



June 2010

2010

Mayors' Caucus

CAO Session

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June 2010

2010

Advocacy

Update

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Outline

- RCMP National Negotiations
- Solicitor General – Provincial Policing
- Update on Land Use Framework

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RCMP National Negotiations

Negotiating new 20 year agreement for all Canadian jurisdictions which use RCMP as their police force.

Been ongoing for several years. AUMA is a municipal observer in the process.

P/T negotiating group was hoping for draft agreement in principle for Deputy Ministers by June, 2010. Wanted to leave 18 months to get agreement processed and signed by all jurisdictions.

But, after June meeting in PEI, several important matters still largely unresolved.

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RCMP National Negotiations (cont)

2010

Issues include accommodation (and how things like RCMP housing and O&M and new buildings are going to be charged to avoid problem now in existence of building “rust-out”, as well as review of RCMP building standards if parties moving to an “actual cost” basis rather than annual flat rate charge, the P/T demand for right to independent audits of RCMP contracts, recruitment and training costs and how they are charged, and the overall increase to new contract in each jurisdiction and its “affordability”.

Issues involve hundreds of millions of dollars nationally.

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RCMP National Negotiations (cont)

2010

- Only UBCM and AUMA have been attending the negotiations on a regular basis, and only AUMA has “been in the room” since the first meeting.
- Next steps:
 1. Deputy Ministers’ telephone conference on June 14
 2. Deputy Ministers meet on June 21
 3. Next (and probably last) negotiation session-July 19-21 in B.C.

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RCMP National Negotiations (cont)

2010

- If no agreement in principle at July negotiations, probably matter will be bumped up to Provincial and Federal Deputy Ministers for resolution.
- The Feds are taking a “rosier” view of progress than the P/Ts overall, although Alberta feels it is closer to resolution on issues than several other P/Ts.

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Solicitor General-Provincial Policing

2010

- Province has been working on three specific matters regarding policing since 2009; police oversight, the continuum of policing, and funding.
- In 2009, AUMA produced a report on policing, and it was adopted at Convention. It dealt with the same three matters. It found oversight generally sufficient, the continuum of policing suitable, and funding inadequate. It also raised the matter for further discussion of everyone paying something for policing.

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Sol Gen-Provincial Policing (cont)

2010

On funding, AUMA gave no definitive formula, but offered 3 options for discussion:

1. Fund costs equivalent to first 5000 pop for all, plus \$50 per cap beyond
2. Fund costs at \$50 per cap to all municipalities responsible for own policing
3. Fund costs at \$50 per cap, plus \$20 per cap for urban pops over 50,000

Would result in increases from \$114-\$122 million

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Sol Gen-Provincial Policing (cont)

2010

- Province also (still)working on a new first responder radio system and police computer network. AUMA has asked to be fully engaged on both.
- AUMA's Building Communities Standing Committee also working in 2010 on initiatives regarding prevention of crime through social development (those social issues which lead to or assist in producing crime).

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Sol Gen-Provincial Policing (cont)

2010

- Province just held AUMA consultation on policing in May. Asked a series of questions, including: What is “equitable” funding? Should everybody pay? Should everybody pay an equal amount? Should a new funding model that costs more be phased in, and if so, what is that phase-in period?
- Also at meeting, Sol Gen indicated that it is moving to more rigorous standards and increasing training and professional development.

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Sol Gen-Provincial Policing (cont)

2010

- Overall, AUMA was not happy with the May presentation, and the Board at its May 20, 2010 meeting resolved to notify the Solicitor General of its frustration with the lack of progress on funding. Solicitor General seems to have made progress on the oversight and continuum of policing matters, but continues to “dither” around possible funding options.

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Land Use Framework Update

2010

Met with Commissioner of Land Use Secretariat in May.

Advised Lower Athabasca Regional Advisory Committee (RAC) is done. Draft Vision document will be subject of facilitated consultations in fall. One specifically for municipalities.

Commissioner coming back for another Standing Committee presentation in September. To outline how LUF will integrate various environmental initiatives (cumulative effects, water, air etc.)

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Land Use Framework Update (cont)

2010

Overall, LUF does contain number of things AUMA had recommended—like Provincial direction, taking account of cumulative effects, establishing a land use body to develop goals, legislation that allows government to plan better for growth.

Could use better coordination of forestry, energy and tourism to jointly plan. There further appears to be an underlying imbalance in the LUF since industry has a history of joint planning with SRD, and private citizens and landowners, municipalities and REDAs don't seem to have same influence.

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Some Suggested Improvements

2010

- Establish criteria or performance measures against which land use plans could be assessed.
- Province should enable use of scenario modelling tools by region and municipality through training and financial support.
- Regional plans should identify major transit station areas and intensification corridors.
- Need consistent data collection, all GIS plotted and mapped.

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June 2010

2010

Energy Services

Update

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Outline

2010

- Franchise Agreements Background
- Draft Franchise Guiding Principles
- Franchise Agreements
- Bill 203
- Nexen

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Franchise Agreement Background

2010

- AUMA's core guiding principles remain unchanged from those 10 years ago that originally led to the creation of FAs. These principles are:
 - Franchise Agreements (FAs) are the cornerstone of any franchisee-franchiser relationship.
 - FAs are a contract, that legally binds both parties to agreed upon terms.
 - Utility FAs are a solid business arrangement to specifically manage access to municipal right-of-ways by laying out the rights and obligations of each party in delivering utility services.
- Over 80% of municipalities use the AUC approved Franchise Agreement developed by the AUMA.

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DRAFT Franchise Guiding Principles

2010

To assist in renegotiating an updated FA template, AUMA has developed the following draft guiding principles:

- Sufficient community reporting to meet current and anticipated Green House Gas Emission reporting and planning requirements.
- Ensure reliable system operation in a cost effective manner.
- Explore new energy technologies in energy production, infrastructure.
- Ability to comply with current Federal and Provincial Acts and Regulations regarding energy.

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Franchise Agreements

2010

- Jointly working with Fortis Alberta and ATCO Electric to review the existing template
- cursory review completed which includes proposed amendments and rationale for change.
- AUMA is currently compiling changes and will be sending a survey to solicit member input.
- This survey should be expected by late June. The survey will include a matrix showing changes and rationale, black-line agreement and approved Hinton Agreement.

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Franchise Agreements

2010

- Member comments will be compiled and sent to respondents. Member feedback will guide final negotiations.
- To further assist negotiations, Administration has been requested by the Board to develop Guiding Principals regarding Franchise Agreements. For example, AUMA has requested that the new franchise template provide consumption reporting related to community energy usage by rate class.
- Depending on survey results, AUMA may contemplate workshops to obtain further clarification and detail prior to commencing negotiations.

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Franchise Agreements

2010

- Once negotiations are completed, the new template will be submitted for AUC approval and finally rolled out to municipalities in the form of a training session.
- AUMA is closely monitoring ALL potential impacts to the template based on Bill 203 outcomes. For example, formula changes.
- AUMA is preparing for potential intervention by other consumer groups and organizations who have concerns with Franchise Agreements.

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Bill 203

2010

- AUMA does NOT support Bill 203 and believes it undermines municipal sustainability and autonomy.
- Bill passed second reading and was referred to Standing Committee on Community Services (SCCS)
- SCCS met on May 12 regarding Bill 203
- AUMA is responding to the Call for Written Submissions (June 15) and hopes to present verbally to SCCS.
- SCCS next meeting – June 28

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Nexen

2010

- Since July 2009, Nexen has been conducting a strategic review in preparation for the sale of their marketing business.
- In Feb 2010, the review was concluded with Nexen electing to retain the business until all contracts naturally expire, at which time, the Nexen Marketing business will be officially closed.
- In May 2010, Nexen announced the sale of their North American and European natural gas trading operations, but this does not include the Alberta Retail Portfolio.

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Nexen

2010

- In March 2010, the CEOs of AMSC and Nexen formalized a commitment between the two organizations to explore options that could lead to AMSC purchasing some or all of the Nexen portfolio.
- Nexen has informed AMSC that it will be in a position to discuss these options in August 2010.
- AMSC is currently exploring alternative options as well as the Nexen opportunity. To assist, AMSC has retained PWC and RMRF to assist in developing the pre and post 2013 options.
- As developments emerge, AMSC will continue to communicate with its members.

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June 2010

2010

Insurance Services

Update

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AMSC Program Structure

2010

- Program is based on a self insurance platform
- Self insurance helps shelter members from volatile and reactive world insurance markets
- Self insurance provides a far more stable environment to participants by decreasing the impact of market fluctuations
- AMSC has self insured property & liability since 2002 and automobile physical damage since 2008

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AMSC Program Structure

2010

- Self Insurance limits:
- Property = \$5,500,000 Annually
- Liability = \$5,000,000 Annually
- Automobile Physical Damage = \$750,000 Annually
- *For limits over and above the self insurance pools , AMSC purchases insurance to sit overtop of the pools, providing members with significant protection for their risks*

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AMSC Program Structure

Self insurance pools are:

1. fully licensed annually & regulated by the Superintendent of Insurance for the Province of Alberta;
2. account for nearly 49% of the annual insurance premium written through AMSC Insurance Services; and
3. less costly to members as administrative overheads are significantly lower than those of for-profit insurance companies.

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Options for Program Improvement: Reinsurance?

- Current structure utilizes the Excess Insurance/Umbrella Insurance model
- Excess/Umbrella = insurance that is purchased over the self insurance pools from domestically domiciled insurance carriers
- Domestic carriers accept AMSC risk for a premium, and insure that risk again by what is known as ceding premium to a carrier above themselves.
- This second carrier is known as a reinsurer
- Reinsurance option bypasses the domestic excess carriers, who include additional admin charges in their premium

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Why Look at Reinsurance?

- Potential for AMSC membership to realize costs savings through bypassing domestic insurance markets
- Option can provide more direct control to AMSC membership in controlling their own destiny for the insurance program
- Provides an opportunity for growth of the AMSC insurance business, through expansion into other business classes
- *Implications/Investigations:* Actuarial studies have commenced, in order to provide a sound business model that provides the greatest value to AMSC members
- AMSC Board has mandated that such investigation be conducted directly rather than by using third party brokers.
- By broking direct, AMSC has the potential to realize cost savings by eliminating broker fees as well as reducing administration/ premium costs

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Are There Risks to This Option?

- Program based on a reinsurance model-may require certain risk types to be placed outside the core program to satisfy requirements of reinsurance partners.
- May require a change to how insurance is placed and obtained.
- These factors will all be considered in the investigation and business case development.
- Bottom line: what is best for the membership in service—*service, efficiency, and cost effectiveness.*

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June 2010

Benefits & Other Services

Update

2010

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Outline

- Best Doctors
- New Retirement Offering
- HR Initiative
- Questions

2010


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2010

Best Doctors

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2010

AUMA/AMSC History

- Disability Advocate
- Integrated with Wellness
- Assistance in their Absenteeism, Extended Health Care and disability program expenses.

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Best Doctors

2010

- In Canada for over 10 years
- 5 million Canadians
- Integrated Health and Productivity solution
- One-on-one coaching with the use of a disability advocate who is a registered nurse
- Connect employees and their physicians with world renowned specialists

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How Does it Work?

2010

- 50,000 peer nominated physicians
- 7 onsite Medical Doctors
- 100+ Harvard Trained Physicians
- Support Staff
- Highly skilled, experienced Leadership team with Canadian Business and Clinical expertise

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How Does it Work?

2010

If an Employee is Uncertain , They Call the 1-800 Number

The Best Doctors Check-up uses three simple steps:

Connect

Investigate

Answer

- Best Doctors does not replace the relationship with the employees' current physician and health plan. Rather, they offer additional resources, education and support

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New Retirement Offerings

2010

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New Retirement Services

2010

- History
 - ✓ Municipalities not participating in LAPP
 - ✓ Elected officials
- Cost
 - ✓ Municipality matches contributions
 - ✓ Municipality chooses: 3.0% to 7.0%
- CAO/Plan Administrators Information Package
- In conjunction with Group RRSP and Tax Free Savings Account

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HR Initiative

Project Update

2010

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Project Background

2010

AMSC's focus on this engagement is twofold:

1. **Assess our Current State - Undertake an internal and external review of the current suite of HR Offerings**
2. **Project a Future State - Evaluate new HR portfolio opportunities to develop and implement new services to benefit current and future AMSC members.**

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Project Update

2010

PHASE 1: Initiation & Planning- COMPLETE

Project Kick Off Meeting, Develop Project Plan & Charter

PHASE 2: Assess Current State- COMPLETE

Interim report released on December 22, 2009. In the report, Meyers Norris Penny proposed recommendations to AMSC on ways to improve the current state of operations within the Benefits and Pensions department.

Extension: Current State Solutions- On-going

Involves internally prioritizing and implementing some of the key recommendations outlined.

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Project Update

PHASE 2: Assess Current State

Extension Activity- Current State Solutions – On-Going

1. Before the Future State- relatively quick to implement, requires minimal additional resources and would be of benefit once implemented- "Quick Wins".
2. Parallel to Future State- solutions that would take more effort, resources and planning to implement but could commence parallel to the future state phase of the project.
3. After Future State- solutions that have a high level of difficulty to implement, require additional resources and/or outside expertise.

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Project Update

PHASE 3: Future State- In Progress

Purpose- Evaluate new HR portfolio opportunities that support the vision to becoming the aggregated HR Department for our members.

Activities

1. Assess membership needs ✓
2. Shortlist potential portfolio opportunities ✓
3. Develop business/service description
4. Develop & test business line

*End of Future State= Release of the final report, not implementation of line

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Annual Convention CAO session

Last year we brought in a speaker to address the Economy. To ensure the session is meaningful, we are seeking your input.

Please provide your top 3 ideas so we can source an excellent speaker.

Email your ideas to me wgraden@auma.ca
with the subject line CAO Session

Tuesday, Nov 23, 2010 10:00 am

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Questions?

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