Ines Piccinino, ADM Upstream Development Division, Ministry of Natural Gas Development

Patrick Livolsi, ADM Infrastructure and Major Projects Division, Ministry of Transportation and Infrastructure

Dianne Hunter, CAO Fort St. John

Jim Chute, CAO Dawson Creek

Doug Fleming, CAO Chetwynd

At the first PC meeting we will determine who the regional Co-Chair will be.

Later today I will be canvassing the PC members for dates for the first meeting here in Victoria.

Please don't hesitate to contact me if you have any questions.

Regards, Liam

**Liam Edwards**

Executive Director, Infrastructure and Finance

Local Government Division

Ministry of Community, Sport and Cultural Development BC

PO Box 9838 STN Prov Govt Victoria BC V8W 9T1

ph: 250.387.4067

fax: 250-387-7972

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## Coleman, Nora CSCD:EX

---

**From:** Janet Prestley <JPrestley@fortstjohn.ca>  
**Sent:** Friday, March 20, 2015 3:51 PM  
**To:** dale@circlesquaresolutions.com; Kerr, Lauren CSCD:EX; XT:Chute, Jim MTIC:IN; Chris Cvik (Chris.Cvik@prrd.bc.ca); 'Doug Fleming (dfleming@gochetwynd.com) (dfleming@gochetwynd.com)'; XT:TumblerRidge, District ENV:IN; cao@hudsonshope.ca; cbishop@poucecoupe.ca  
**Cc:** Charlette McLeod (CMcLeod@districtoftaylor.com); Colin Griffith s.22 Council (Group); Dianne Hunter  
**Subject:** Letter to Dale Wall Regarding Fair Share Agreement  
**Attachments:** 150320\_Dale\_Wall\_Letter.pdf  
  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Good afternoon,

Please find attached a joint letter from the District of Taylor and the City of Fort St. John regarding the Fair Share negotiations.

I have included the CAO's of each municipality and the Regional District in this email, if you could please distribute to your Council/Board, it would be greatly appreciated.

Thank you very much.

Janet Prestley

Director of Legislative and Administrative Services

City of Fort St. John

10631 – 100 Street

Fort St. John, BC V1J 3Z5

Direct Line (250) 787-8153

Fax Number (250) 787-8181

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March 20, 2015

Sent by email: [dale@circlesquaresolutions.com](mailto:dale@circlesquaresolutions.com)

Dale Wall

Dear Mr. Wall:

Reference: **Fair Share Negotiations**

We have received a report from our negotiating committee on the meeting you convened in Fort St. John on March 19, 2015. We certainly appreciate the intention of the Province to deal with the Fair Share issue.

We have instructed our negotiating team to fully participate and engage with you in negotiations on the future of the Fair Share issue. Our team will be available for all negotiating sessions that are organized and we understand that the next meeting is tentatively scheduled for March 31<sup>st</sup>.

We also want to ensure you that we have no intention of conducting negotiations "through the press".

Again, we want to extend our appreciation to you and the Province for agreeing to address this most significant issue challenging Peace Region municipalities and the PRRD. Taylor, Fort St. John and the NEBC Resource Municipalities Coalition are committed to supporting natural resource development while building vital, permanent, and sustainable communities.

Yours sincerely,

Mayor Lori Ackerman

Acting Mayor Brent Taillefer

Copy: Mayor and Council, City of Dawson Creek  
Chair and Directors, Peace River Regional District  
Mayor and Council, District of Chetwynd  
Lauren Kerr, Financial Officer

Mayor and Council, District of Hudson Hope  
Mayor and Council, District of Tumbler Ridge  
Mayor and Council, Village of Pouce Coupe

## **D'Argis, Krista CSCD:EX**

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**From:** Brown, Tom G TRAN:EX  
**Sent:** Tuesday, September 15, 2015 10:47 AM  
**To:** Faganello, Tara CSCD:EX; Paget, Gary CSCD:EX  
**Cc:** Andrade, Ana CSCD:EX; Dawes, Jacquie CSCD:EX; Woodcock, Kim CSCD:EX  
**Subject:** FW: Meeting with Minister Fassbender  
**Attachments:** September 18th meeting Agendadh2.docx

**Importance:** High

Hi Tara and Gary – attached please find the agenda for the Fort St John meeting this Friday (when a number of you will accompany MPF there).

I know Lee was doing some work with Marijke to pull together materials but in her absence we're stepping in to assist.  
s.13

We propose to send an email directly to appropriate staff to get pertinent bullets on each of these agenda items as appropriate (realizing these all aren't in CSCD's realm). MPF will need them end of day Thursday so we want staff to provide to us by noon on Thursday, we will pull them all together and then seek both your comfort, as well as Jacquie's approval.

I just wanted to ensure we weren't duplicating efforts at your end.

Thanks very much  
Tom

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**From:** Robbins, Lia CSCD:EX  
**Sent:** Tuesday, September 15, 2015 9:56 AM  
**To:** Brown, Tom G CSCD:EX  
**Cc:** Woodcock, Kim CSCD:EX  
**Subject:** FW: Meeting with Minister Fassbender

Hi Tom,

I thought I'd touch base with you as I think Lee might be away today. I've attached the agenda for MPF in Fort St. John this Friday from Mayor Ackerman's office. They have mentioned many items of discussion for the meeting and so I wanted you to have a look. Kellie from our office is hoping that we can at least get a BN with a few points for each item (that pertain to CSCD). Do you think this is possible? Give me a ring when you can.

Thank you!

**Lia Robbins** | Administrative Coordinator  
Minister's Office of Community Sport & Cultural Development  
Minister Responsible for Translink  
Room 310 – Parliament Buildings  
Tel: 250 387-6478  
Website: [www.gov.cscd.bc.ca](http://www.gov.cscd.bc.ca)

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**From:** Dianne Hunter [<mailto:DHunter@fortstjohn.ca>]  
**Sent:** Monday, September 14, 2015 5:30 PM  
**To:** Robbins, Lia CSCD:EX  
**Subject:** RE: Meeting with Minister Fassbender

Lia

Here is a copy of the agenda for Friday.

**Dianne Hunter**

*City Manager*

Direct line 250 787 8161

Cell <sup>s.22</sup>

10631 100 Street | Fort St. John, BC | V1J 3Z5



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**From:** Robbins, Lia CSCD:EX [<mailto:Lia.Robbins@gov.bc.ca>]  
**Sent:** September-14-15 4:08 PM  
**To:** Dianne Hunter  
**Subject:** RE: Meeting with Minister Fassbender

Hi Dianne,

Hope you're having a good Monday! I wanted to follow up and see if there was any formal itinerary for Friday? Minister Fassbender's staff is asking so I wanted to touch base.

Thank you,

**Lia Robbins** | Administrative Coordinator  
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**From:** Dianne Hunter [<mailto:DHunter@fortstjohn.ca>]  
**Sent:** Friday, September 11, 2015 2:32 PM  
**To:** Robbins, Lia CSCD:EX  
**Subject:** RE: Meeting with Minister Fassbender

Yes we will send the information through next week.

**Dianne Hunter**

*City Manager*

Direct line 250 787 8161

Cell <sup>s.22</sup>



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**From:** Robbins, Lia CSCD:EX [<mailto:Lia.Robbins@gov.bc.ca>]  
**Sent:** September-11-15 2:18 PM  
**To:** Dianne Hunter  
**Subject:** RE: Meeting with Minister Fassbender

Hi Dianne,

Thank you for sending this information through! I'll make the adjustments in Minister Fassbender's calendar. Will someone be sending through any materials or topics of discussion for the working lunch and briefing session?

Thank you very much,

**Lia Robbins** | Administrative Coordinator  
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**From:** Dianne Hunter [<mailto:DHunter@fortstjohn.ca>]  
**Sent:** Friday, September 11, 2015 1:49 PM  
**To:** Robbins, Lia CSCD:EX  
**Subject:** RE: Meeting with Minister Fassbender

Lia

Sorry for the delay in getting a detailed agenda to you. It will be to you by Monday of next week. However, the overall itinerary of the day remains as per my previous email. The helicopter tour will start from the airport so we will leave immediately (around 10:00 not 11:00) on the Minister's arrival. I anticipate the tour taking about 1.5 hours including landing and travel time to City Hall. That will be followed by a working lunch and a briefing session which is scheduled to conclude no later than 3:30 to allow time for the Minister to depart to the Airport.

Hope that works for everyone.

**Dianne Hunter**  
*City Manager*  
Direct line 250 787 8161  
Cell's.22



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**From:** Robbins, Lia CSCD:EX [<mailto:Lia.Robbins@gov.bc.ca>]  
**Sent:** September-11-15 11:12 AM  
**To:** Dianne Hunter; Tracy Konashuk  
**Subject:** RE: Meeting with Minister Fassbender

Hi Dianne & Tracy,

Hope you are both well! I wanted to reach out as we are hoping to get a bit more of a finalized schedule for Friday, September 18<sup>th</sup>. As mentioned, the Minister, Deputy and staff will arrive in FSJ at 9:45am. Are you able to provide us with the time of the helicopter tour as well as a set time for the working lunch and briefing session? At this time I tentatively have the helicopter tour scheduled from 11-12:30pm and then the working lunch/briefing scheduled from 1:00-3:30pm.

Please feel free to give me a ring if you want to discuss over the phone.

Thanks very much!

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**From:** Dianne Hunter [<mailto:DHunter@fortstjohn.ca>]  
**Sent:** Friday, September 4, 2015 2:28 PM  
**To:** Robbins, Lia CSCD:EX; Tracy Konashuk  
**Subject:** RE: Meeting with Minister Fassbender

Good afternoon Lia

I am currently working on a detailed agenda for our meeting on the 18<sup>th</sup> but thought I would like you know the overall itinerary for the day.

We would like to provide a helicopter tour of North Peace region from the Taylor hill to the north end of Charlie Lake, Fort St. John and the Site C location. The tour will be approximately 1.5 hours and the helicopter can accommodate up to 5 people plus the pilot. We have included: the Minister, Deputy Minister and Assistant Deputy Minister plus the Mayor and myself in the tour. Unfortunately we will not be able to accommodate Riley but we plan on rejoining him at City Hall for lunch.

Mayor and Council, MLA Pat Pimm and City staff will join the Minister and his staff for a working lunch as well as a briefing session until 3:30 pm.

As noted, I will provide a complete agenda early next week but just wanted to let you know what the general day would be looking like. Let me know if you have any concerns or questions or if one of the identified parties prefers not to go on the helicopter tour.

We look forward to hosting the Minister. He is coming at a beautiful time of year to the Peace River area.

**Dianne Hunter**

*City Manager*

Direct line 250 787 8161

Cell 522

10631 100 Street | Fort St. John, BC | V1J 3Z5



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**From:** Robbins, Lia CSCD:EX [<mailto:Lia.Robbins@gov.bc.ca>]

**Sent:** September-03-15 2:56 PM

**To:** Tracy Konashuk

**Cc:** Dianne Hunter

**Subject:** RE: Meeting with Minister Fassbender

Hi Tracy,

It sounds like our Deputy Minister, Jacquie Dawes and ADM, Tara Faganello will also be joining Minister Fassbender and Riley Whitelock in FSJ on the 18<sup>th</sup>.

Thanks!

**Lia Robbins** | Administrative Coordinator

Minister's Office of Community Sport & Cultural Development

Minister Responsible for Translink

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**From:** Tracy Konashuk [<mailto:tkonashuk@fortstjohn.ca>]

**Sent:** Thursday, September 3, 2015 11:02 AM

**To:** Robbins, Lia CSCD:EX

**Cc:** Dianne Hunter

**Subject:** RE: Meeting with Minister Fassbender

Good Morning Lia:

Thank you for the flight information for Minister Fassbender and his assistant.

We will be drafting up an itinerary for the day and will forward it shortly.

Regards,

**Tracy Konashuk**

Executive Assistant  
Direct line 250 794 3266  
10631 100 Street | Fort St. John, BC | V1J 3Z5



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**From:** Robbins, Lia CSCD:EX [mailto:Lia.Robbins@gov.bc.ca]  
**Sent:** Thursday, September 03, 2015 10:40 AM  
**To:** Tracy Konashuk  
**Subject:** Meeting with Minister Fassbender  
**Importance:** High

Hello Tracey,

I wanted to get in touch as I have booked flights for both Minister Fassbender and his Executive Assistant, Riley Whitelock to and from Fort St. John on Friday, September 18<sup>th</sup>. Both are set to arrive in FSJ at 9:45am, so I believe they will arrive to City Hall somewhere around 10:30am. Both fly home on the 5:25pm Air Canada Flight, so things should wrap up no later than 3:45pm that day to give them lots of time to catch their flight.

Our staff here is requested that your office send through a rough itinerary of the day. Are you able to please do this at your earliest convenience?

Please let me know if you have any questions.

Thanks very much,

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Minister's Office of Community Sport & Cultural Development  
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# Moving Forward

September 18<sup>th</sup>, 2015

## Delegation: Ministry of Community, Sport and Cultural Development

- Minister Peter Fassbender
- Deputy Minister Jacquie Dawes
- Assistant Deputy Minister Tara Faganello
- Riley Whitelock, Executive Assistant

Time	Event
9:45 am	<b>Arrival at Airport</b>
10:00am - 12:00pm	<b>Helicopter Tour (Seats 5 plus Pilot)</b> <ul style="list-style-type: none"> <li>• Minister Peter Fassbender</li> <li>• Deputy Minister Jacquie Dawes Becky Denlinger</li> <li>• Assistant Deputy Minister Tara Faganello</li> <li>• Mayor Lori Ackerman</li> <li>• Dianne Hunter, CAO</li> </ul> <b>Familiarization Helicopter tour of the Greater Fort St John / Taylor Area included will be:</b> <ul style="list-style-type: none"> <li>• Site C and Work Camp Locations and 85<sup>th</sup> Avenue lands</li> <li>• Electoral Area C including Charlie Lake development</li> <li>• Taylor and Taylor Hill and Bridge</li> <li>• Areas of Industrial development</li> </ul> <p>A map of the Greater Fort St John Area identifying major points of interest will be provided for the tour.</p> <p>Due to the limited seating capacity in the Helicopter, Riley Whitelock will be welcomed at City Hall until the noon luncheon commences.</p>
12:00 pm - 1:00pm	<b>Lunch</b> at City Hall with Mayor, Council and MLA Pat Pimm
1:00 pm - 3:30pm	<b>Briefing session and meeting at Fort St John City Hall</b> City Representatives: <ul style="list-style-type: none"> <li>• Ministry staff</li> <li>• MLA Pat Pimm</li> </ul>

Private and Confidential



- Mayor and Council
- City Staff
- Colin Griffith, Consultant

### Briefing Topics

1. Cumulative Impact of Economic Growth - Focus on Shale Gas and Site C.
2. NEBC Industry Investments, Provincial and Municipal Revenues 2003 - 2014.
3. The historical disconnect between the rural oil and gas property tax base and municipalities.
4. Rural industrial property tax policy applying to BC's oil and gas industry.
5. Incorporation of industry into municipal boundaries 1971 - 2009
6. Overview of City of Fort St John initiatives to gain support from the rural oil and gas property tax base.
  - Proposals for regionalizing services
  - North Peace services and taxation study
  - The Grassroots restructuring initiative
  - The initiation of the Fair Share Coalition and Grant programs
7. The state of the City of Fort St John infrastructure in 2000
8. The history of boundary extensions at Fort St. John
9. The high cost of unplanned and under serviced development on City boundaries (Annofield, Clairmont and Grandhaven).
10. Site C Joint Review Panel Recommendation #26
11. Issues associated with 2012/14 boundary expansion process:
  - Veto vote of property owners
  - BC Hydro's impact and influence
  - Length of process and change of land owners
12. Review of City of Fort St John 50 Year Growth Plan
  - Discussion of options for Moving Forward to deal with new approaches to removing the impediments to effective and equitable funding, delivery and planning of municipal services to the Greater Fort St John area.

3:45pm      **Ministry staff leaves for airport for flight to Victoria**

5:25pm      **Departure Time**

CONFIDENTIAL

MO-Minister's Office

Referral Slip for ID:159294

02/02/2016

Log Type: <b>Meeting Request</b>	Action: <b>For Necessary Action</b>	Due: <b>09/10/2015</b>
Batch:	Subaction:	

Type: Local Government  
Dianne Hunter, City Manager  
Email: [dhunter@fortstjohn.ca](mailto:dhunter@fortstjohn.ca)

Written: 08/25/2015

Received: 08/31/2015

Due: 09/10/2015

Closed:

Entered By: Irobbins

File No.:

Meeting Date:

Issue: Meetings/Invitations

X-Ref:

Time:

Location:

Attendees:

Subject

Mayor Lori Ackerman would like to meet with MPF to discuss "modernizing of local government."