



SERVICE
ASSESSMENT AND
ECONOMIC
DEVELOPMENT
STRATEGY
SMOKY LAKE REGION



OCTOBER 2022

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1.0 Introduction

13 Ways Inc. and Azimi Consulting Ltd. were approached in fall of 2021 to perform a Municipal Service Delivery Review for the Smoky Lake Region, which includes the Village of Waskatenau, the Village of Vilna, Smoky Lake County, and the Town of Smoky Lake.

The intent of the project is to find efficiencies and cost savings for the municipalities facing growing budget challenges due to the continued downloading of costs and services from other levels of government, increased demands for services and infrastructure from an insatiable public, and a slowly shrinking tax base and population. The work is noble and important, but it is often also a matter of life or death for municipalities.

13 Ways has never taken on a project restricted to service delivery savings and efficiencies, because we believe a singular focus on finding savings and efficiencies is only a short-term solution. Communities may find they extend their viability after such an exercise, but as other levels of government continue to download costs, demands from the public continue to rise, and tax bases continue to shrink, communities find they are back to do the same exercise within a matter of years. The entire process is unsustainable.

With a contract such as this, we insist on adding discussions and work on strategic economic development and marketing that will focus attention on growing the economic pie, in conjunction with ensuring that services are delivered effectively and efficiently. It is the only way to ensure municipalities are not constantly looking for ways to live year by year on an ever-shrinking pie. Enduring success will only come by working completely collaboratively in identifying strategic initiatives and investments that grow the revenue base and the economic pie.

As such, without raising the cost of the project, we found ways to add in work and recommendations on an economic development strategy and marketing that complement the work done on service level reviews and priorities. We were not able to present a complete economic and marketing strategy as there is still more work to be done on collaboration and cooperation efforts that produce a clear vision and set of values for the region. We took these additional elements of project work as far as we could in this phase.

However, we have provided some very valuable and important recommendations and guidance on economic development and marketing and anticipate this report will help the region realize not only the value but the critical importance of working together proactively to find a pathway to success and prosperity.

2.0 Methodology

There are ever-increasing expectations for local governments to make informed choices about the services they provide to their citizens. This affects all municipalities regardless of whether they are enjoying positive economic growth or periods of fiscal constraint. All municipalities need to renew their existing infrastructure and assets to continue meeting the needs of the community. In addition, they need to invest in assets to meet the future needs of the ever-changing community, as well as address potential growth requirements. Given the differences between addressing current infrastructure needs and investing in expansion to accommodate possible future growth, it is not hard for the community to become trapped in the following circular logic, which emphasizes the importance of strategic decision making:

- We need to take care of our existing infrastructure and program needs to meet the current levels of service (for example, fixing roads, operating water treatment facilities, and replacing aging sewer lines).
- Residential taxes are high under our current conditions. We need to diversify our tax base by adding more businesses to increase our revenue.
- We need to invest in our infrastructure to attract businesses to our community and create opportunities for growth (for example, more properties and lands for businesses, telecommunication infrastructure, and more diverse housing types).
- We need to communicate and demonstrate accountability of decisions to the public, ensuring the community has the information necessary to understand how their tax dollars are being utilized.
- We need more revenue.



The need to increase the revenue and diversify the tax base is fundamental in escaping the forever loop of “we need to reduce our service delivery costs”.

2.1 Connection to Economic Development

Economic development initiatives were once distinct from the traditional work of municipalities. Swimming pools and flowers on main street had no connection to attracting business, industries, and jobs to a region. All that was required for economic development was serviceable land, few regulations, and low, or at least reasonable, taxes. That may have worked long ago when previous generations moved to where the jobs were located, but now the jobs are moving to places where people want to live. That means economic development is about ensuring a quality community where people want to live and the services these communities are offering.

Although the pandemic accelerated such a shift, the shift was already occurring in unwavering fashion. Communities, small or large, that were focused on building infrastructure and services that offered up a great quality of life began attracting new people, young and old. Short-term tourists, long-term visitors, people looking for a change of scenery or a change of life, or those with flexible work options all began to move, and we saw those communities grow. Post pandemic, with new work from home options, a new rise in entrepreneurialism, and a desire to seek the safety and comforts that come with belonging to a community are driving a massive and continued wave of relocations.

It must be emphasized, though, quality of life does not mean what it used to mean. Many of us still think quality of life means no potholes, a swimming pool, and low taxes. Not one of these items is a key motivator for attracting people to your community, or the lack of them a reason for anyone to leave. That's because people are attracted to a place that offers them a lifestyle they seek and is a place they feel they belong. A community isn't appealing or unappealing to outsiders simply because of its potholes, pools, or property taxes. It is defined by its aesthetic beauty, connections to nature, socialization and events, housing affordability, recreation options, its welcoming(ness), and a myriad of other soft factors that all contribute to its brand and reputation.

It is critically important that a community, or a region, start by identifying who they are and what they want to become. Once they identify what makes them truly unique, and how they will support that with strategic investments in the future, they can identify who would be interested in what they have to offer. Finding the first 100 to come to the community starts with finding how to attract that very first one. After the message is honed and sharpened and motivated the first one, the next 100 will be much easier. But that only happens when the community is selling what makes them unique to the people and families looking for what they have to offer.

This requires you to have:

1. Clear understanding of what you want to become (Collective Community Vision)
2. Who are you attracting? (Economic Development Strategy)
3. What are the service needs? (Service Assessment and Asset Management)
4. How do you attract them? (Targeted Marketing Strategy)

This is the important part. Once the community has begun to attract new people, they begin to build a workforce – a workforce of people who love where they live. That will attract new businesses and industry to the community. A readily available workforce is one of the biggest challenges for businesses and industries these days, which means the new growing workforce is a perfect marketing element to add to the economic development strategy to attract businesses and industry. That means that economic development and community building go hand in hand. They are inseparable. One cannot build a community without some economic growth, and one cannot successfully grow their economy without building their community.



Yet, even when we finally see it, we fail. We focus on building and investing in services and infrastructure we think every community needs, rather than what makes us stronger and appeals to those we wish to attract. We focus on the day-to-day operations and management, putting all our energy into maintaining the organization instead of appealing to the client. We replay old patterns and old ways of thinking, afraid of the risks associated with trying something new. Except the biggest risk we face is staying where we are, not changing, and not trying something new.

Finding success requires changing our mindset to focus on the future. We must be willing to change our systems and organizational structures to meet our future objectives. Loyalty to old systems, old organizational structure, and outdated modes of thinking will ensure nothing changes. The worrisome part is that if nothing changes, then nothing changes.

2.2 Asset Management Mindset

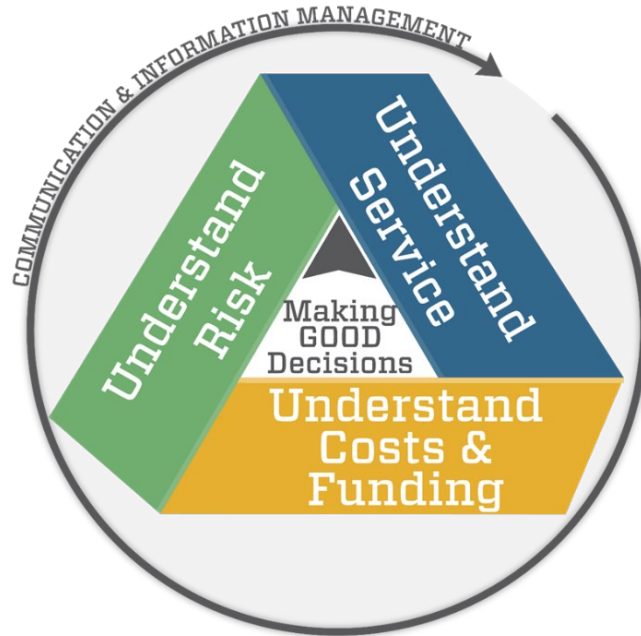
Adopting an asset management mindset to decision making can address the challenges outlined in the above graphic. Asset management is the process of making decisions about the use and care of infrastructure to deliver services in a way that considers current and future needs, manages risks and opportunities, and makes the best use of resources. It is an adaptive approach to service delivery that provides a defensible way of prioritizing projects and limited resources.

Asset Management is about services. Infrastructure exists to deliver services. Understanding the services, the community values and needs (today and tomorrow), the level they require and are willing to pay for, helps the municipality to decide what infrastructure and programs are needed to meet these service needs.

Setting up service levels that meet the current and future needs of the community while being achievable, requires understanding of the trade-offs between services, risks and cost requirements. Asset Management is the adaptive process that enables municipalities to achieve this.

The methodology used in this study incorporates an asset management approach and mindset. Establishing service levels that are realistic and achievable requires a thorough understanding of the trade-offs between service needs, risks, and long-term costs and revenue requirement of service provision.

Working together as a group, and through multiple interviews and workshops, the elected officials and the CAOs defined levels of service based on their understanding of their communities' current and future needs and their Regional objectives. They also assessed events that could impede their ability to deliver these services and achieve their strategic objectives. This process informs the infrastructure and human resources requirements of delivering the needed services to the community. This in turn will inform the financial and organizational requirements. By knowing the financial and organizational requirements, the municipalities can determine which governance structure can best position them to meet the service requirements.



*Building Community Resilience through Asset Management
– A Handbook and Toolkit for Alberta Municipalities

In short, this methodology includes evaluating the following steps:

1. Define User / Community Groups:
 - a. Current population and residents
 - b. Groups you want to attract to your community
2. What are the service attributes that matter to the users (community)? (e.g. clean and safe potable water, safe community, etc.)
3. What are your current Levels of Service?
 - a. Current infrastructure requirements and maintenance procedures
 - b. Documentation
4. Evaluate Current Performance
 - a. What are your current performance targets?
 - b. How reliable are the services? Are you meeting your current performance targets?
5. What are your desired performance targets?

- a. Do you need to adjust your performance targets?
6. What are some of the trends in community needs?
 - a. Demographic changes, technological advances, political climate, macro economics, etc.
7. What services are required to meet the future needs?
 - a. Do you need new services?
 - b. Do you need to continue the current services?
8. What are the future Levels of Service? What does your economic strategy require?
9. What needs to change? Where are the gaps?
 - a. Meet current and desired performance targets/ Future Levels of Service
 - b. Changes in Levels of service
 - c. Investment and revenue requirements to meet the life-cycle costs of infrastructure, operations, and programs
10. How do you get there?
 - a. Feasible and practical plan
 - b. What are the risks? What is the mitigation strategy?



3.0 Service Assessment

To meet the current needs of the community without compromising the ability to meet the future needs, in other words a sustainable service delivery, requires the implementation of the following steps:

1. Understand the Community's needs
 - a. Current and existing needs
 - b. Future needs based on trends and economic development objectives
2. Treat service delivery as an investment rather than liability
 - a. Use services as a community growth driver
3. Assess all decisions with a service lens
 - a. Impacts of cost cutting and investment on services
 - b. Understand Needs → Levels of Service Requirements → Infrastructure needs → service delivery methods and organizational requirements
4. Assess Risks
 - a. Clear understanding of the risks and the impacts on services and service levels to achieve the community's objectives

Good decisions about infrastructure begin with thinking about service to the community, from the perspective of the community. The community needs to be informed and educated on what it takes to deliver the services they require with education and balance. Infrastructure exists solely to deliver and support service delivery, and as such there are three questions which should form the basis of a municipality's decision-making around its infrastructure: Which services does the community value; which levels of service do they require; and what are they willing to pay for them? Service considerations should include the current as well as future needs of the community.

It is important to step back and look at levels of service critically. The point is to provide a certain level of service because the community has indicated it is valuable to them and that is needed to attract and retain people in the community, not because it is what has always been done. To do this, there must be a clear understanding of the following:

1. The types of services the community needs
2. The groups of residents, businesses and industries that receive these services
3. The levels of service that are being delivered to the community currently (current levels of service – current performance)
4. The levels of service that are aimed to be delivered to the community in the future (future levels of service – target performance)

Level of service is a measure of the quality, quantity and reliability of a service from the perspective of the community. There are many benefits in having a clear understanding of service needs and defining levels of service. By being clear about what the community is asking for, the municipality can determine whether they can afford providing these services and evaluate actions such as cutting costs and making investments in terms of their impacts on levels of service. Council and staff can prioritize projects based on their impacts on providing sustainable services. This will enable them to communicate clearly and consistently with the community as to why certain decisions are made and how they are aligned with the community's objectives.

The following sections outline the current and future levels of service for the four municipalities in the Smoky Lake region.

3.1 Population and Demographic

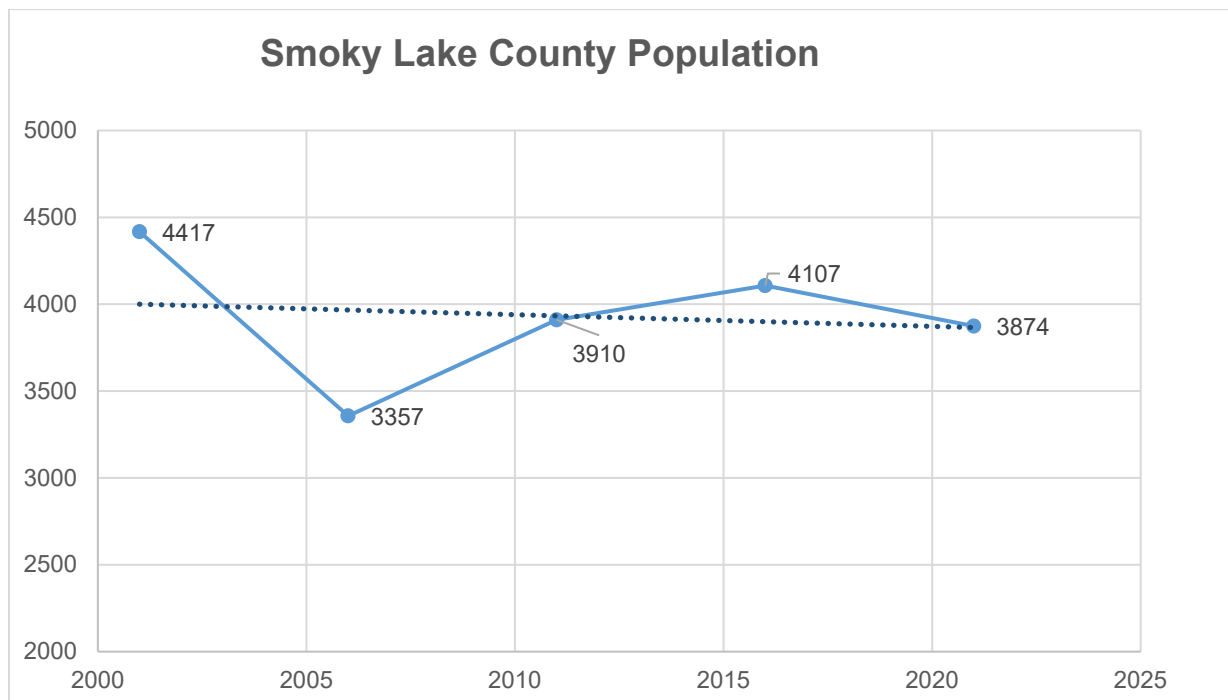
To gain an understanding of the type of services needed currently in the community, it is important to assess the current demographics. The trend and population growth/decline will guide and inform the decisions about future service needs and requirements. Census Canada's data was used to prepare the following graphs.

3.1.1 Smoky Lake County (County)

Based on the 2021 census results, the County has experienced negative growth (-5.7%) since the last census (2016). The 20-year growth is negative as well, calculated at -12.3%. However, for the past 10 years, the population decline rate has decreased (Growth rate at -0.92%).

The following graph shows the population trend for the County in the past 20 years.

Figure 1. Smoky Lake County Population Trend



The above graph demonstrates that the overall population trend has been slightly downward.

In 2021, the Median age in the County was 44.8 years, which is higher than the provincial median age (based on 2021 census, Alberta’s median age was 38.4 years). The County has the lowest Median age and the highest % of under 20 years amongst the four municipalities of Smoky Lake Region.

Almost 21% of the County’s population are above 65 years of age.

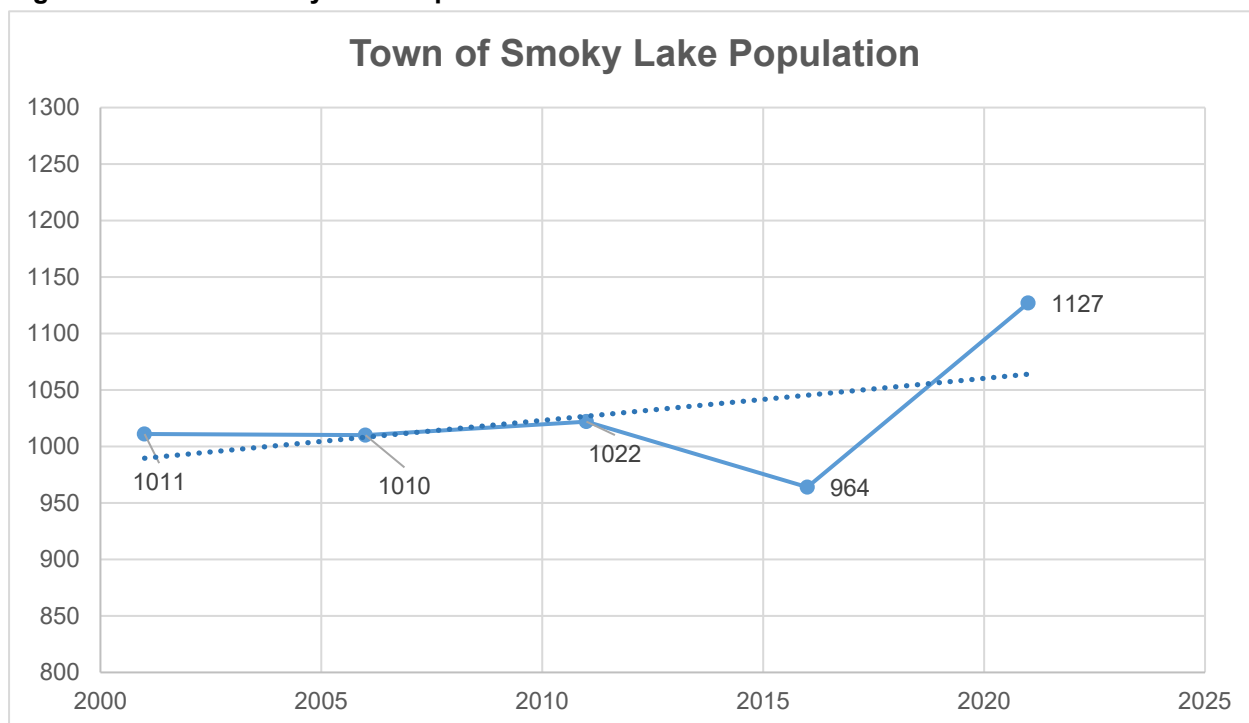
Table 1. 2021 County Population Distribution

0 to 19 years	26.3%
20 to 39 years	19.2%
40 to 64 years	33.7%
65 to 84 years	19.4%
85 years and over	1.50%
Average age of the population	42
Median age of the population	44.8

3.1.2 Town of Smoky Lake (Town)

The Town has experienced a significant growth over the past 20 years (11.5%). It is the only community in the Smoky Lake Region that has experienced growth since the last census (16.9%).

Figure 2. Town of Smoky Lake Population Trend



As the graph demonstrates, the Town’s population has been trending upward in the last 20 years.

In 2021, the Median age in the Town was 61.6 years, which is significantly higher than the provincial median age. More than 45% of the Town’s population are over 65 years of age. The Town has the highest median age within the four municipalities of Smoky Lake Region. The population of 85+ in the Town indicates that seniors are choosing the Town as their preferred choice of residence in the region.

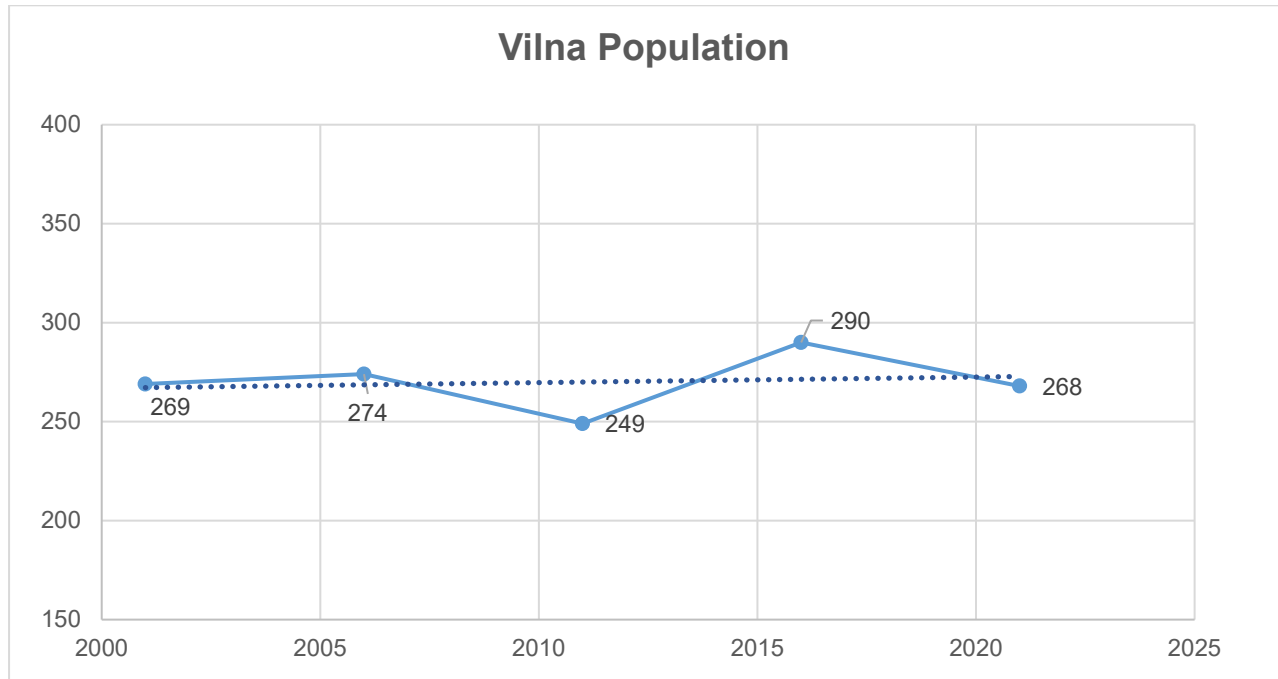
Table 2. 2021 Town Population Distribution

0 to 19 years	12.80%
20 to 39 years	13.70%
40 to 64 years	28.80%
65 to 84 years	31.90%
85 years and over	13.30%
Average age of the population	56.1
Median age of the population	61.6

3.1.3 Village of Vilna (Vilna)

Vilna has had a steady population over the past 20 years, with the 20-year growth rate of -0.4%. However, the village’s population decreased at -7.6% since 2016.

Figure 3. Village of Vilna Population Trend



35% of Vilna’s population are over 65 years of age. Vilna also has the second highest percentage of under 20 in the region, which could indicate its attraction to families with children.

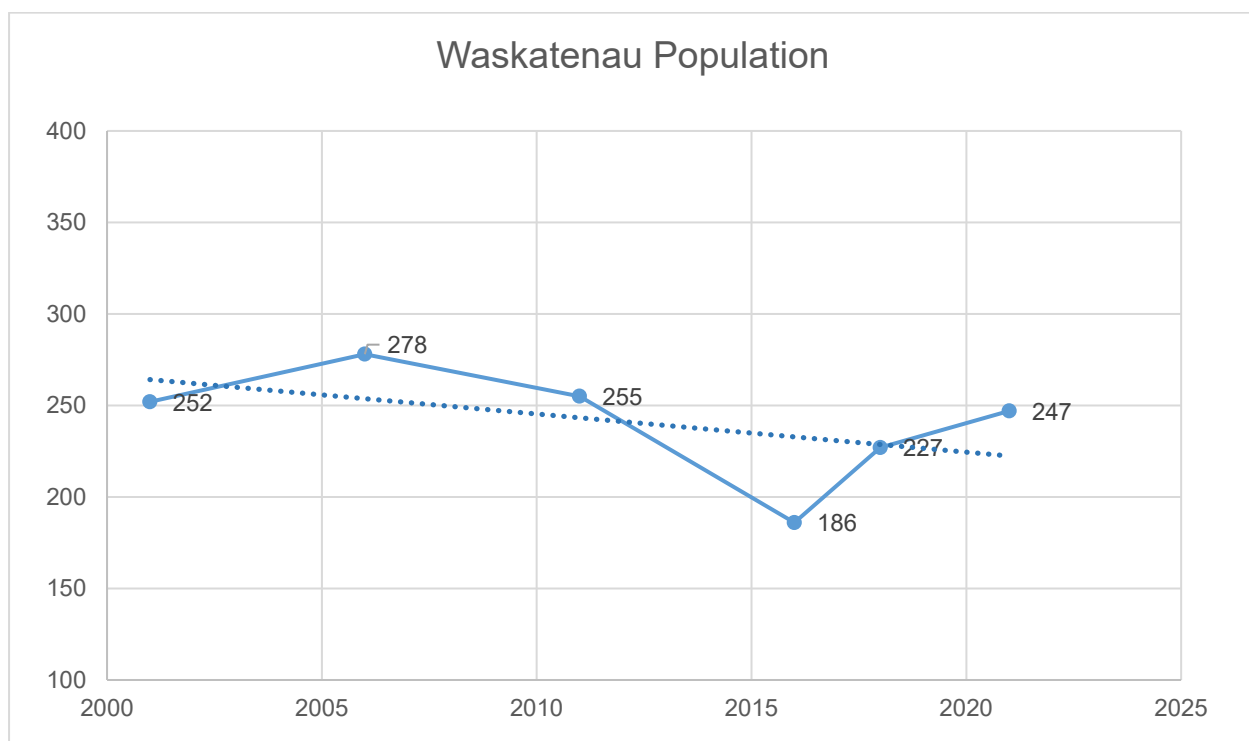
Table 3. 2021 Vilna Population Distribution

0 to 19 years	20.40%
20 to 39 years	16.70%
40 to 64 years	29.60%
65 to 84 years	27.80%
85 years and over	7.40%
Average age of the population	49
Median age of the population	53.6

3.1.4 Village of Waskatenau (Waskatenau)

Waskatenau has experienced a population decline over the past 20 years (-2%). However, the growth since the last federal census has been significant, adding 61 people to the community which represents a 33% growth rate since 2016.

Figure 4. Village of Waskatenau Population Trend



The median age in Waskatenau is 50 years. More than 65% of Waskatenau’s population are between the ages of 20 and 64, which is the highest of all four municipalities. Waskatenau also has the lowest rate of 65 years plus in the region, with 0 reporting over 85 years of age.

Table 4. 2021 Waskatenau Population Distribution

0 to 19 years	16.30%
20 to 39 years	30.60%
40 to 64 years	34.70%
65 to 84 years	16.30%
85 years and over	0%
Average age of the population	45.2
Median age of the population	50

3.2 Current Services and Levels of Service

The municipalities deliver several services to their residents. Some of these services are shared and some are delivered at a municipal level (individually).

3.2.1 Shared Service Delivery

The communities currently share several services. In addition, there are some not for profit organizations and community volunteers that co-deliver certain services to the communities. These services include:

Water Supply

The municipalities are all members of the Highway 28/63 Regional Water Services Commission. The Commission supplies treated water to each municipality (to a treated water storage/reservoir). The municipalities are responsible for distribution of the water and delivery to their residents.

Waste Management (a combination of shared and individual)

Solid waste collection (no recycling) is done individually by each municipality.

Solid waste disposal (emptying bins and disposal to Transfer Station) is done by the County and charged back to each municipality. Evergreen Landfill in the Town of Elk Point is utilized for garbage disposal.

Emergency Services

Emergency services is comprised of two parts:

a. **Regional Fire Services**

A combination of shared and individual service delivery, with equipment owned and provided by the County and Buildings (Fire Halls) owned by the respective municipality. Each municipality has its own fire department.

Fire services are provided by volunteer firefighters and two staff at the County. The County pays the firefighters and charges municipalities based on the location of the fire/emergency call.

b. **Disaster Services**

A regional service, with each municipality having a Director of Emergency Management, all working under the Regional Director.

Cost sharing for Emergency services could be included in the Intermunicipal Collaboration Framework.

Recreational

This service is 100% maintained and operated by the Community not for profit group (Agricultural Society).

Buildings are owned by the municipalities who pay for insurance. The municipalities do not participate in programming and recreational service offerings.

Libraries

Northern Light Library provides service to the County.

In other municipalities, a combination of library boards, schools, and FCSS with support from municipalities deliver this service.

Economic Development (Partial)

The Town of Smoky Lake, Smoky Lake County, and the Village of Vilna are all members of the Regional Community Development Committee. RCDC is managed by the Community Economic Development Officer and guided by the 2007-2027 Strategic Plan, as developed by the member communities. The main mandate of the RCDC is to improve the region's economic development capacity and maintain the quality of life.

3.2.2 Other Services

In addition to above shared services, each municipality provides the following services to their community. It should be noted that the levels of service in each community is different for these services.

Water Distribution Systems

The Town has a gravity-fed distribution system, fed by the potable water reservoir. The Villages each have a pumphouse and potable water reservoir. The distribution systems have hydrants; however, this study did not determine whether fire flow availability meets the fire underwriter requirements.

The County operates the water distribution systems in the hamlets of Spedden and Warspite, in addition to multiple truckfill facilities that is fed by the regional water line.

Sanitary Collection Systems

The Town and the Villages operate their sanitary collection systems and wastewater lagoons. The County operates the sanitary collection systems and lagoons for the hamlets of Warspite, Spedden, and Bellis.

Transportation and Drainage

Each community operates and maintains their road system and ditches. The road systems are mostly paved in the urban communities and a combination of paved and gravel in the County. The communities mostly do the snow clearing and ice management (sanding) in house, however, the County provides supports to the villages during major storm events.

Policing

The communities are serviced by the RCMP and pay accordingly to the provincial government for this service.

Administration

Customer service, planning and development, human resources management, financial management and audits, communication and engagement, bylaw enforcement, data and information management, and legislative services are all part of this service that each community must provide in order to manage and operate the municipal organization.



3.3 Current Service Gaps and Future Service Requirement

Rural Internet

Rural areas in the County do not have a reliable internet access and coverage. The urban centers, however, have relatively reliable coverage that could be sufficient for the near future.

Rural Potable Water Supply

Like most rural areas in the province, most of the County is serviced through individual water wells. It has been mentioned that lack of access to reliable potable water is hindering development in the County.

Administration Capacity

The Chief Administrator Officers (CAO)s in the two villages are the only staff available to provide administration services. This includes, in addition to the regular CAO management role, front desk support, finance, bylaw enforcement, legislative, planning and development, and all other office and administration responsibilities. This has imposed a significant burden on their time and their ability to focus on more long-term goals and the implementation of the economic vision for the region. The villages also have limited number of public works staff with no contingency and back up, making them more vulnerable due to human resource challenges.

The Town needs to complement their staff with a position to address public communication and legislative services.

Planning and Development

The communities could improve their planning and development processes and update their documents to be more responsive to potential development opportunities. The municipalities could benefit from a coordinated land use plan for the region, to clearly identify areas for potential growth, type of development, infrastructure requirement for the growth areas, funding mechanism, and approval processes. Having a coordinated land use plan and clear development approval process could position the communities to readily take advantage of any potential developer/industry that is interested in investing in the region.

Technology and Website support

In addition to better website design and information sharing, the Villages could benefit from software upgrades to address their financial management needs.

Information and Document Management System

The communities use Geographic Information System (GIS) and a GIS service provider to store and access their infrastructure data. However, there is no clear information management system in place. An information and document management system should clearly identify the process of gathering, collating, storing, updating, and accessing the data and information and the person(s) responsible in each municipality to manage the process. This is critical to mitigating the risk of the loss of the organizational knowledge and critical information. It also ensures a more effective development process and infrastructure replacement projects.

Housing

Having accessible and a variety of housing units / options is fundamental to sustaining the population and facilitating growth in the community.

The business plan prepared by the Smoky Lake Tourism Company, identifies housing and staff accommodation as their infrastructure needs and requirement to implement their strategy.

Family and Community Support Services (FCSS)

The CAOs have indicated that although funding is available, staffing has been an issue for delivering the programs. This is an area that could benefit from more collaboration between the municipalities to find a sustainable solution to the staffing challenges.

Recreational programming

As mentioned before, recreational services is 100% maintained and operated by the community not for profit group with assets provided by municipalities.

The reliability and availability of programming could be improved to provide more variety to users. Recreational programming could act as an incentive for families and people of working age, when choosing their preferred place to live.

Senior Transportation

As demonstrated in section 3.1, ageing population is the demographic trend the Smoky Lake region municipalities are facing. The median age in the region is above 44, with more than 25% of the population above 65 years of age.

Considering this demographic change, providing mobility options for the senior population is key to help this group access essential services such as healthcare, groceries and food, and other services the seniors need to maintain their quality of life. This could help with keeping this population in the community, which could keep the fabric of the community intact. Seniors also act as anchors, helping to keep the next generation in the community and preventing an outmigration.

Major Infrastructure Replacement

The Tangible Capital Asset (TCA) files for all municipalities were used to forecast major infrastructure replacement requirement in the coming years. It should be noted that no field assessment or actual condition assessment was performed as part of this study. The TCA information was used to provide an overall understanding of major infrastructure replacement requirement and the strategic risk communities are facing in preparation for funding these replacements.

Being close to or past the useful life does not mean that the infrastructure is not functional, rather the risk of failure is increased as the likelihood of failure increases with age. Most of the infrastructure were built around the same time, which further the intensifies the financial burden on the communities.

Reviewing these files indicates that the water distributions systems and wastewater collection systems are the asset that will need to be replaced in near future.

In the villages, these systems were mostly installed in the 1950s and are close to the end of their useful life. The TCA for Waskatenau shows that the water distribution system and the sanitary collection system are close to or past their useful life. The water distribution system is mostly comprised of cast iron pipes, installed in the 1950s, and the sanitary collection pipes are made of clay tiles, also installed in the 1950s. In addition to pipes, the sanitary lift station is the other asset that will need to be replaced in near future, as it is past its useful life.

Vilna too, is in a similar situation as Waskatenau, with both systems mostly installed in the 1950s and nearing their end of useful life. The potable water reservoir is in poor condition and needs to be replaced (with estimated price of \$4.7million provided to the Village by their engineers). The Town's water distribution system is a gravity system. It is reaching its end of useful life and currently is experiencing about 23% of loss which is significant. Most isolation valves in the system are not functional which imposes more operational issues when dealing with breaks or leaks. The potable water reservoir is scheduled for replacement, pending funding approval from the senior government.

4.0 Cost Analysis

In asset management cost is defined as the financial and human resources required throughout the lifecycle of the assets that deliver services to the community. It includes:

- Replacement costs of current assets to deliver current services
- Capital costs of new assets for future services
- Current and projected operation and maintenance costs for current and new assets
- Past and projected trends in operating and maintenance costs over time
- Revenue sources for funding future capital and operational costs

Understanding costs will help municipalities identify whether they are getting value for their money. It is fundamental to making good decisions about what levels of service can be afforded and what levels of risk should be tolerated. Well-understood costs can be clearly communicated to the community so that citizens understand what they are paying for and what value they are getting.

Once the municipality understands the long-term costs, they will need to identify how they will fund them. There are various sources of revenue available to the municipalities, some more reliable than others. Municipalities should have an understanding of expected revenue from sources such as property taxes, user fees and utility charges, grants, borrowing, and other sources such as linear assessments.

4.1 Historical Cost and Revenue Trends

Each municipality's financial statements for the years 2015 through 2020 were used to determine the historical revenue and expenditure trends. Since the municipalities do not track cost of service using an asset management methodology (i.e. including the human resources, operational costs and capital costs for each service area) for each type of service, this study was not able to establish historical costs of service nor operation and maintenance costs; for example, it is not clear whether the salaries and benefits of the water operators are tracked under Administration expenses or water services. In addition, there is some variability between municipalities in how expenditures are categorized and accounted for. Keeping these limitations in mind, the assessment provides an overview of the past 7 years for each municipality.

4.1.1 Smoky Lake County

Revenue:

- The County's total revenue (not including government transfers) has been relatively constant
- The linear tax revenue forms 50 to 55% of the County's total tax revenue
- The residential/farmland tax forms 28 to 30% of the County's total tax revenue
- County's Natural Gas services pays for itself through user fees

Expenses:

- The total expenses have increased

- The highest expense is Transportation, (around 40% of total expenses), followed by Administration & Legislative
- Protective services expenses have increased significantly (due to changes imposed by the provincial government)
- On average, 15% of expenses are paid by Government Transfers over the past 7 years, with the highest being 20%
- Expenses per capita have increased over the past 7 years

Figure 5. County Total Revenue (excluding grants) – Expenses Trends

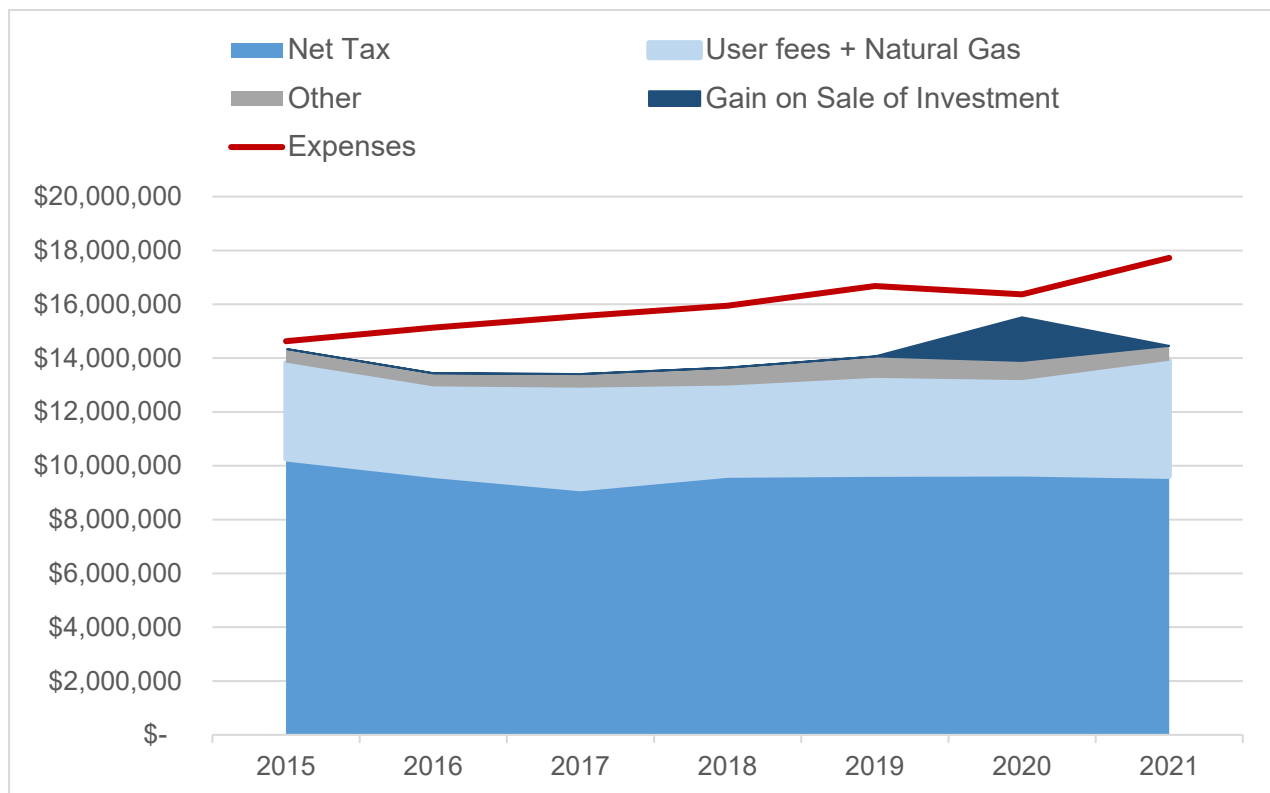
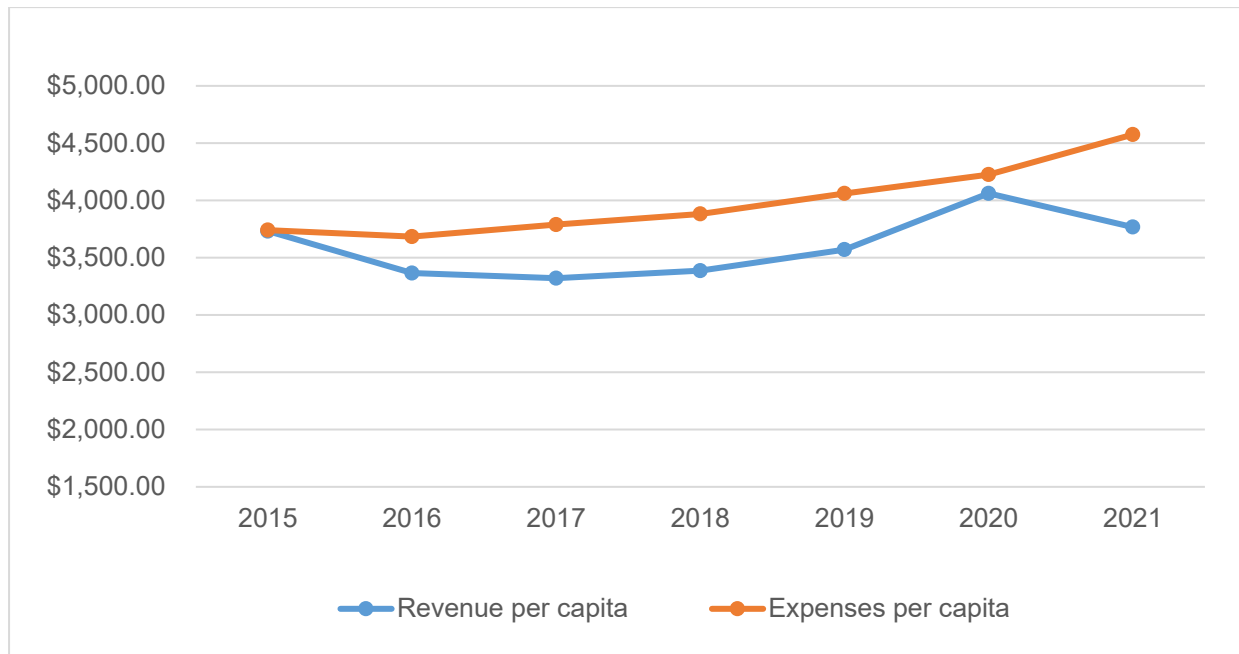


Figure 6. County Revenue/Expenses per capita



4.1.2 Town of Smoky Lake

Revenue:

- The Town’s total revenue has increased slightly over the past 6 years (3%)
- The increase is due to increasing User Fees
- Net taxes have been relatively constant or decreasing since 2018
- Total revenue per capita has decreased over the past 7 years
- User fees are the largest contributors to the total revenue, followed by residential taxes

Expenses:

- Total expenses have been increasing over the past 6 years
- Environmental services (water, sanitary, waste management) are the highest expense item (around 30% of total), followed by Transportation and Natural Gas services
- On average, Government Transfers (grants) have paid for approximately 28% of the expenses over the past 7 years
- Expenses per capita has increased over the past 7 years

Figure 7. Town Total Revenue (excluding grants) – Expenses Trends

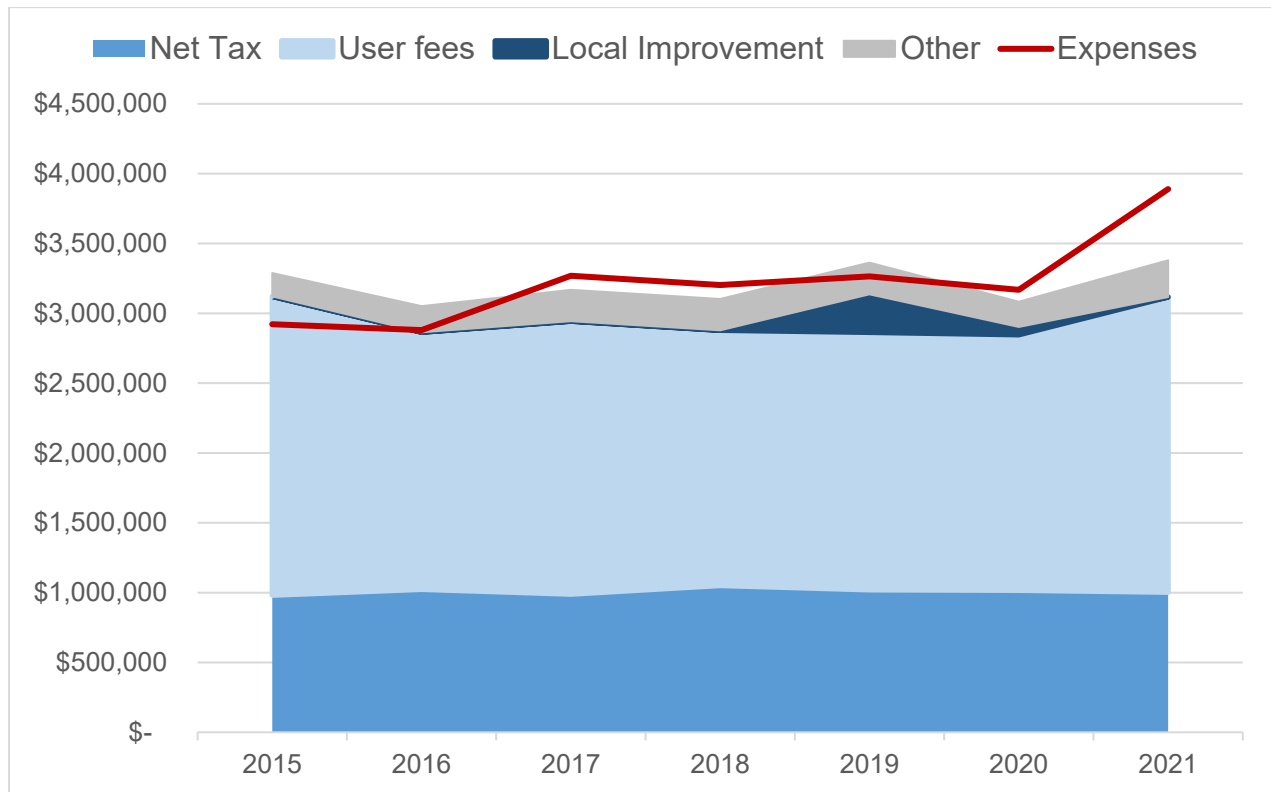
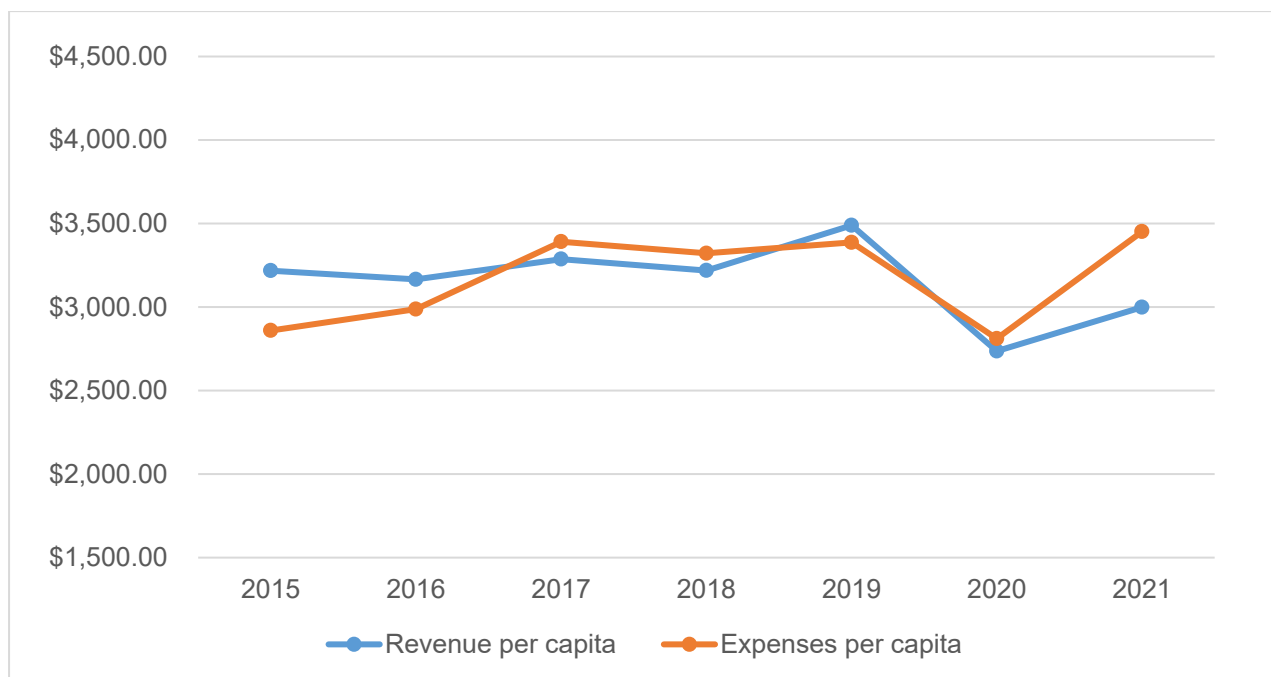


Figure 8. Town Revenue/Expenses per capita



4.1.3 Village of Vilna

Revenue:

- Total revenue (not including grants) has increased over the past 6 years (4.5%)
- The increase is due to increasing user fees
- Net taxes have been slightly decreasing
- User fees are the highest revenue item followed by residential taxes
- Revenue per capita has been slightly decreasing

Expenses:

- Total expenses have been increasing over the past 6 years
- The highest expense item is Transportation followed by Administration and Water Services
- The expense per capita has been increasing
- On average Government Transfers have paid for 40% of expenses over the past 6 years

Figure 9. Vilna Total Revenue (excluding grants) – Expenses Trends

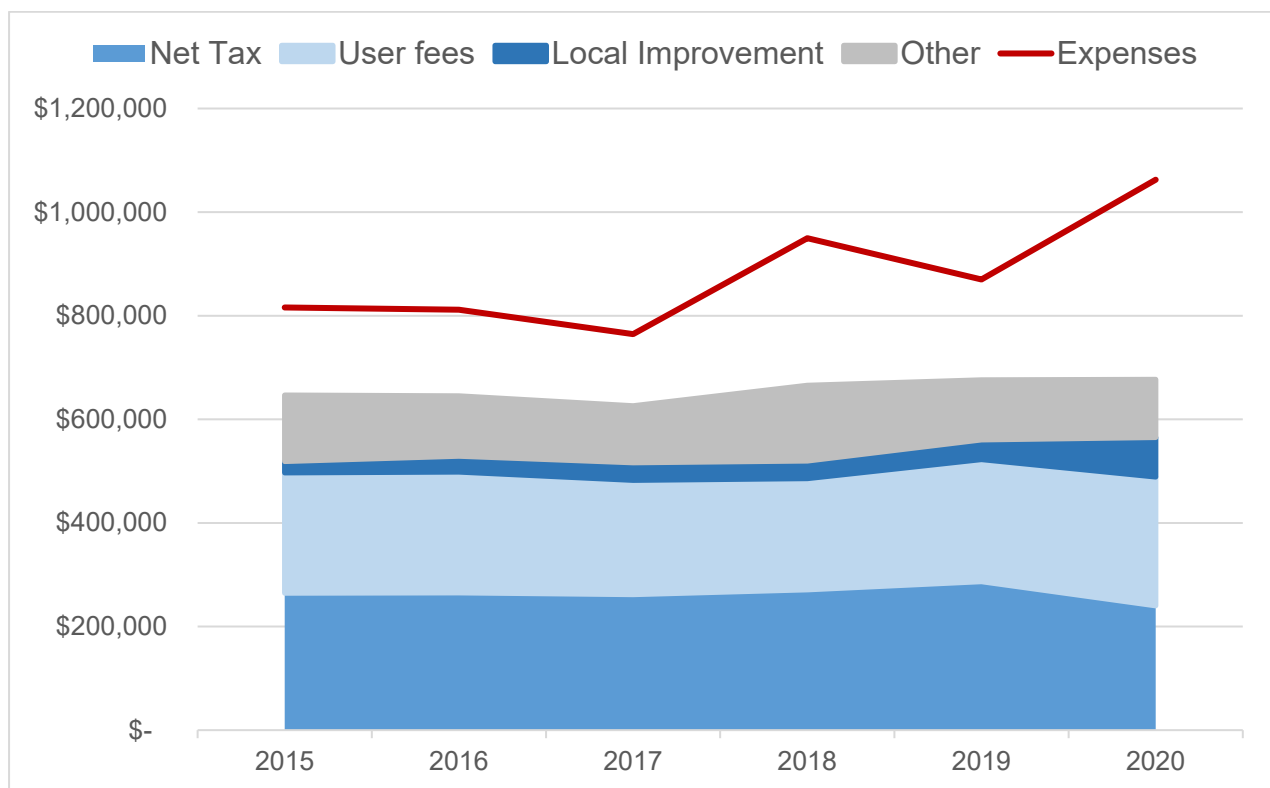
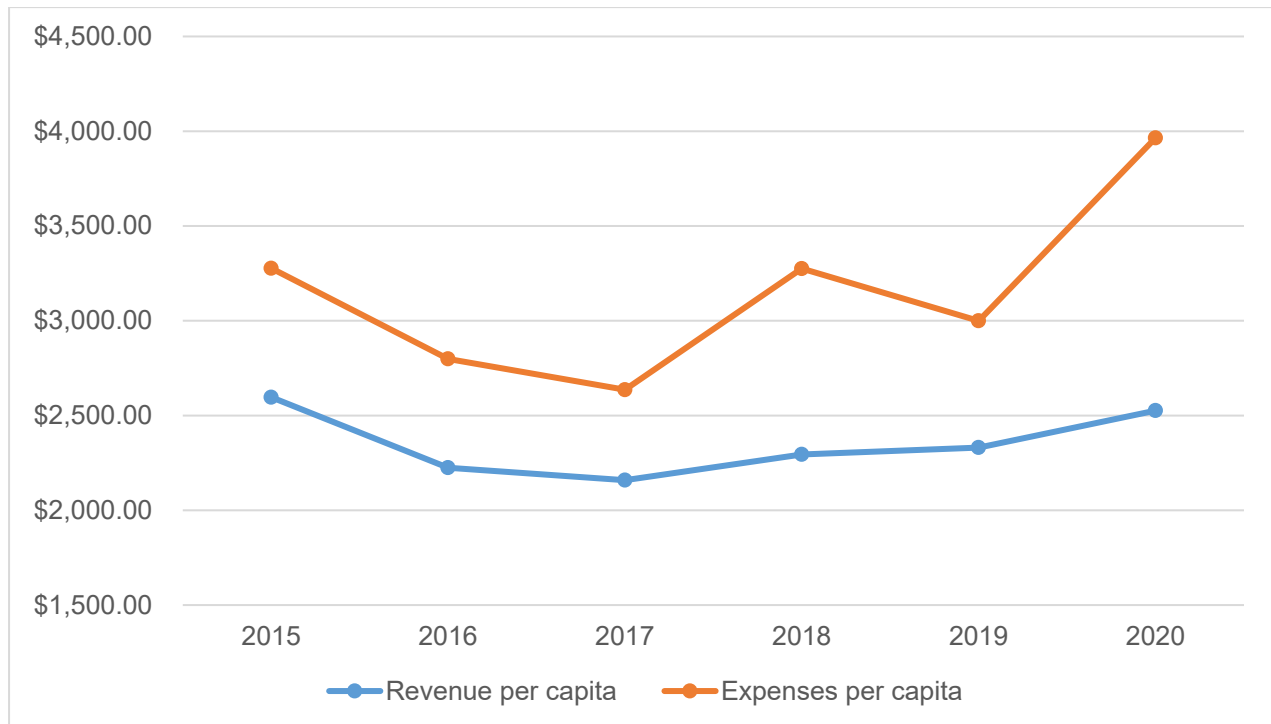


Figure 10. Vilna Revenue/Expenses per capita



4.1.4 Village of Waskatenau

Revenue:

- Total revenue has been constant over the past 6 years
- The highest contributing item to total revenue is Residential Taxes followed by User Fees
- Total revenue per capita has been decreasing

Expenses:

- Total expenses have been increasing
- The highest contributing item is Transportation services followed by Administration
- The expense per capita have been increasing
- The Village carries zero debt as of 2021

Figure 11. Waskatenau Total Revenue (excluding grants) – Expenses Trends

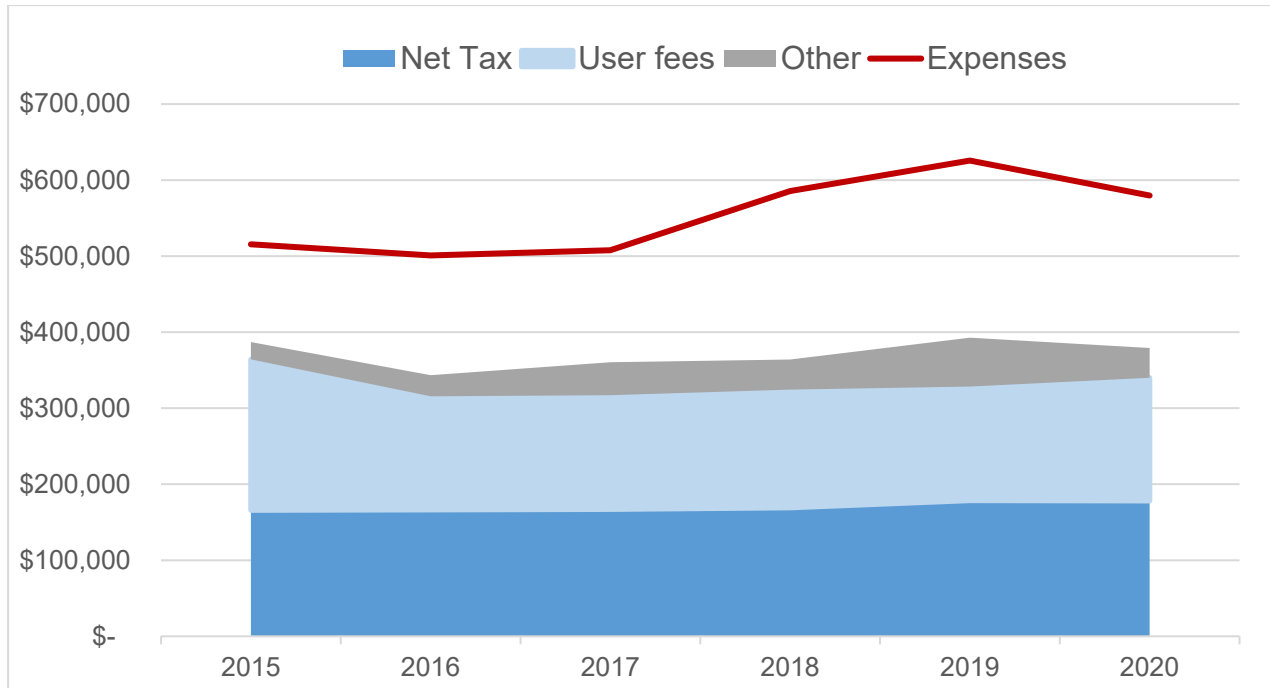
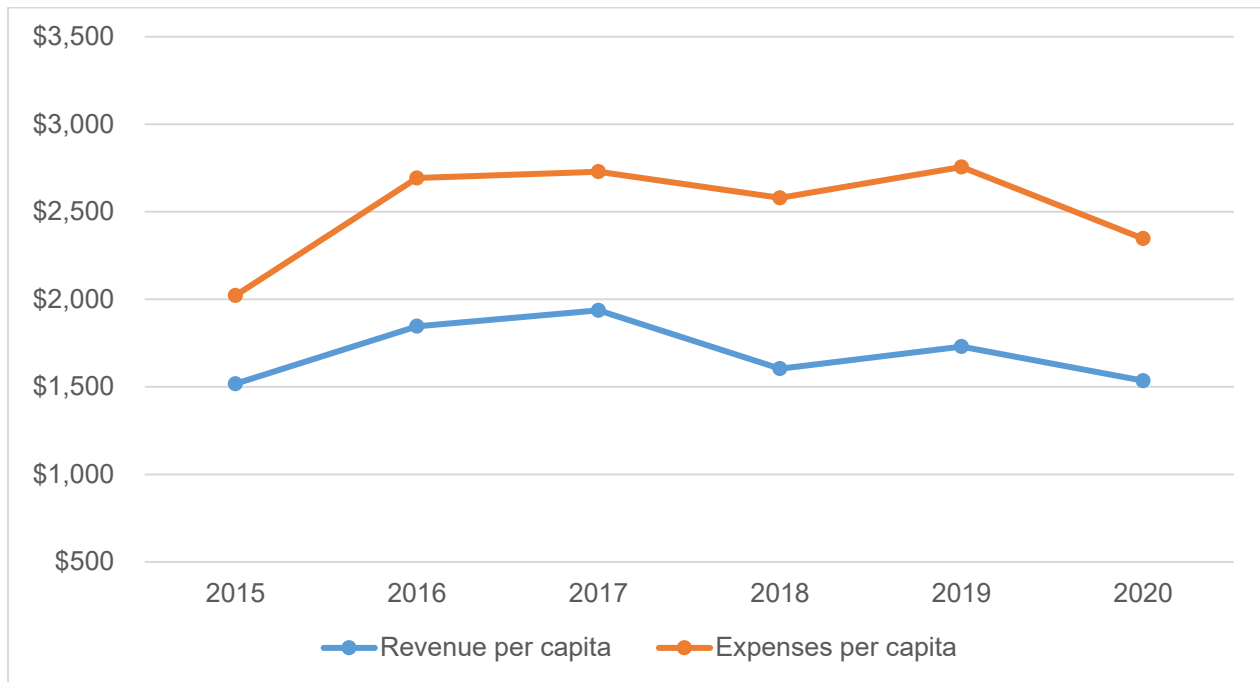


Figure 12. Waskatenau Revenue/Expenses per capita



5.0 Risk Management

Risks are events that have a negative impact on a municipality's ability to deliver services to the community. Some of these events will have a higher probability (likelihood) or greater impact than others, which can make them bigger risks. However, with the right planning and mitigation actions, the probability or impact of these events can be reduced.

Risks are assessed by identifying the impact and likelihood of the event and then finding the corresponding level of risk.

Risk = Impact x Likelihood

The impact is measured by determining how severe are the consequences of the events and the likelihood measures the probability of the event.

People and organizations perceive risk differently. This can complicate decision making, especially when the decision concerns a common interest. Therefore, applying a systematic approach to risk management can help with developing a common understanding of risks and inform decision making.

Risk Management Process steps are:

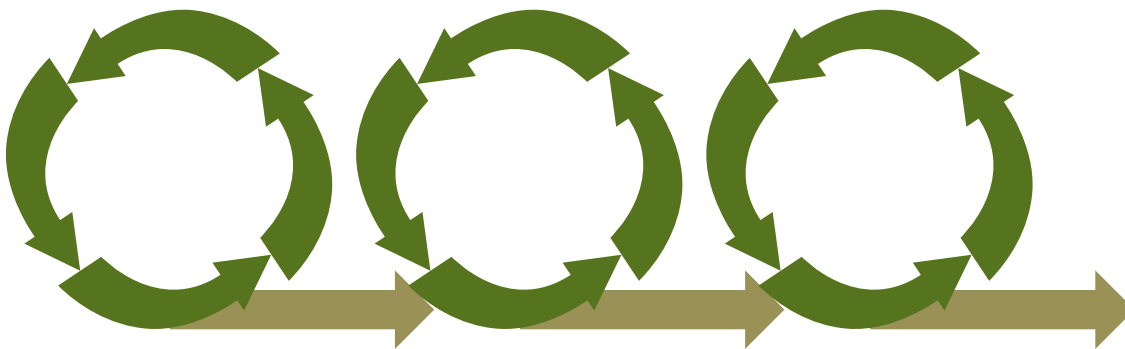
Step 1. Risk Assessment: Identifying and evaluating risks

Step 2. Risk Mitigation Strategies: Identifying what should be tolerated and what should be mitigated

Step 3. Implementation: processes, financial and human resources needed to implement mitigation strategies

Step 4. Monitoring and Evaluation: Are the mitigation strategies effective?

Step 5. Go back to step 1.



Risks cannot be eliminated, and risk mitigation can be costly. When making a collective decision, it is important to agree on the levels of the risk that can be tolerated by the community; this step is part of the risk management process. Risk management is an iterative process of identifying and assessing risks, identifying what risks can be tolerated, identifying, and evaluating mitigating actions that can reduce risks, and implementing these actions.

There are two types of risk: Asset Risk refers to the failure of an asset to perform as it was designed to (inability to deliver the service as it was designed to), such as water pipe break or potholes in the road. Strategic Risk are events that impede the ability to reach strategic objectives, such as a reduction in revenue, losing organizational knowledge or retiring workforce.

Smoky Lake Municipalities are facing a several strategic decisions as to how invest in their communities and how best work together to achieve the economic strategic objectives. As such, it was important for the councils and the CAOs to develop a consistent understanding and language around strategic risks. This was done by leveraging a tool called a Risk Evaluation Matrix, which provides a systematic approach in assessing strategic risks. This matrix was completed collaboratively during two workshops.

The development of the Risk Evaluation Matrix followed these guidelines:

1. The Risk Evaluation Matrix and its assumptions should be defensible (objective vs. subjective)
2. It should be developed and agreed upon collectively (consensus-based decision making)
3. It should be appropriately linked to Smoky Lake Region’s economic and strategic objectives (purpose-driven)
4. It should inform trade-off evaluations in decision-making

5.1 Strategic Risk Assessment Process

The process of developing the Risk Evaluation Matrix followed these steps:

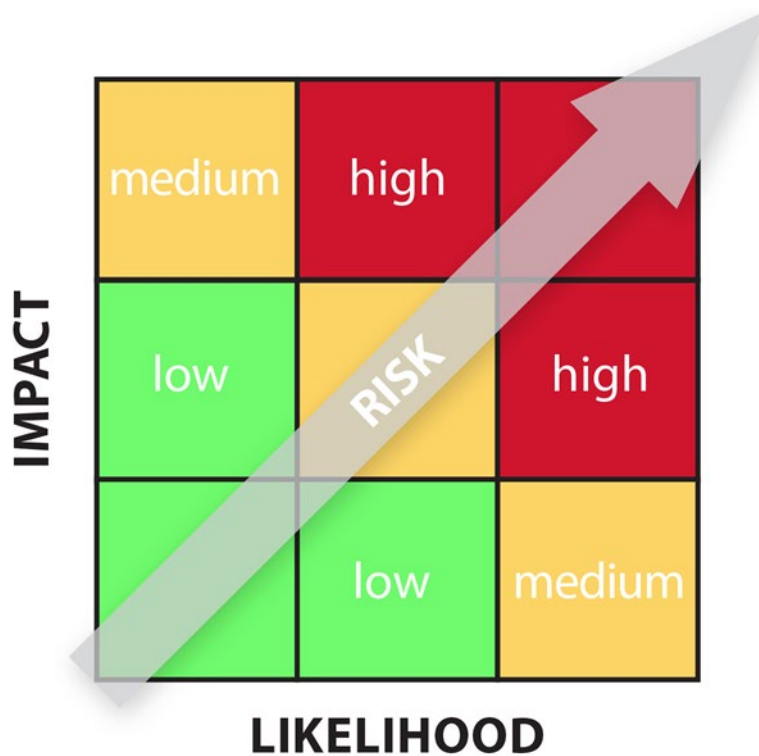
1. Define high-level objectives for the risk evaluation process based on strategic and economic objectives
 - It will ensure that the process is continually aligned with your high-level objective
 - It will evaluate consequences of risks based on their impact on service objectives
3. Create a consequence scale for each objective
 - 1 (best) to 4 (worst)

1	2	3	4
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4. Define what each consequence scale represents for any given objective
5. Define Likelihood scale (1 to 4)
6. Identify undesired events that can negatively impact decisions
7. Rank each event under the objectives using the consequence scale and likelihood table

This process is a systematic approach that helps create a common language around risk across the four municipalities in Smoky Lake region, which in turn helps with allocating the limited resources to address the never-ending needs. It is a defensible approach that reduces subjectivity, while also helping with accountability and transparency in trade-offs and decision-makings. Using this tool, the communities could communicate the reasons they made certain decisions and compromises.

The four municipalities utilized this process through 2 facilitated workshops. As mentioned before, Risk Management is a process, you have to start with what you have and make it more accurate and complete as you go forward. The municipalities made good progress in understanding the process, the value it could provide to their organizational and decision-making processes and assessing risks. However, the mitigation strategies and implementation process were not completed and should be addressed in future. The results of the risk assessment and some observations from the workshops are presented in the following sections.



5.2 Risk Assessment Results

Upon reviewing the Intermunicipal Collaboration Frameworks between the municipalities in Smoky Lake Region, the following points could be made about the overall strategic objectives of the region:

- Increase overall community and **economic** development capacity building
- Develop a more **effective process & planning strategy** for coordinating intermunicipal growth, land use, infrastructure, recreation, social services, & emergency services
- Strengthen **regional collaboration** and integrated regional service delivery models to increase efficiencies
- Increase **business/investment attraction** “presence” throughout the Smoky Lake Region
- Improve **business retention**, growth, and business attraction throughout the region
- Improve regional fiscal and **financial sustainability**
- Increase opportunities for **leveraging regional strengths** into regional competitive advantages

Considering the above, the municipalities developed 5 high-level objectives to measure the impact and consequences of the risks:

Quality of life (Services and Service delivery)

Planning and preparedness

Financial resiliency

Economic prosperity

Collaboration with target partners

For each objective the consequence scale was developed, from 0 (no impact) to 4 (most severe impact). This was reviewed by the workshop attendees in the first risk workshop. Table 5 outlines this consequence scale.

Table 5: Consequence Table

Objectives	0 (no impact)	1 (least impact)	2	3	4
Quality of Life (Service Delivery)	Deliver current services at the desired level AND plan/invest for future services	Deliver current services at the desired level BUT unable to plan/invest for some of the future services	Deliver some of the current services at their desired level but not all	Unable to deliver current services at their desired level	Unable to deliver core services
Planning & Preparedness	Ability to plan for long-term needs (> 5 years)	Able to plan for medium term needs (3 to 5 years)	Only able to plan for short term needs (up to 3 year)	Reacting to situation as they arise (year to year)	Unable to respond to current needs/situation
Financial Resiliency	No impact on resources due to financial shocks	short-term impact on resources due to financial shocks	Medium-term impact on resources due to financial shocks	Long-term impact on resources due to financial shocks	No resources to absorb financial shocks
Economic Prosperity	growth in both agricultural sector and businesses (tourism?) meet targets OR growth in more than one type and value of assessments	small growth in agricultural sector AND businesses OR slight increase in the value and type of assessments	No new agricultural sector growth but some business growth OR no significant change the value of assessments but some growth in type	no growth in Agricultural sector AND other businesses compared to today Or no change in type or value of assessments compared to today	loss of current Agricultural and businesses OR significant loss of Assessment values compared to today
Collaboration with target partners	Partners are working collaboratively and are seeking to improve partnership	Some mutually beneficial agreements in place, and there's a structure/desire to expand partnerships	Some mutually beneficial agreements in place, but there's no consistent/established working relationship in place	Only partnerships that are reliant on external incentives or mandated are formed	No external incentives and no internal desire to form partnerships

The following Likelihood table was used in the risk assessment:

Table 6: Likelihood Table

Likelihood	1	2	3	4
	Improbable	Possible	Likely	Almost Certain
	Could happen, but probably never will except under exceptional circumstances	The event might occur at some time as there is a history of this event occurring	There is strong possibility of this event occurring as there is a frequent history of occurrence	Very likely. Expected to occur in most circumstances.

After developing these tables, the group identified and assessed the events that could negatively impact their ability in achieving their economic and strategic objectives. This was done collaboratively, discussing their individual understanding of the risk and agreeing upon the final number. The results are shown in the table below. The table is arranged from the highest ranked risk to the lowest.

Table 7: Risk Assessment Results

Item	Event	Service Delivery	Planning and Preparedness	Financial Resiliency	Economic Prosperity	Collaboration	Likelihood	Risk Score
1	Significant Increase in cost of service delivery	2	3	3	3	3	4	56
2	Reduction in government grants	3	3	3	3	2	4	56
3	Ageing population	1	2	2	2	1	4	32
4	Loss of organizational knowledge and critical staff	2	2	2	2	2	3	30
5	Major infrastructure failure	3	3	3	3	3	2	30

Item	Event	Service Delivery	Planning and Preparedness	Financial Resiliency	Economic Prosperity	Collaboration	Likelihood	Risk Score
6	Increased municipal service delivery requirements	2	3	3	3	3	2	28
7	Lack of physicians/ healthcare access	2	2	2	3	0	3	27
8	Dissolutions of Villages	2	2	3	3	3	2	26
9	Lack of access to skilled workers (attraction and retention)	2	3	2	3	3	2	26
10	Loss of critical data and information	2	2	2	2	2	2	20
11	Change in leadership (Municipal)	1	1	1	3	3	2	18
12	School Closures	2	2	2	3	0	2	18

RED = HIGH ORANGE = MEDIUM HIGH YELLOW = MEDIUM GREEN = LOW

5.3 Mitigation Strategies

Risks cannot be entirely eliminated. The purpose of this exercise was to create a common language around risk and to provide an objective method for assessing risks. The result of this assessment can inform trade-off decisions made for infrastructure investment and service delivery by developing appropriate mitigation strategies. Elected officials could use this assessment to determine what type of governance structure could better position them to mitigate these risks while delivering services to their communities. This section proposes possible mitigation strategies for the risk events assessed by the municipalities.

Table 8: Risk Mitigation Strategies

Risk Event	Proposed Mitigation Strategy	What is it?	How does it help?
Significant increase in cost of service delivery	<ul style="list-style-type: none"> Each municipality to develop Asset Management Plans and Decision-Making processes 	<ul style="list-style-type: none"> A systematic decision-making process to assess levels of service, risk and life-cycle costs of service delivery and incorporate the results in the annual budgeting processes 	<ul style="list-style-type: none"> Provides a defensible method to evaluate service offerings and realize efficiencies Budget decisions are informed by trade-offs between service, cost, risks
Reduction in senior government grants	<ul style="list-style-type: none"> Develop Regional Economic Development Plan Develop Integrated long-term financial plan 	<ul style="list-style-type: none"> A plan that considers the uniqueness of the region and is tied to service delivery A financial plan that is connect to asset management plans and forecasts costs AND revenue 	<ul style="list-style-type: none"> Investing in services to attract economic activities and increasing revenue streams Proactive planning to fund service investments rather than relying on annual assessment results to decide what part of the budget could be implemented
Ageing population	<ul style="list-style-type: none"> Each municipality to develop Asset Management Plans and Decision-Making processes Develop Regional Economic Development Plan 	<ul style="list-style-type: none"> A systematic decision-making process to assess levels of service, risk and life-cycle costs of service delivery and incorporate the results in the annual budgeting processes 	<ul style="list-style-type: none"> By assessing service needs, it focuses on services that are needed by the community and aligns budget decisions. These could include housing, senior transportation, etc.

Risk Event	Proposed Mitigation Strategy	What is it?	How does it help?
		<ul style="list-style-type: none"> A plan to attract economic activity and retain citizens and businesses in the community 	<ul style="list-style-type: none"> Investing in the region to attract economic activities to increase revenue and pay for required services
Loss of organizational knowledge and critical staff	<ul style="list-style-type: none"> Invest (or continue) investment in developing an information & documentation management system 	<ul style="list-style-type: none"> A process that identifies how information is stored, documented, updated and accessed and what resources are required to do so (digital infrastructure, human and financial resources) 	<ul style="list-style-type: none"> By providing a process to documentation and access to information and policies, the risk of losing the information due staff changes is minimized
Major infrastructure failure	<ul style="list-style-type: none"> Develop Asset Management Plans 	<ul style="list-style-type: none"> A systematic decision-making process to assess service, cost, risk 	<ul style="list-style-type: none"> Asset Risk management is part of asset management plans
Increased municipal service delivery requirements	<ul style="list-style-type: none"> Each municipality to develop Asset Management Plans and Decision-Making processes Develop Regional Economic Development Plan 	<ul style="list-style-type: none"> A systematic decision-making process to assess levels of service, risk and life-cycle costs of service delivery and incorporate the results in the annual budgeting processes 	<ul style="list-style-type: none"> Asset Management plans align the decisions with the current and trending service needs and realizes efficiencies

Risk Event	Proposed Mitigation Strategy	What is it?	How does it help?
		<ul style="list-style-type: none"> A plan to attract economic activity and retain citizens and businesses in the community 	<ul style="list-style-type: none"> Attracting economic activities will grow revenue base however, it should be tied to the asset management plan to assess service needs of the population you're aiming to attract in your region
Lack of physicians / healthcare access	<ul style="list-style-type: none"> Political Lobbying Increased focus on engaging with AHS for recruitment of healthcare workers Develop Regional Economic Development Plan Develop Targeted Marketing Strategies 	<ul style="list-style-type: none"> Regional Economic development plan will focus on services needed to attract and retain targeted population in the region Targeted marketing strategy to attract healthcare workers to the community 	<ul style="list-style-type: none"> Service provisions influence the retention aspect healthcare workers recruitment & retention initiatives Marketing strategy should clearly identify why Smoky Lake is the place to relocate, live and work
Dissolutions of Villages	<ul style="list-style-type: none"> Increase collaboration with targeted partners (local government and not for profit organization) Town and County to provide targeted support Develop a Regional Economic Development Plan Evaluate revenue sharing options 	<ul style="list-style-type: none"> Targeted collaboration to utilize the resources in the community (such as volunteers) Provide targeted administration and operation support to Villages A plan to attract economic activity and retain citizens and businesses in the community 	<ul style="list-style-type: none"> Town and County to continue with providing administration and operational support to address Villages' staff limitations Utilizing and investing in the strong volunteer base in the communities helps with cost efficiencies and community building

Risk Event	Proposed Mitigation Strategy	What is it?	How does it help?
			<ul style="list-style-type: none"> • Economic activities to encourage revenue increase • Communities could evaluate revenue sharing options to maintain the viability of the villages to reduce risks of losing services and facilities in these villages that benefit the entire region
<p>Lack of access to skilled workers (attraction & retention)</p>	<ul style="list-style-type: none"> • Develop Regional Economic Development Plan • Develop Targeted Marketing Strategies 	<ul style="list-style-type: none"> • Regional Economic development plan will focus on services needed to attract and retain targeted population in the region • Targeted marketing strategy to attract skilled workers to the community 	<ul style="list-style-type: none"> • Service provisions influence the retention aspect healthcare workers recruitment & retention initiatives • Marketing strategy should clearly identify why Smoky Lake is the place to relocate, live and work

Risk Event	Proposed Mitigation Strategy	What is it?	How does it help?
Loss of critical data & information	<ul style="list-style-type: none"> Invest (or continue) investment in developing an information & documentation management system Continue investment in and enhance the utilization of your GIS in operations and information management 	<ul style="list-style-type: none"> A systematic documentation and information management system that identifies how information is stored, documented, updated and accessed and what resources are required to do so (digital infrastructure, human and financial resources) 	<ul style="list-style-type: none"> By providing a process to documentation and access to information and policies, the risk of losing the information is minimized
Change in Municipal leadership	<ul style="list-style-type: none"> Invest (or continue) investment in developing an information & documentation management system 	<ul style="list-style-type: none"> A systematic documentation and information management system that identifies how information is stored, documented, updated and accessed and what resources are required to do so (digital infrastructure, human and financial resources) 	<ul style="list-style-type: none"> Accessible and up to date documents will provide background information as to why certain decisions were made and will provide continuity in policy implementation with the change in leadership
School closures	<ul style="list-style-type: none"> Invest in services that attract and retain families in the region 	<ul style="list-style-type: none"> Identifying service needs of target demographic with school age children 	<ul style="list-style-type: none"> This will be part of the asset management plans and budgeting process

Risk Event	Proposed Mitigation Strategy	What is it?	How does it help?
			<ul style="list-style-type: none"> Investment in FCSS, childcare services (daycare and after school), and recreational facilities and programs will help with retaining families in the region and maintaining the school age population

6.0 Recommendations

Risk mitigation costs. Communities need financial and human resources to implement the mitigation strategies outlined in Table 8. The reality imposes limitations on implementing these strategies. Therefore, there needs to be a process in selecting and prioritizing these strategies. This section of the report provides recommendations on what strategies should be selected to address the service gaps and risks. These areas are of the highest priority and can provide the greatest impact with implementation. They can be organised in the following categories:

1. Realize Efficiencies

- Asset Management and Budgeting
- Joint operations of linear services
- Administrative support
- Coordinated Fleet management

2. Grow the pie

- Regional Economic Development Strategy
- Regional Marketing Strategy
- Regional Land Use and Development Planning

3. Make it Happen

- Develop a Common Purpose with a Shared Strategic Direction and a “Shared Objectives”
- Prepare a Governance Structure and Organizational Processes that is effective
- Identify the required financial and human resources to implement the initiatives

They are not small tasks; nor are they easy. They require a recognition of the realities of scarcity and exhaustion, and the need to share resources to grow. They require a check against fear and entitlement that have us pull back from commitments to collaboration. They require egos and self interest to be put aside for the sake of the communities and the region, and most importantly, the citizens that the Councils represent and serve. The recommendations made in this section of the report will require the right attitude and right approach to effectively mitigate high levels of risk and create new opportunities that grow the pie for all the communities in the region and stakeholders.

Each community and municipality have some competitive advantage over the others and contributes to the quality of life of the region. While one community may appeal to young families, another may appeal to retirees. While one attracts those seeking space, another will attract those seeking social interaction. Every community offers something that makes the region stronger and more competitive. That means seeing each other as contributing partners, not financial sinkholes. Each community has a role to play that contributes, and their assets and nature should be leveraged for the success of the entire region. That requires changing the mindset, eliminating fear and egos, and focusing on helping each other to grow.

There will not be a winning municipality while the others lose. If any single community fails, the burden will be borne by the remaining. There is great risk posed by the failure of one because it will create a chain of failures, and the downfall of all. Ultimately, it is in everyone's interest to work together to grow.

6.1 Realize Efficiencies

This section focuses on initiatives municipalities could implement to reduce redundancies, realize efficiencies, and get a better value for their limited financial and human resources. Some actions are done at the individual municipal operations, and some are collaborative.

6.1.1 Asset Management and Budgeting

“Asset management is the process of making decisions about the use and care of infrastructure to deliver services in a way that considers current and future needs, manages risks and opportunities, and makes the best use of resources.” (*Building Community Resilience Through Asset Management, A Handbook and Toolkit for Alberta Municipalities*).

Most small and mid-sized communities don't have asset management processes and plans. And those that do have plans, aren't using them to influence decisions like capital planning or budgeting. In addition, municipalities generally don't have a clear understanding of their levels of service and the impact of their current levels of service on their financial and organizational resources. Most, simply deliver services as they have always done, without a consideration for changes in demographic and service needs. This means that the connection between the current levels of service and cost of service delivery is not well understood. Which in turn makes it difficult to plan ahead and allocate resources.

A lack of clear understanding of service levels and cost of service delivery, hinders municipality's ability for long-term planning and funding. Although municipalities are required to prepare a 5 year capital plan and a 3 year operation plan, they do not often identify the connection of these plans to levels of service and risk of service delivery and rarely they prepare a long-term revenue plan to identify how they are funding their long-term capital and operations needs. This is evident in how little of 5 year capital plans get implemented. Grant availability influences capital priorities in all types of municipalities, with the greatest influence on the villages.

Being able to plan for and provide sustainable services is integral to the success of any municipal organization. Knowing what services are needed, what is required to deliver them and how to implement those initiatives in the budgeting and decision-making processes are fundamental to effective and efficient service delivery.

Municipalities could begin with developing an **Asset Management Roadmap**. The Roadmap will identify the asset management high-level objectives, tasks and initiatives to be completed under each objective, roles and responsibilities, resources, and timelines.

Federation of Canadian Municipalities (FCM) provides funding and guidelines for municipalities to begin their asset management journey and process through their Municipal Asset Management Program (MAMP).

It is recommended that each municipality form a team of their staff to use the FCM MAMP “Readiness Scale” at each municipality to determine the baseline for their current asset management practices. This baseline will inform and guide the development of the Asset Management Roadmap.

In addition to the Roadmap, municipalities could benefit from asset management training for staff and council.

6.1.2 Joint Operation of Linear Services

Human resources limitations are one of the main challenges the villages face in delivering services to their residents. The organization is lean and has limited capacity to address any out of ordinary issue. There is also a risk of losing the organizational knowledge once the current staff retires or in the case they choose to leave their job.

Currently, the municipalities do assist each other in operations, however it is mostly ad-hoc and upon request and in special circumstances. This arrangement does not support a proactive approach to operations and management. It could also impose more demand on the already stretched management time as they have to coordinate and plan at the time of emergency to ask for assistance.

It is recommended that the communities formalize this collaboration to jointly operate their linear services, starting with water distribution system. There are three options to implement this initiative.

Option 1: One of the municipalities will become the “contractor” that provides operation services to all other communities. They will enter into individual contracts with each municipality. The “contractor” is responsible for recruiting and managing the staff and resources needed to operate all the water distribution systems.

Option 2: A joint operation consortium could be formed. A business plan, financial model, and organizational structure needs to be prepared. The consortium will be responsible for recruiting and managing the staff and resources needed to operate the water distribution systems.

Option 3: The Highway 63/28 Water Commission could be leveraged as a resource by adding the task of operation of distribution systems to their mandate. The Commission will be responsible for recruiting and managing the staff and resources needed to operate the water distribution systems. The financial model for this additional work needs to be prepared and amended, to identify the financial resources needed to provide this task in addition to collection of fees and revenue generation methods.

All of these options will provide relief on staff time for municipalities, and operation staff could be utilized in delivering other tasks. However, implementing a new method, like any other change, requires up-front human and financial resources. The objective here is to formalize the current collaborative efforts into a more organized agreement with clear expectations that could help with staff time and resource limitations and eventually deliver a better quality of service to the communities.

6.1.3 Administrative Support

Limitation on administrative capacity is one of the main challenges the communities face. This is more apparent in the two Villages as they each have only their CAO to deliver all the administrative activities in the organization.

Municipalities could look into collaborating and formalizing collaboration on some administrative tasks, such as bylaw enforcement, website design and maintenance, and information management to ease the administrative burden on smaller communities. This will help the larger communities as well, as the CAOs of the villages could focus more on long-term initiatives to grow the region rather than being bogged down by the day-to-day tasks.

6.1.4 Coordinated Fleet Management

A coordinated fleet management system between the four municipalities could help with reducing the redundancies and ensuring that the equipment and fleet are utilized effectively. It could also help with better cost management and improve operations.

6.2 Grow the Pie

The following initiatives focus on growth and increasing the revenue base.

6.2.1 Regional Economic Development Strategy

The current economic development strategy (Smoky Lake Region Strategic Plan 2007 – 2027) is typical of strategies written at that time and is still common practice today. It is a laundry list of everything anyone could dream of all lumped together under themes intended to make it manageable. Yet, it is not particularly manageable, or results oriented.

The laundry list of goals is not focused, creating a hit and miss approach with strategic investments and initiatives that is uncoordinated at best, and counter productive at worst. Ambiguity over who bears responsibility for implementation means goals are deliberately pursued and achieved. And finally, a lack of performance measures or concrete milestones means it's impossible to properly measure whether progress is being made or a goal has been achieved. This may sound overly critical, but it is not meant to be anything but factual.

Specifically,

- Five of the goals listed are implementation focused. There is no need to list implementation of the plan as a goal within the plan. It is redundant.
 - For example: Ensure the Joint Municipalities Committees works towards the implementation of the Smoky Lake Region Strategic Plan.

You really don't need a goal that says you will work toward achieving the goals.

- Six goals properly belong within the work contract of the Community Economic Development Officer as they are ongoing initiatives and the CEDO's responsibility. I understand those goals have been relocated to the contract and I support that move.
- 20 goals are specifically municipal issues to be addressed. They are important to economic development work, yet the CEDO has no power or authority to realize them.
 - For instance: Ensure that the appropriate infrastructure (including water and wastewater) is in place to expand existing businesses and attract new industry.

Such strategic investments are critical to economic development, but they are not within the domain of control of the CEDO, and yet, if this is not part of the plan of any particular community so many of the other economic development goals are unattainable. (Note: This disconnect is addressed in the recommendations section of this report.)

Of the remaining goals listed in the strategy,

- Fourteen goals were identified as priorities of the Regional Community Development Committee (RCDC) for 2020/2021.
- Twenty items remain unprioritized or unassigned.

As well, most of the performance measures listed are not useful. They are vague and unmeasurable both quantitatively and qualitatively. There is no value in what they measure or they are impossible to measure. For example:

- number of successful local development initiatives – How do you measure this? Is there a target?
- attendance at training seminars offered to councillors – What value will this provide?
- regional population growth – Growth targets? Population targets? By community or by region?
- growth in tourism visitation – How much? Any tourism or focused on certain tourism areas? Day trippers or longer duration visitations? What about economic impact, such as the \$ they spend?
- website counts – Why? What does this translate into?

- provincial awareness levels of the Region as an attractive place to live – How do you measure this? And if you find a way to measure it, what benefit does it have?

Ultimately, the current plan is heavily focused on the “what’s” - what you want and what you hope to see, but there are gaps in the answers to the most important questions:

Why:

- Why do you want this?
- Why is this important to your success?

Who:

- Who is given responsible for each goal?
- Who will take ownership if goals aren’t achieved, and results aren’t realized?
- Who will be accountable to whom for implementation and results?

How:

- How will this be achieved?
- How will your organization be structured to make these goals come true?
- How will investments be coordinated to ensure results?
- How will progress and success be measured and celebrated?

Pointedly, this can be seen in how often your goals expressly say “encourage”. Encouragement is not a goal. It is a wish. Wishes don’t get results because they leave out motivation and aspiration (Why), they leave out responsibility and accountability (Who), and they leave out actions and milestones (How).

There doesn’t seem to be an issue of competition between the partnering communities of the Smoky Lake Region. That is good, because competition on such a local level wastes resources, leaving no financial or human capacity to work collaboratively on strategic investments, aggressive economic development initiatives, and targeted marketing strategies that can help the region grow and prosper.

However, I do believe there are other issues preventing the region from achieving all it could. Some of the issues are related to egos and an underlying desire to maintain autonomy. That is not meant to be a criticism of anyone. It simply means we must all understand our sense of purpose is often tied to our job, our role, or our title. Surrendering some of that autonomy or control, no matter how great the cause, can make us feel diminished and undervalued, which impacts our ego, which in turn, subconsciously impacts our ability to work together on those greater goals for the region. We must work together to overcome those personal psychological obstacles that encourage us to put up false barriers about why we don’t need to work more together.

One of the greatest barriers to getting the results we want is our loyalty to the systems and organizational structures we currently have in place. While we should reconstruct our systems and organizations to get us the results we want, we are often paralysed by our loyalty to current structures. That is tantamount to doing the same thing over and over but hoping for different results, which Einstein often referred to as Quantum Level Insanity. If we want different results, we must be willing to do things differently.

So, to take advantage of the opportunities created by a fast-changing world and to ensure results, you need more than a wish list. You need a strategy that lays out the story of who you are becoming (Why) and where your focus is (What We Value Most) as a region and as communities, but it also means being willing to change your way of thinking and operating. It means mentally changing the way you approach challenges and opportunities, and the way you structure yourselves to deliver on those priorities.

6.2.1.1 Your Next Regional Economic Development Strategy

It must be noted here that this is not intended to be a complete economic development strategy, though most of elements needed to create one have been incorporated into this section based on meetings with councils and administration, interviews with members of the public, and research all done by the 13 Ways team.

The strategic plan should include the following elements, designed to be inspiring, unifying, concise, practical, purposeful, focused, and measurable:

Our Story – Intended to focus attention on what is important while also creating an inspiring Story about where you came from, who you are, and who you are becoming as a region. It forms the basis of your communication externally (marketing) and internally (with your own public).

Our Vision – It must be concise and focused on what the community or region is working to become. This Vision can and should be shared with other community institutions and organizations, because if everyone in the community isn't all steering in the same direction, chaos and disorganization ensues.

Our Mission – Specifically, what the organization (that owns the strategic plan) will do to contribute to making the Story and the Vision a reality. Each organization and institution, though sharing in the Story and the Vision, has their own Mission that contributes to making the Story and Vision a reality.

What We Value (Most) – These represent 3 to 5 areas of focus that will make the Story and the Vision become a reality. To have more than 5 areas of focus is to have no focus. Each Value identified must have a descriptor that defines what that area of focus is so there is no confusion as to what is meant. Budgeting should reflect these areas of priority (Priority Based Budgeting).

Milestones and Actions – Milestones are the markers that show progress is being made, with general Actions that show initiatives being undertaken to achieve those Milestones. They indicate progress and accomplishments to leadership and to the public but are not so prescriptive as to prevent flexibility to changing circumstances and opportunities.

The Smoky Lake Communities currently have a vision, which is part of their passionate story regarding their future, while they also have a vision statement that is concise and articulate.

The vision, outlined on page 4 of the current strategy could be easily leveraged into a story that could expand upon who “you” were, who “you” are, and who “you” are becoming as a region, to complement what “you” value and the life “you” are offering to residents and visitors alike. The current vision (potential story arc) is stated here:

People in the Smoky Lake Region value their quality of life. They cherish the rural and small-town character of the area. They value their natural environment and their rich cultural and historical roots. While they are interested in the economic development of the Region, they won't support industrial development that will detract from their rural and small-town lifestyles.

Smoky Lake residents understand that the long-term sustainability of their communities depends upon the Region's ability to attract and retain residents and businesses. They want to pursue an economic development strategy based on promoting diversification, with an emphasis on light manufacturing, oil and gas servicing, agriculture, recreation, and tourism. They believe that industrial and commercial development should be clustered along the Highway 29 corridor.

Residents want to attract more people to live in the Region, especially within existing urban areas and lakefront subdivisions. They are supportive of the first parcel out subdivision of farmsteads. They are anxious to promote the Region as an attractive place to raise a family or to retire. They want to promote the Region as an easy commute to the industrial job sites in surrounding areas.

People in the Smoky Lake Region hold a close connection to the land and to their roots. They are interested in protecting agricultural and environmentally sensitive land. They place high importance on the quality of their water supply and on the protection of the regional watershed. They are adamant about preserving their cultural and historic assets.

The current vision statement is concise and articulate, though it is not without issues. Embedded within page 4, it reads:

The Smoky Lake Region is an attractive, prosperous community that treasures its blend of rural and small-town lifestyles, with strong values placed on economic development, social cohesion, environmental protection, and historical preservation.

Though it is identified as one of the six priorities of your strategy – **Protect the Region's Natural and Historic Assets** - it is not clearly connected to economic development within the strategy. Of the 20 goals identified as priorities to focus on, only one goal under this priority made the cut: *Support the development of tourism products to improve awareness and visitation of the Region's cultural and historic assets.* The other goals under this heading remain unfunded, policy focused, and unconnected to economic growth initiatives within the strategy.

Highlighting environmental protection and historical preservation are important to articulate the type of communities and region you wish to create, but these are better left within your story.

This priority reflects an important value and part of your story, but it is not something you have committed to as part of a regional economic development undertaking, except as part of the current tourism initiative. In short, it has been identified as a value but not identified as a priority, so it should not be included except as a tourism goal.

Though related to your current six strategic priorities, it is recommended to change the language and reduce the focus to four areas of priority, or otherwise what could be referred to as “**What We Value Most**”:

Quality of Life

Grow Economic Development Capacity

Develop Targeted Marketing Campaigns

Diversify the Regional Economy

The current list of priority goals fit under all four of these headings (if a category is empty, it means there are no priority goals in the current strategic plan).

It is important to note that there were no priority goals from the current strategic plan identified under Quality of Life, and only the tourism aspect of historical and natural resource preservation made the cut.

However, the consultations and sessions with the councils and administrations, as well as members of the public, more items were identified. These are added to each category in **green** font, so they are easily distinguished from the list of priority goals from the current plan:

Quality of Life

Housing Diversity and Affordability Initiative through partnerships with developers and accessing grants that increase opportunities for ownership, as well as short-term and long-term rental.

Improve recreational diversity through the development of walking trails, cross country skiing, better boating and lake access (Waskatenau), and e-bike access.

Develop policies, support, and partnerships that improve access to regional transportation.

Strategically invest to support new families' needs regarding those special loved ones in our lives, such as daycare and dog parks.

Develop four-season focused activities and experiences that also complement tourism growth initiatives, but focus on the year-round quality of life opportunities of the region.

Grow Economic Development Capacity

Identify and eliminate impediments to economic development and business growth in the Region.

Work with tourism partners to encourage networking within the Region's tourism sector.

Support the development of tourism products to improve awareness and visitation of the Region's cultural and historic assets.

Develop rural water systems and highway service capacity.

Provide better support and resources to attract talented people and grow our economic development personnel capacity.

Partner with local chambers and other organizations to provide training to business owners, administrators, elected officials, entrepreneurs and others about the basic and advanced business success strategies and practices.

Targeted Marketing Campaign

Encourage "buy local" campaigns. Develop an inventory of businesses in the Region. Encourage procurement practices that support these businesses.

Develop an integrated marketing plan to attract visitors, businesses, and residents to the Region.

Work with the provincial government to ensure adequate signage is available along major transportation routes to increase visitation to regional tourism and recreation sites.

Develop and implement a marketing plan. Focus the plan on attracting residents to existing urban areas and waterfront properties.

Identify and communicate with former residents of the Region. Encourage people to "come home" to live or visit.

Develop and implement a Regional "welcome package" for new and prospective residents based on a coherent regional identity.

Begin an internal marketing campaign to the residents of the region, about the region.

Target potential international and immigration populations considering relocating by leveraging our existing strengths through nuanced marketing strategies.

Develop a conversion strategy for visitors and tourists so they become residents.

Diversify the Regional Economy

Undertake a regional opportunity identification exercise for business attraction, retention, and expansion. Identify and pursue value-added agricultural opportunities in the Region. Ensure the identified opportunities are relevant and respond to regional and global trends.

Encourage the development of outdoor recreation and adventure tourism products within the Region.

Targeted Business Development and Entrepreneurial Opportunity Identification

Attract Recreation Amenities Dealership(s) such as quad, RV, and boating.

Attract Horticulture and Alternative Agriculture Opportunities such as greenhouses, indigenous agriculture, and health related agricultural products.

Identify and support local home-based businesses and entrepreneurs to help them grow and locate in our commercial and downtown locations.

It should be noted that this is not a complete strategic plan. The current study has analyzed the current strategic plan, identified its missing pieces and weaknesses, and offered practical advice. It has identified areas of improvement and potential additions based on the consulting team's extensive experience working with municipalities in Canada and the United States, their research on future trends in community building and economic development, and their conversations with the Smoky Lake Region municipalities staff, Council, and members of the community. This can help the communities to update their economic strategic plan with renewed focus on the four areas and the addition of some new and important initiatives.



6.2.2 Regional Marketing Strategy - An Effective Marketing Strategy

Marketing strategies fail for the same reason most of our communications fail. We say what we want to say and hope someone cares enough to listen, but in a busy world, our message gets lost in the noise. Talking into the wind in hopes that someone is listening is wasted breath and wasted energy. We spend money on brochures, websites, print ads, and billboards, and hope someone hears us among the noise of a million other marketing campaigns, and takes interest in what we are pitching in the marketing world that is what is done because it is uncomplicated, but it doesn't get results.

Tactical marketing strategies begin with identifying what you have to offer that is unique and gives you a competitive advantage over others. Once you have identified what makes you unique, you can identify who would be interested in such an offering. And once you have identified who would be interested in such an offering you need only identify where they are and how to reach them. Then, instead of shouting to the wind hoping the right person hears your message, you have a finely crafted message that is whispered directly into the ear of the few people who want to hear it. That is how effective marketing is done.

6.2.2.1 Your Marketing Strategy: Profiles and Guide

Economic Growth Goal:

Through our consultations it was clearly articulated that the goal is not focused on attracting industry. There is a high value placed on the *quality of life* for individuals and families in the region, the interconnectedness of the community and communities, for the environment, for recreation opportunities. The focus for growth was identified as small business and tourism, and attracting families and professionals.

Key Messages:

Messaging, communication, and the story must be concise, consistent, commonly shared throughout the community, focused, and inspiring. You cannot effectively tell multiple stories and expect to get results. You must tell one story, very well and repeatedly. As Bruce Lee so famously said, "I do not fear the opponent who has practiced 1000 kicks, but the opponent who has practiced 1 kick, thousands of times. Keep your message focused and find those that need to hear it. They will respond, with enthusiasm, and you will get the results you need.

Table 9: Key Marketing Messages

<p>Prospective New Residents</p>	<p>The Smoky Lake Region is proud of its history and energized around its future, but at present it offers a quality of life for young families, young professionals, and anyone else looking for vibrant communities that are both safe and busy, and where they can feel connected to their neighbours and nature.</p>
<p>Businesses</p>	<p>An alluring and inspiring community has created a vibrant and robust economy. Research is increasingly demonstrating people are investing and enterprising in the places they want to live. The quality of life offered by the communities in the Smoky Lake Region are creating new jobs, new businesses, and new opportunities for entrepreneurs you can't find elsewhere.</p>
<p>Visitors (Tourists)</p>	<p>Smoky Lake is the place where spontaneity is welcomed and rewarded. No itinerary is needed and no long-term plans are required. This is the place where you can live and be in the moment because everywhere there are things to experience and memories to create.</p>

Example Target Demographics Persona:

Ages: Early 30s to Middle 40s

Household Income: \$70,000 - \$140,000

Occupations: Professionals - Teacher, Accountant, Digital Designer, Social Media Expert

Meet the Hanson Family; Luke and Claire have two kids 4 and 2 (Ben and Anna). The Hansons enjoy quality over quantity. When it comes to experiences and material possessions it isn't about utility. Claire will spend \$5.00 on a coffee because she can bring her laptop to the coffee shop to get work done or meet to socialize and visit with a friend in a pretty setting. Luke and Claire love taking the kids to the farmers market on the weekend to buy local produce and bread for the week. They know it's more expensive, but they don't mind because it's an experience, it reflects their values for their community and the environment, and they are supporting the local community.

Luke and Claire want to be able to go to work and get home to their kids and each other within 10 minutes, which means a short commute, or no commute, is important to them. In fact, if they could bicycle or walk to work all year long, they would prefer that. Luke is in a golf league in the summer and a hockey league in the winter. Claire works remotely, but also likes to teach yoga as a certified instructor in the evenings.

They are both runners and love to play slow pitch as well, because they love the social aspect that comes along with such a league. They take their kids to do outdoor activities whenever possible, because they value being outdoors and want their kids to appreciate it as well. Sports are important for the Hanson's because they value their health and mobility.

They want to be in a place with access to quality childcare. They also want to be in a community where they can build a bond with people throughout their community, but especially their neighbours. They crave a community that reflects who they are, their values, their personal aesthetic aspirations, and their lifestyle. They want a community that is pretty and creates a nice feel, because it takes pride in itself, just like they take pride in themselves and their family. A community that has flowers in the summer on the patio of the restaurants where they can go for a nice family dinner enhances the connectedness and openness of the community so it is something they will look for in their community. In the winter they will look for events to keep their family business, but they will also look for things like twinkle lights as they bundle their kids up to go for a winter walk downtown for hot chocolate at a local cafe.

Quality is important to the Hansons. They don't look for a Dollar Store to shop in because they value quality over quantity. They are not stoics, but they are opposed to needless overconsumption as a value. They value activities and experiences over 'things'. They value locally made craft beer or food over cheap mass-produced products. They value housing affordability, but they don't value owning 'stuff'. They value a quality community and a quality of life. They don't measure their prosperity or happiness with how much they have, but rather how much they have experienced together.

6.2.2.2 Your Marketing Strategy: Next Steps

Creating Content and Material

Communication drives social and economic prosperity. Businesses and investors recognize places that are *vibrant and attractive* as being essential to their ability to attract and retain skilled workers. It relies on the quality of service and delivery to contribute to the quality of life. Prospective residents and visitors are naturally drawn to places that offer memorable *experiences*. The value of increasing and enhancing your community's quality of life — *and celebrating and communicating it externally* — can never be overstated.

- **Create Consistent Brand:** Develop new brand standards to communicate a level of quality to all audiences
 - Typography
 - Colours
 - Logo
 - Examples
 - Templates

- **Articulate Community Variety and Diversity:** The region is not homogeneous and has multiple different communities from which to choose. We offer up these merely as suggestions and ideas. More work needs to be done to identify their strengths and build each a brand and story.
 - Vilna - indigenous and entrepreneurs
 - Waskatenau - young families and recreation focused
 - Town of Smoky Lake - retirees, semi-retirees, and mature families
 - Smoky Lake County - rural residential, agriculture, and industry
 - Others -
- **Photos:** Create a photo branded visual bank for social media content.
 - Custom the Smoky Lake Region Preset to match brand guidelines.
 - Improve overall aesthetic and brand consistency.
 - Examples: [Harriston*](#),
 - Minimum of yearly professional photo shoots including images of:
 - Community members
 - Landscape
 - Landmarks
 - Local Business
 - Crowdsource Images from locals and businesses
 - Social Media training should be provided to all staff posting using the Smoky Lake Region platforms.
- **Did You Know Series:** A series of interesting and fun facts of the community will be distributed throughout the internal stakeholders to create excitement.
 - Create a fact list. 30-40 facts about the Smoky Lake Region that can be used on: billboards, social media, print media, digital advertising.
 - Identify 3 communities or neighbourhoods to use this targeted campaign in, where the demographics reflect the target demographic persona identified above.
- **Video Series:** Develop a video series to promote the many advantages of the community being near urban centers, including less traffic, open space and shorter commute times.
 - The audience will consist of local residents, developers, prospective residents and commercial investors.
 - Video Specs: What the video should include?
 - File type: MP4, MOV or GIF
 - Ratio:
 - Horizontal: 16:9
 - Square: 1:1
 - Vertical: 4:5 or 9:16 (for social media stories)

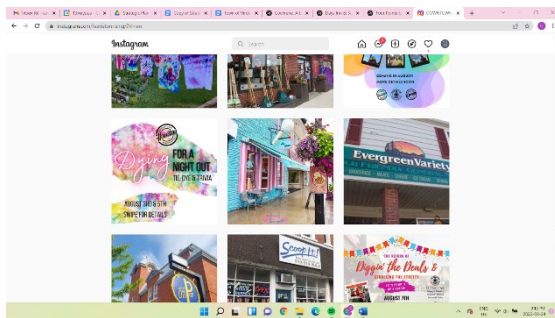
- Resolution: Minimum 1080 x 1080 pixels
- Frames: Max 30 fps
- Why use video media?:
 - Our brains are programmed to respond positively to a well-crafted, authentic narrative.
 - Retention is highest if a video is under a minute. Maximum 3 minutes.
 - 50 percent of 18-34 year old's will stop what they are doing to watch a video.
 - Examples:
 - [Moose Jaw's COVID Campaign](#)
 - [Nova Scotia Work From Here Campaign](#)
- Interview residents who promote the kind of community you want to enhance

Creating Content and Material: Results and Outcomes

- Consistent touch-points and messaging.
- Increased brand awareness.
- Stronger messaging and communication

Image examples:

1. Harriston Rising - Instagram Account



2. Nova Scotia - Work From Here Campaign



The Next Investments - Making the Story Come/Stay True

A revitalized core can generate tremendous economic benefit for the entire community. Establishing your downtown region as a destination in its own right can act as something of an epicentre for outward economic growth while at the same time contributing to the allure of being able to live, work, shop, eat, and run errands in a single geographic area. It is important to remember that people need a *reason* to visit — and an even greater reason to *stay*. Your downtowns should be an attraction to visitors and tourists alike. Build vibrancy and plan your investments accordingly.

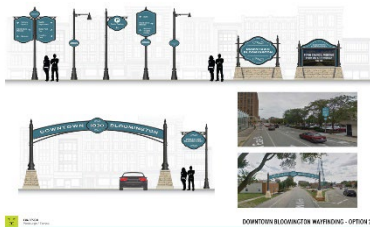
- **Downtown Identity:** An identity for the downtown will be established and implemented to create a desired space.
 - Establish Downtown Brand - Wayfinding signage, flags, flower pots, blade signs, promotional materials, standard communications
 - Advocate for the location of businesses downtown. Showcase the positive attention businesses can acquire with being located in the center of it all.
- **Downtown Art:** Celebrating and promoting the recently developed downtown artistic renderings
 - Create a separate landing page with renderings where people can hover over the points of improvement where they can choose their favourite elements.
 - Ex: Hover over a bench - then two choices will appear, and the public can click on their favourite.
 - Advertise in all media avenues for residents to participate and view renderings.
- **Events:** Every quarter an event will happen to honor the downtown that is taking shape.
 - Develop a digital interactive calendar with links for signup/interest.
 - Categorize events into three categories.
 - Signature - Yearly large scale event. Hosted on behalf of the Region with financial partners. Pitch to banks, developers for funding sponsorship opportunities. Ex: Downtown DAZE festival.
 - Ad Hoc - Spontaneous, adaptable, timely events. This is a venue to respond to what the community is looking for: aka - downtown days to boost business post covid?
 - Seasonal - Ensure there are at least two events to capitalize on the seasons of choice but celebrating all seasons of the Smoky Lake Region to increase the foot traffic into the center

The important thing to remember is partnerships are key and make them FUN! Events will be well attended if there are fun activities for kids (bubble artist) and licensed for the adults.

The Next Investments: Results and Outcomes

- Create community ownership
- Increased attention and desire
- Showcase talent and strength
- Allow for healthy competition

1. Downtown Signage Aesthetic



2. ATB's Silver Skate Festival



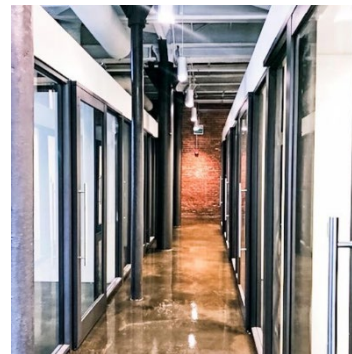
Telling the Story

Attracting residents and businesses by demonstrating *why* they should choose the Smoky Lake Region will be key to the Region's efforts to grow the economy moving forward. In the absence of major industry, proactive efforts need to be made to fill the gap left by would-be workers. The Region must ensure a strategic approach to targeting, attracting, and cultivating new businesses by reiterating the Region's enviable quality of life, and by diligently and aggressively pursuing those businesses identified as being necessary, complementary, or beneficial.

People don't just want to live here . . . they feel the NEED TO BE here.

- **Quality of Life:** Target external residents with a paid advertising campaign.
 - Contact Pattison for a quote for communities in the region (geo-targeting). Two communities: Brandon & Winnipeg.
 - Paid social media to go with the picture campaign.
 - Competitive advantage matrix — leverage advantageous indicators relative to target audience.
- **Recruitment Strategy:** Develop a business and retail gap analysis with a business recruitment strategy campaign in place.
 - Identify gaps in products and services for target demographics (brew pub, 'glamping', coffee shop co-workspace).
 - Establish relationships with developers, vendors and property management companies to sell the vacant space.

- Develop key sales metrics and marketing collateral: Sales per square foot, renderings of main street, demographic information, traffic flow and times, what the municipality is doing to invest.
- Develop and implement an import replacement program — engage businesses to determine and identify gaps and opportunities.
- **Incubator:** Investing in an incubator space that can be leased to budding entrepreneurs
 - Identifying a suitable space that can be rented on a 'micro' lease basis. 500sqft. This space needs to be BEAUTIFUL! People will not move to your community for a simple, bland repurposed office unit.
 - Consider space amenable to activities including, but not limited to, barber, baker, esthetics, real estate, professionals etc.
 - Develop a landing page to gauge interest in the community and ensure home based businesses list is up to date.



- **Shop Local Campaigns:** Encouraging local business support AND local businesses meet local consumer needs
 - Encourage residents to shop locally through marketing campaigns that remind citizens just how much the area has to offer.
 - Encourage local businesses to give people a reason to want to shop locally through new products, customer services and experiences, and branding/aesthetics.
 - Professional development for local businesses - online, aesthetics, branding, marketing, and cooperation and competition initiatives.
- **Welcome (Home) Package:** Selling your community starts with showing you want them and showing them what it will be like to live in the community. It is not a list of amenities and services, but what those amenities and services mean to give them a high quality of life and vast opportunities.
 - Target New Immigrants to Canada
 - Web page with all of the information they need to know how to become a resident of Canada, Alberta, and your communities. Resource: [Lindsay Rubeniuk - Immigration Consultant](#)

- Grow government connections that put you on the map and their minds.
- Target Former Residents
 - Homecomings are popular post pandemic. Everyone welcomes people home for a visit, but they never sell them on why it is beneficial to come home. Sell the opportunities when they come to visit.
 - Without a homecoming event, build an inventory of people who have left and reach out to them to let them know you have a lot to offer and you would love to have them come home again. Sell them on why they would want to come home for a visit, and then give them ample reason to want to consider staying.
- Target Visitors and Tourists
 - When visitors come because of what you have to offer, make them aware you have more to offer than just a visit, and make them aware that yours is not just a place they can stop in occasionally, but a place where they can be home.

Telling the Story: Results and Outcomes

- Increase population
- Stay relevant and seen
- Business innovation and adaption
- Showcase the local talent and qualities
- Focused on interested and responsive populations

6.2.3 Regional Development Processes, Permitting, and Land Use Planning

Business and industry must have revenue to operate, but they must have profit to succeed. We often consider the revenue side of the business equation, but successful business leaders spend just as much time considering the 'cost of doing business side of the equation.' Before investing, business leaders consider the cost of doing business in a jurisdiction. There are many factors that are outside a community's control, such as the cost of land, labour and utilities.

But there are some costs that are completely within the control of a municipality, and most are associated with planning, processes, permitting, and data. There are many communities who have declared they are 'open for business', but they have a cumbersome and convoluted process for permits and approvals. Most continue to declare their pro-business mindset even as they refuse to work with their neighbours on coordinating and streamlining such processes. Communities and regions lose business and industry because they have a reputation for fighting with the neighbour, and not working together to create a one window approach to permitting and approvals, or simply keep their bureaucratic processes because they have become institutionalized.

Simply put, business and industry want to invest in communities and regions where their contribution is appreciated and desired. Removing needless complexities is not a nice to have for economic growth, but a requirement. That requires simplifying and coordinating your processes, permits, and approvals processes now, and meaningfully. As mentioned elsewhere in this report, if one doesn't change the system, once cannot expect different results.

Land Use Planning is imperative to attract business or industry, or to expand the recreation and tourism opportunities. Identifying available land, lots, buildings, and having a clear understanding of the required infrastructure investment costs, reduces the upfront work for the business or industry considering investing in the community. The land and property inventory could assist their economic development manager to identify and pursue potential developers, entrepreneurs, and industries that might find the region attractive. Without the accessible information, it is much more likely a potential new investment will pass by the region in favour of one with the data already assembled.

6.3 Make it Happen: Implementation

Implementing the recommended strategies requires human and financial resources, which could pose a challenge to the municipalities since the limitation of these resources is exactly what drove them to conduct this study. Failure to address the risks and service gaps, however, will exacerbate the challenges associated with human and financial resources and make the situation worse. That is why trade-off analyses are needed. Good decisions are informed by an understanding of service, risk, and costs and funding trade-offs that are accurate and complete. Once the decision is made about what strategies need to be implemented, the implementation should be clearly identified. The communities should plan and determine the timeline, the required financial and human resources, and the governance structure. The following sections provide a path to the implementation process.

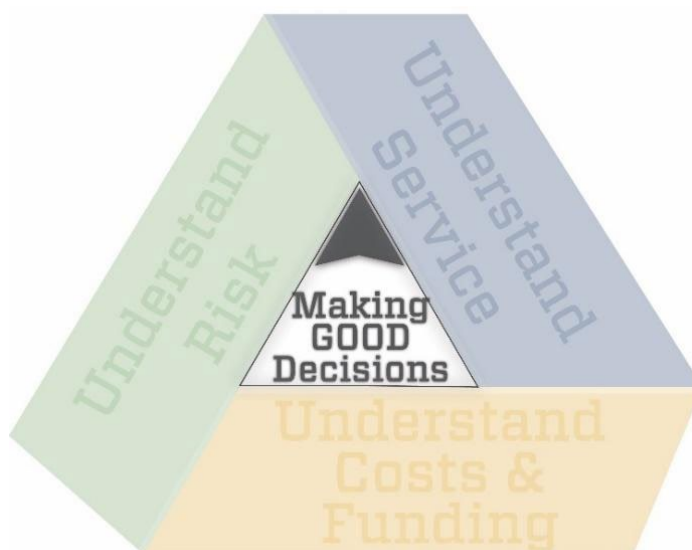
6.3.1 Develop Common Purpose with Shared Strategic Direction

There is no 'right answer' when it comes to evaluating trade-offs, especially in a complex environment defined by an uncertainty around revenue and future service needs. What is important is having a "**Common Purpose**" and shared objective to guide the trade-off evaluations. A **common purpose**, in addition to the availability of information and an effective decision-making process for considering the trade-offs, are the most important ingredients in successful risk management and implementation of any strategy.

Although the communities in the Smoky Lake Region have been working together for some time, as evidenced by their existing regional economic development strategy (*Smoky Lake Region Strategic Plan 2007 – 2027*) and the Regional Community Development Committee, there are still some barriers to success.

The consulting team observed a few important points while facilitating the workshops and sessions. It is important to mention and discuss these points, as they will undoubtedly impact the implementation of any collaborative initiative the four municipalities might choose to pursue.

- For certain events, the risk perception is very different between the Villages, and the Town, and County. Given that the two villages have a very small sized administration and staff, the impact of losing staff and organizational knowledge is significantly higher than the other two municipalities.



*Building Community Resilience through Asset Management
– A Handbook and Toolkit for Alberta Municipalities

- There were some significant differences between how elected officials and the CAOs perceived the risks and impacts, with CAOs consistently and realistically assessing the situations worse than the elected officials' evaluations. This could hinder future collaboration efforts and cost sharing endeavours.
- There were some inconsistencies in interpreting the current financial situations of each municipality and the upcoming budget cycle.
- The impact of resource scarcity was evident. The Administration has been working hard, delivering services and meeting demands as best as they can with the limited resources (human and financial). This demand on their time has limited their ability to focus on preparing for economic development and exploration of new service offerings that could add to the revenue generation potential. This was more pronounced in the case of villages.
- Although the team agreed on the risk factors of each event, and what the mitigation strategy should be for each risk, when asked to select one or two action items to focus on for implementation, agreement could not be reached. There wasn't even a general consensus. This poses some challenges to the implementation of any shared initiative, such as the economic development plan and the tourism action plan, as it highlights lack of shared objectives, even after agreement on the assessed risk. Given the limited resources, it is important to agree upon and focus on a few initiatives to invest and implement.

These five points are the most critically important things in this report to read, understand, and digest. Overcoming them will determine whether the municipalities will be successful in their efforts to ensure enduring prosperity for their communities, the region, and their citizens. These important issues must be understood, appreciated, and addressed before risk can be properly assessed, mitigated and for any strategy to be implemented. The five bullet points articulate how even after assessing risks collectively, there is a limited understanding of risk, as it highlights the lack of shared objectives and limited agreement on how to address and mitigate the risks faced by all of the municipalities and the stakeholders in the region. That is the most significant challenge to implementing any shared service delivery and a recipe for failure. Our attitudes and approach determine what has value and what gets done. Failure to understand the full implications of the risks one faces, poses the greatest risk of all, because it will leave one vulnerable and unprepared to address each new crisis as it unfolds, and will mean strategic and valuable opportunities will pass by.

We suggest the municipalities and the Councils read these bullet points and seriously discuss what they mean and how they will negatively impact their ability to find a pathway to success. Once that is understood, the **“common purpose and a shared objective”** could be established. It is important to not just be told by the consultants why these are consequential, but to truly understand and appreciate the negative impact they will have on the municipalities' work and their goals.

6.3.2 Governance Structure and Organizational Processes

The municipalities in the Smoky Lake Region have created a new economic development corporation. The leader of that organization will have a focus on growing the tourism industry in the region. However, the success of that organization will require active support, partnership, and commitment with the political and administrative leadership of the municipalities. Failure to work together will ultimately result in the failure of all. If the tourism corporation needs new camping space, but the municipalities don't allow the development, the corporation's success is hampered, but so too is the viability of the municipalities.

If the municipalities follow suit with the creation of an economic development corporation, that corporation will require explicit and deliberate coordination and cooperation with the municipalities in the region. If the corporation requested a streamlined one-window to development, permit, and business approval processes to attract more businesses and the municipalities refused, or were even slow to comply, the success of all would be in jeopardy.

There are some undeniable facts:

- CAOs are accountable to their elected officials and the public, and their performance is often evaluated on the implementation of their own local strategic plan initiatives and the delivery of local municipal services.
- The CEOs of regional municipal corporations are accountable to their shareholders (the municipalities) and are evaluated against their effective implementation of their business plans and economic growth numbers.
- Elected officials are accountable for the success of both of those parties, to their stakeholders, the citizens, and are evaluated against short-term (4 year election cycle) deliverables and success.

Each of these three will come into conflict as they find they have different objectives and different demands from their stakeholders. Yet, all three must succeed if any is to succeed. Without a stable or growing economy and tax base the service side will suffer. Without strategic investments in infrastructure and services, economic growth initiatives will be ineffective. Without success in both of those areas, elected officials are doomed to fail.

All three must be accountable to each other. One is not superior or more important than the other. That is why governance structure and organizational processes must be modified to ensure effectiveness and collaboration, without risk of a stalemate. As well, the governance body must have performance evaluation criteria that assesses risk and balances the value and need for services, infrastructure, and economic growth. As said before, there is no right answer when it comes to evaluating trade-offs, especially in a complex environment defined by uncertainty around revenue, future service needs, and economic initiatives that grow the tax base.

It is recommended to reorganize the Regional Economic Development Committee. It should adhere to the principles of good governance. The most important ingredients for such an organization are outlined in the following points.

- **Roles and Responsibilities:** There should be clarity regarding individual and organizational expectations of executives and leaders.
- **Structure and Composition:** The board needs to have the right group of people, with particular regard to each individual's background, skills and experience. It also needs to know how the addition of an individual builds the collective capability and effective functioning of the board and its committees.
- **Purpose and Strategy:** The board plays an important role in setting the vision, purpose and strategies of the organization, helping the organization and partners understand these, as well as supporting the plans to implement them.
- **Risk Management:** By putting in place an appropriate system of risk oversight and internal controls, the board can help increase the likelihood that their organizations will deliver on their purpose.
- **Organizational Performance Measures and Evaluations:** The board determines and assesses appropriate performance categories and indicators for the organization.
- **Accountability and Engagement:** It is important that the board ensures a flow of information that aids decision-making, transparency and accountability to external stakeholders and to employees throughout the enterprise, and helps the organization engage effectively with stakeholders and employees.
- **Training and Education:** The board has a role to play in enhancing the capacity and capabilities of the organization they serve, as well as themselves in their leadership capacities.
- **Culture and Ethics:** The executive committee sets the tone for ethical and responsible decision-making throughout the organization.
- **Benefits Future Generations:** Growth with a vision for long-term sustainability over short-term gain, profits, needs, or benefits.

A reconstituted regional board requires authority and respect to effectively implement the principles of good governance.

6.3.2.1 Create A Regional Economic Development Corporation

The communities have already taken the important step of creating a joint municipal corporation focused on tourism. They recognize the value this will add to their economy and marketing initiatives. However, there is also value in taking this area out of the day-to-day operations at the municipal level, especially considering the staffing and human resources issues.

The region offers a great quality of life, prime locations for businesses and industry, a growing and skilled workforce, accessible land, and quality services. Tourism is well accommodated with a separate corporation that can focus on current assets, develop more assets, market those collective assets, and accommodate the visitors that answer the marketing call. The tourism corporation should remain focused on tourism development and growth. Tourism is a great way to market yourself and attract newcomers, however, the economic development potential exceeds the tourism opportunities.

Economic development initiatives would be well served by a separate and distinct corporation, one that makes business decisions with its investments and partnerships and is focused on economic and population growth rather than potholes and swimming pools. This is not meant to be insulting. Simply put, political and administrative obligations don't mix well with economic development initiatives. Public demands are not often focused on economic and population growth but rather on immediate wants and needs, which are potholes and swimming pools. The municipalities understood the value of a separate tourism corporation. The same logic and imperatives support the creation of a distinct regional economic development corporation.

Economic growth requires specific strategic investments in water and wastewater, land development, beautification, training and education, land identification and development, and marketing. Some of those items desperately require contributions and investments from municipalities so economic growth is possible. This requires consideration for a new corporate model that respects and balances the voice of an Economic Development Corporation CEO with the Municipal Corporation CAOs. This requires partnership and mutual collaboration, which is not common in even the best of regional municipal partnerships and is unprecedented at the regional economic development level.

Consider an economic development corporation adjacent to the tourism one that is already created. Consider an organizational structure that will make those two corporations effective enough to grow the economy of the region and improve the quality of life of residents of each community. The communities' future depends on a growing and diversified economy for the region through sound investments in services, infrastructure, and marketing. An effective organizational structure is needed to implement this.

Without it, there will continue to be a disconnect between investments in infrastructure and the provision of services and the growth of the local economy. Building the community and building the economy are not separate endeavours. They are inextricably connected. Yet, in many communities there is still an archaic perspective that they are not linked. Investments by companies are being made in communities that offer a good quality of life. The quality of life offered attracts people, which builds a workforce. Companies invest in those communities because they already have an established workforce, and they know their employees will be happy to remain there.

6.3.3 Identify human and financial resources for each initiative

Currently, staff in every municipality, but especially in the villages, are overburdened and exhausted. There is little time or energy left over for initiatives that can grow the economy and the tax base of each community let alone spend time finding efficiencies, identifying duplication, or reducing unnecessary redundancy. As well, when teams do come together the sense of constraint and fear reduce, or eliminate, collaboration initiatives and investments that can help improve the situation over time. In summary, the entire system of the region is still designed and operating on short-term survival goals focused on holding on more than holding hands. Even with the current plans in place the system is siloed, inefficient, and unfocused.

To ensure that the proposed initiatives are implemented and are not lost within the current limitations and workload, the next step following this study should be the identification of the human and financial resources required to begin the implementation of the above recommendations.

Once the “Common Purpose” is agreed upon and well understood, the municipalities should work on prioritizing the implementation of the recommended initiatives. Each priority should then have an estimate of the required human and financial resources, the accountable team to lead it, and the progress reporting mechanism. The municipalities will then have to account for the required human and financial resources in their annual and long-term budgeting processes.



7.0 Conclusion

The study used an asset management approach to assess the ability of the four municipalities in the Smoky Lake Region in delivering sustainable services to their communities to ensure the viability of their region.

The intent of the project was to find efficiencies and cost savings for the municipalities facing growing budget challenges due the continued downloading of costs and services from other levels of government, increased demands for services and infrastructure from public, and a slowly shrinking tax base and population. However, focusing on a project restricted to service delivery savings and efficiencies is only a short-term solution. Municipalities may find they extend their viability after such an exercise, but as other levels of government continue to download costs, demands from the public continue to rise, and tax bases continue to shrink, communities find they are back to do the same exercise within a matter of years. Therefore, it is important to focus on growth initiatives that outlines the process to generate more revenue. In other words, combine the service assessment with a strategic economic development plan. Adding discussions and work on strategic economic development and marketing will focus attention on growing the economic pie, in conjunction with ensuring services are delivered effectively and efficiently. It is the only way to ensure municipalities are not constantly looking for ways to live year by year on an ever-shrinking pie. Enduring success will only come by working completely collaboratively in identifying strategic initiatives and investments that grow the revenue base and the economic pie.

Using this methodology, in combination with a number of engagement initiatives with CAOs, Councils, and member of the communities, the consulting team has prepared a list of recommendations that are categorized into three main area:

1. Realize Efficiencies

- Asset Management and Budgeting
- Joint operations of linear services
- Administrative support
- Coordinated Fleet management

2. Grow the pie

- Regional Economic Development Strategy
- Regional Marketing Strategy
- Regional Land Use and Development Planning

3. Make it Happen

- Develop a “Common Purpose” with a Shared Strategic Direction and a “Shared Objective”
- Prepare a Governance Structure and Organizational Processes that is effective
- Identify the required financial and human resources to implement the initiatives

Non of the above recommendations could be implemented without the “Common Purpose and the Shared Objective”. The communities must “buy in” and recognize the need for change and the benefits of these initiatives. This “buy in” should be followed by actions, allocating resources and time to implement these monumental tasks.

Without change, leadership at the administrative and political levels will be forced to focus on their own urgencies and emergencies, and other municipalities' issues will be seen as distracting and unbearable. That causes other municipalities to pull away from meaningfully working together to avoid financial and administrative distress. That only exacerbates the problems. Fear, desperation, and ego are holding the municipalities back from real and meaningful commitment and to working together effectively.

The villages have very limited financial and human resources. As well, administration is exhausted, however they have all the corporate knowledge for their community, which leaves when they retire or find another job. This could be devastating to the communities and the region. As they continue to lose services, because of human capacity issues and lack of resources, they will become less appealing to live in. As they become less appealing to live in, fewer people will move there which will not only make them unviable but will also restrict the ability of the entire region to attract new people to the region. Those villages should not be seen as burdens, but as opportunities for the region to grow. With the right strategic investment, the recent growth trend in all communities can become sustainable and enduring, which makes the entire region more viable.

It is important, however, that the County and Town are not viewed as ‘cash cows’. The differential in financial resources should not be seen as an opportunity for some communities to support others in the status quo. There desperately needs to be an understanding that the current model is not viable, and everyone needs to consider strategic investment that will help deliver services effectively and efficiently, but also in a way that grows the regional economy by attracting people, businesses, and industry that are looking for what you have to sell. And then sell it, together. Finally, for this to be effective, a new perspective on governance and operations needs to be considered to effectively deliver on these goals, or there will be a quick and seamless reversion back to old priorities and the old way of doing things. In effect, one cannot get different results by using the same systems they have always used.

Economic growth requires specific strategic investments in water and wastewater, land development, beautification, training and education, land identification and development, and marketing. Some of those items desperately require contributions and investments from municipalities to facilitate the economic growth. Therefore, a new corporate model that respects and balances the voice of an Economic Development Corporation CEO with the Municipal Corporation CAOs should be established. This requires partnership and mutual collaboration, which is not common in even the best of regional municipal partnerships and is unprecedented at the regional economic development level.

There will not be a winning municipality while the others lose. If any single community fails, the burden will be borne by the remaining. There is a great risk posed by the failure of one because it will create a chain of failures, and the downfall of all. Ultimately, it is in everyone’s interest to work together to grow.

