

ECONOMIC CHANGE

IN NORTHERN ALBERTA

2016



A Preliminary Study of
Community Best Practices



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COMMUNITY PERSPECTIVES ON MANAGING CHANGE IN NORTHERN ALBERTA



In 2016, the NADC conducted preliminary research into the impacts of economic change on northern Alberta. A sample of municipal leaders was interviewed about the changes in their communities. These insights are being shared to exchange ideas and encourage dialogue between communities in the NADC region. The information highlights local perspectives on the impact of resource industries/economies to community development, which may interest municipal leaders, planners and administrators.

1

CHANGING ECONOMY

Alberta's resource industries have experienced many periods of economic fluctuation. These changes affect the stability of communities, **especially in northern Alberta where cycles of development strain the local social and physical infrastructures.**



2

PLANNING AND STUDY

To assist communities planning for growth and fluctuation, the **NADC conducted preliminary research into the socio-economic changes that impact northern Alberta and the practices communities employ to manage change.**



The Northern Alberta Development Council (NADC) is an agency mandated to advise the Government of Alberta on the social and economic development priorities, issues, challenges and opportunities that exist in northern Alberta.

NORTHERN LEADERS SHARED PRIORITY ISSUES AND UNIQUE PRACTICES

3 PRIORITY ISSUES CORRELATED TO ECONOMIC FLUCTUATION

Revenue and Budget

Northern communities struggle with reduced, unstable, or insecure revenue and corresponding budgetary constraints.

Quality of Life

Despite adversities, northern leaders are committed to improving the livability of their communities by increasing the quality of life for residents. They do this by leveraging current assets or creating and adding value through new initiatives.

Infrastructure

Northern communities suffer from infrastructure deficits, including ageing water treatment and healthcare facilities to deteriorating transportation networks. These are long-standing and cumulative challenges.

Workforce and Business Economy

Community leaders are concerned about increasing unemployment, shortages and high turnover rates of skilled workers, underemployment, reduced contracting opportunities, disparities between urban versus rural areas, and population changes.



4 COMMUNITIES FACING SIMILAR CHALLENGES MAY CONSIDER THE FOLLOWING IDEAS:

Plan

Diversify capital and operational plans to include short, medium and long-term goals. Adjust existing plans by prioritizing, rescheduling, or reducing items within programs, services and infrastructures.

Incentivize

Encourage development strategically using tax incentives, planning permits and grants or subsidies to revitalize downtowns, grow businesses or develop housing as needed.

Customize

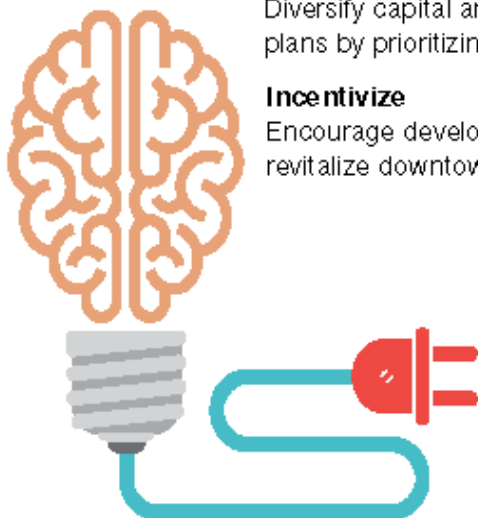
Customize financial tools in support of capital and operational plans by conserving or leveraging debt, low interest or tender rates.

Optimize

Enhance resource sharing or collaborative partnerships to maintain levels of services.

Review

Generate review processes that are proactive, predictive, and adaptive to ongoing amendments.



Executive Summary

Purpose

Alberta's resource industries – forestry, agriculture, oil and gas – have experienced many periods of economic fluctuation. These changes affect the stability of northern communities whose economies are closely tied to resource industries. While the effects of the recent downturn in the oil and gas industry are felt throughout the province and country as well as around the globe, they are felt most acutely in northern Alberta.¹ Industrial development and decline strain local social and physical infrastructures, especially in this region where shadow populations are common.² These circumstances require local ingenuity and resourcefulness to anticipate, respond to and manage. Completed in 2016, the Northern Alberta Development Council (NADC) prepared a preliminary study of the socio-economic changes impacting northern Alberta, to assist communities planning for growth and fluctuation.

The purpose of the study was to:

- Understand the social and economic changes in northern Alberta from 2008-2016.
- Gather community best practices for managing economic changes.
- Provide a pilot study upon which larger regional studies may be built.

This preliminary study reflects the NADC mandate “to investigate, monitor, evaluate, plan and promote practical measures to foster and advance general development in northern Alberta”³ with specific emphasis on the priority area of resource management.

Methodology

A literature review and seven key informant interviews were conducted to establish both overarching historical trends as well as more detailed and localised trends. Mayors and Reeves were interviewed because of their unique understanding of the socio-economic changes and corresponding adaptations of their communities. These leaders represent communities located across the north in each of Alberta's three Comprehensive Regional Infrastructure Sustainability Plans (CRISP).⁴ This establishes a base for future quantitative research to compare regional responses to compliment this municipally focused project.

Interview questions covered the impact of economic changes on communities regarding priorities, programs, and services; as well as adaptations, innovations and advice.⁵ Interview transcripts were qualitatively analyzed. The results reveal several common themes of issues and potential strategies that may help other northern communities facing economic change. The best practices discussed here provide a practical basis for planning, policy making, and economic development.

Summary of Findings

Interview data shows that communities across northern Alberta are attending to four primary issues in correlation with the recent economic downturn:

Revenue and Budget

- Northern communities struggle with decreased, unstable, or insecure revenue and corresponding budgetary constraints. Leaders discussed challenges and changes in their residential and business tax bases as well as in funding provided through the Municipal Sustainability Initiative (MSI).

Quality of Life

- Despite adversities, northern leaders are committed to maintaining or increasing the quality of life for residents by adding value to current assets or creating value through new initiatives. Current examples include an expansion of recreation facilities and the establishment of accessible transit respectively.

Infrastructure

- Northern communities suffer from infrastructure deficits, which span from ageing water treatment facilities and transportation bottlenecks, to limited access to healthcare infrastructure. These are long-standing and cumulative challenges.

Workforce and Business Economy

- Northern leaders are concerned about increasing unemployment, shortages and high turnover rates of skilled workers, underemployment, reduced contracting opportunities, disparities of effects in urban versus rural areas, and population changes.
- Northern leaders are simultaneously concerned with local business opportunities and investments that are integrated with workforce challenges.



Summary of Best Practices

Northern communities have adapted and innovated unique plans to maintain services and address deficiencies. The report outlines five potential strategies or “best practices” for communities facing similar economic challenges. While these practices are not new, they are, nonetheless, the practical tools that northern leaders are amending and implementing to anticipate, respond to, and manage change.

1. Plan

- Develop a diversified plan with short, medium, and long-term goals or multiple options (Plan A vs. Plan B) that can be quickly substituted for one another.
- Communities are adjusting or building new plans by prioritising services or infrastructure, extending the schedules of plans, or reducing item spending.

2. Incentivize

- Utilize structures of municipal governance to shape and control development to support community plans, as well as local strengths and weaknesses.
- Northern communities are utilizing tax incentives, planning permits, and grants or subsidies to revitalize downtowns, grow businesses, and develop housing according to unique needs and goals.

3. Customize

- Customize financial tools to assist in the management of capital planning, budgeting and serving residents.
- Communities are currently working with different approaches to reserves and borrowing. They are also leveraging low interest and tender rates to address infrastructure deficits, preserve business relationships, and to improve capacities.

4. Optimize

- Although controversial, consider evaluating budgets, operational and capital schedules with a view to optimize plans by sharing resources. Combined assets offer larger populations and economies of scale that can lower resident tax rates while maintaining high levels of service.
- Northern tactics include the use of provincial initiatives, partnerships and agreements, or efficiencies. For example, recreation and education facilities have been shared to increase their use beyond typical peak hours.

5. Review

- Formalize a review structure. This increases communities’ capacity to proactively evaluate services and infrastructure to predict needs and prepare for change.
- Northern communities are working to establish and continually amend processes and review schedules.

Economic Change in Northern Alberta

A Preliminary Study of Community Best Practices

Background

Resource economies are predisposed to cycles of boom and bust following, sometimes sudden, changes in domestic and global markets. Likewise, Alberta's resource industries such as forestry and agriculture as well as oil and gas have fluctuated through many periods of economic change. The stability of northern Alberta is especially susceptible to shocks in the international oil and gas market because it is one of the region's top economic drivers. And while the effects of the industry reach throughout the province and country as well as around the globe, the socio-economic changes of development and decline are most acutely felt in the place-based communities of the north, because changes to social and structural infrastructure are localized.

When economic activity is booming, populations increase rapidly as people from different provinces and countries flow into the region for work. This influx supplies needed skills and labour to business and industry, but it also strains social services (including education and healthcare services) and structural infrastructure (housing, water systems, and transportation) as municipalities are stretched to meet increasing demands. These challenges are often intensified in the Alberta oil sands region where shadow populations (people who come to work but declare another province their legal residence) are common.⁶ Shadow populations create unique challenges for municipal planning because they are not included in official residential counts and because they access infrastructure, programs and services locally while paying taxes elsewhere.

Alternatively, when economic activity declines, there may be challenges to fund the maintenance or expansion of social services and infrastructure as businesses and governments struggle to be cost-effective, maintain margins of profitability, and consider future investments. Both periods of boom and bust present opportunities and challenges that require local ingenuity and resourcefulness to plan for, respond to, and manage. As such, stakeholders whose budgets are tied to the oil and gas industry, or Alberta's economy more generally, stand to benefit from an improved understanding of northern communities' experience of social and economic change.

The Northern Alberta Development Council (NADC) promotes this understanding via preliminary research to identify best practices for managing economic change. Through this and similar work, the NADC explores opportunities for growth and initiatives to facilitate the advancement of Alberta's northern communities and economies.

Purpose

In 2016, the NADC completed a preliminary study of the socio-economic changes impacting northern Alberta, to assist communities planning for growth and fluctuation.

The purpose of the study was to:

- Understand the social and economic changes in northern Alberta from 2008-2016.
- Gather community best practices for managing economic changes.
- Provide a pilot study upon which a larger regional study may be built.

This preliminary study reflects the NADC mandate “to investigate, monitor, evaluate, plan and promote practical measures to foster and advance general development in northern Alberta”⁷ with specific emphasis on the priority area of resource management.

Methodology

NADC staff conducted a preliminary study of the social and economic changes occurring in northern Alberta from 2008-2016. A literature review was carried out to establish the overarching historical trends of resource economies across North America and Australia. To ascertain more detailed and localized trends, seven key informant interviews were completed with Mayors and Reeves because of their unique understanding of the socio-economic changes and corresponding adaptations of their communities. These leaders were selected from the Athabasca Oil Sands Area, the Cold Lake Oil Sands Area and the Peace River Oil Sands Area ensuring that each of the three Comprehensive Regional Infrastructure Sustainability Plans (CRISP) were represented.⁸ This establishes a base for future quantitative research to compare how regions respond to similar socio-economic fluctuations. Interviewees were questioned about the impact of economic changes on their communities regarding priorities, programs, and services. Leaders were also asked about the adaptations and innovations that they have undertaken to meet short and long-term goals. Finally, the Mayors and Reeves were asked if they had any advice for other communities facing similar fiscal restraints or surpluses.

Telephone interviews were digitally recorded and transcribed. The resulting data was qualitatively analyzed revealing several common themes, issues, practices and potential strategies that may help other northern communities facing economic change. This preliminary study should be considered an exploratory exercise to provide a base to conduct quantitative comparison of CRISP responses to socio-economic fluctuations.

Findings

Interview data shows that communities across northern Alberta are attending to four priority issues in correlation with the recent economic downturn. These issues have been categorized as:

- Revenue and Budget
- Quality of Life
- Infrastructure
- Workforce and Business Economy

Revenue and Budget

First and foremost, recent economic changes have impacted northern communities with decreased revenues and corresponding budgetary constraints. Interviewees referred to multiple forms of these challenges – including decreased, unstable, or insecure revenue – in response to all interview questions. For example, the revenue of one community has decreased by an estimated 10 per cent (2015), while in another community, more than 20 per cent of property taxes had not been paid on time as of August 2015.

Additionally, all leaders spoke about property assessments, housing vacancies and low housing starts. However, the perceived impact of the economic downturn on these markets and, in turn the tax bases, varied. Many leaders observed immediate and ostensibly negative effects – visible in lower selling prices, longer time spent on the market, and fewer starts. Fewer leaders noticed no significant changes, while one leader discerned a growing residential tax base.

All leaders also expressed concern that their community’s revenue would decrease throughout 2016 or soon after. To demonstrate, one interviewee commented, “We’re really envisioning that ... this year’s or next year’s budget ... [is] going to [have] some very healthy sized challenges.” The pervasion of this sentiment throughout all questions and all interviews demonstrates that decreased, or unstable revenue is a significant challenge that has diverse and complex impacts throughout community life and planning.

Finally, northern communities are experiencing concurrent expense increases or unstable funding that compound their current financial difficulties. One leader anticipates more requests for municipal funding from volunteer groups that have been adversely affected by the economic downturn. Another discussed challenges with the phased elimination of Municipal Sustainability Initiative (MSI) funding. This change has forced the community to become more efficient, which the leader noted has been especially difficult during the economic downturn.

The revenue of one community has decreased by an estimated 10 per cent (2015), while in another community, more than 20 per cent of property taxes had not been paid on time as of August 2015.

“We shifted a lot of those priorities away from infrastructure for industry into our human service side ... to make sure the people have the supports they need while things were in the downturn.”

Question:

What are high priorities for your community? How have these priorities changed or remained the same with the economic down turn?

Quality of Life

Despite their decreasing municipal revenues – northern leaders continue to emphasize the importance of maintaining or increasing soft services (social services, programs and access). One community has recently prioritized building accessible public transit and affordable housing, and it continues to integrate these new infrastructures with an expanding network of recreation facilities. Another community is working on beautification and revitalization programs, while others are expressly increasing spending on family and community services.

These programs, projects, and services are diverse but they are interconnected by a commitment to maintain or enhance the quality of life for residents and temporary workers alike. For some, this is a long-term strategy and for others it is an acute response to economic difficulties. One respondent described this as follows: “We shifted a lot of those priorities away from infrastructure for industry into our human service side ... to make sure the people have the supports they need while things were in the downturn.” Another leader expressed a similar sentiment stating, “It’s not right when people are in a tighter situation to reduce the services that are available so if you can avoid that we will avoid that at all costs.”

Finally, leaders framed these provisions as a means of increasing community attractiveness and livability, to appeal to both the business community and their residents. In their efforts to add value to current assets or create new value through new initiatives, northern leaders are demonstrating a dedication to residents’ quality of life.

Infrastructure

Northern communities suffer from infrastructure deficits, which span from ageing water treatment facilities and transportation bottlenecks, to limited access to telecommunications. In one community an issue recently arose because of the combined factors of the high costs of technological requirements and its remote location.⁹ The community was suffering from failing water treatment while facing high quality controls and an increasing likelihood to be charged with environmental fines. Confronted with the difficulties of cost-effectiveness, risks to residents, and the resiliency or independence of the community, leaders found it necessary to expand the sewage treatment and water storage facilities at a great cost and acquisition of debt.

Community leaders also discussed deficits in recreation and healthcare. These conversations covered sports facilities that are experiencing structural problems, nearing the end of their life expectancies, inadequate, crowded or booked for use late into the night. In regards to healthcare, leaders talked about hospitals that need renovation or are functioning near their capacity load. They also spoke of mental healthcare, ground and air ambulances, and specialized diagnostic or treatment equipment that are chronically lacking or completely absent from northern communities. These leaders expressed frustration that their residents are forced to

travel and experience long wait times in centralized hospitals, instead of accessing care closer to home. While these challenges are not new, the examples illustrate the high importance that community leaders place on the pressing nature of infrastructure deficits, as well as their long-term and cumulative nature.

Interestingly, many leaders approach this economic downturn as an occasion to improve infrastructure in preparation for the next economic boom. This was evident in countless statements, but was clearly delivered as follows: “this would be the opportunity to try to catch up on our 30-year or 40-year infrastructure deficit.”

Workforce and Business Economy

Community leaders are concerned about increasing unemployment and their local economies, yet each community has experienced this trend of challenges in a unique way. This issue is not limited to unemployment but also includes underemployment, reduced contracting opportunities (supplemental and primary), and disparities between urban versus rural residents.

Some communities are also experiencing population challenges. One community has witnessed a near total elimination of its shadow population. Another community is still growing, but at a decreased rate, and this is expected to continue.

These rapid changes are challenging. They require communities to assess and make reflective adjustments to the provision of both hard and soft service quickly, while longstanding workforce issues – such as shortages and high turnover rates of skilled workers – continue to burden northern communities during these acutely challenging times.

Community leaders are simultaneously concerned with local business opportunities and investments, integrated with workforce challenges. For example, one Council has explored other provincial initiatives to entice new commercial retail businesses to their location and market their home community. This leader explained that their Council is “trying everything [they] can to attract and retain money inside” the community, “which is really tough in this economy.”

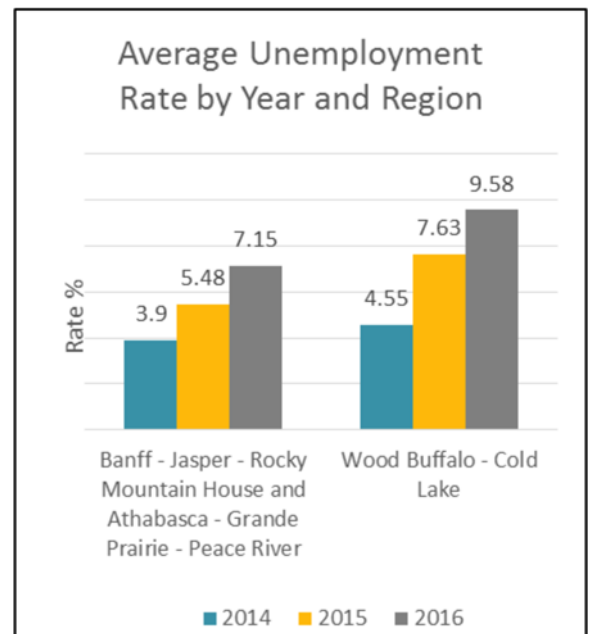


Figure 1: Average Unemployment Rate by Year and Region
Calculated from the monthly statistics available at: Labour Government of Alberta, “2016 Monthly Labour Force Statistics,” eng, accessed January 5, 2017, <https://work.alberta.ca/labour/2016-monthly-labour-force-statistics.html>; Labour Government of Alberta, “2015 Monthly Labour Force Statistics,” eng, accessed January 5, 2017, <https://work.alberta.ca/labour/2015-monthly-labour-force-statistics.html>.

Best Practices

Interviews with northern leaders revealed several best practices to manage change. These practices – plan, incentivize, optimize, customize and review – can be strategically adapted to the unique needs and resources of other communities facing similar change and economic fluctuations. There are also many relevant resources available through Alberta Municipal Affairs, the Alberta Urban Municipalities Association (AUMA), and the Alberta Government Finance Officers Association (GFOA) including publications, services, instructions, and tool kits. A summary of these additional resources can be found following the report on page 20.

Plan

Diversified capital and operational plans – with short, medium, and long-term goals or multiple options that can be substituted for one another – enable communities to maintain relatively consistent priorities and timely responses. Consider, for example, that one northern Council was able to suspend initiatives and investments quickly, whereas another needed to wait for a new budget cycle to implement its response to the economic downturn. The first Council had planned, justified, and scheduled their construction and development on the basis of serving current residents and accommodating a projected growth rate, while the second Council did not have an approved back-up plan in place. When the first community's growth rate slowed, the conditionality built into the Council's plan afforded them the capacity to act quickly without sacrificing their priorities. The second community's leader made clear that, as a direct result of their experience, the Council updated its strategic plan (to be re-evaluated annually), and requested for tender an Economic Diversification Plan.

Northern communities are already working with several different tactics to plan or amend their responses to economic change including:

- **Prioritize:** Some communities are prioritizing spending on “necessities,” such as water and sewer infrastructure over spending on “niceties” such as road overlays or new trucks for operations. Alternatively, other communities are prioritizing increasing access and capacity on social support services over physical infrastructure.
- **Extend:** Northern Communities are elongating their schedule to complete projects to reduce spending in any one fiscal year. For example, one community will continue to improve its water infrastructure, but the project will now be completed in four years rather than three. Another community will wait an extra year to purchase new pickup trucks for its public works.
- **Reduce:** Depending on priorities and schedules, communities are reducing or eliminating spending on specific items all together. For example, some are choosing to go ahead with capital projects while minimizing or eliminating aspects of their operational budgets.

Question:

How have changes in the economy impacted your community's plans for programs, services, or projects?

Incentivize¹⁰

Communities may also consider using any and all structures of municipal governance, including tax incentives, permits, and grants or subsidies, to create incentives in support of capital and operational plans. In this way municipal governments can encourage development according to their unique strengths and weaknesses. Northern communities are improving neighbourhoods, revitalizing existing businesses and attracting new business to expand local employment opportunities using:

- **Tax Incentives:** Some communities are choosing to maintain business tax rates without increases, provide tax credits to companies that enhance the value of their property, or rebate taxes on new developments.
- **Permits:** At least one northern community has fast-tracked planning approvals to support businesses that require high-speed internet. Several communities are encouraging new, and affordable, housing developments by zoning new residential land or working with developers to simplify and speed planning processes.
- **Grants and Subsidies:** Grants and subsidies are being employed to encourage business development or neighbourhood revitalization in much the same way as tax incentives are used. One community is promoting mural paintings to beautify its downtown.

Customize

Communities may customize financial tools to support their capital and operational plans. Northern communities are, for example, leveraging low interest and tender rates to address deficiencies while maintaining or developing new capacities. They are also working with different approaches to reserves and borrowing. Communities that are more comfortable with debt described it in highly practical and planned terms. For example, one northern leader compared municipal debt to homeowner mortgages, which are contingent on budgets and repayment schedules. The Municipal Governance Act (MGA) terms this kind of deficit “borrowing” for operating or capital expenses. Alternatively, some leaders demonstrated aversions to risk and deficit while emphasizing the importance of maintaining or increasing reserve funds. Neither of these strategies are inherently better or worse, but they are very different approaches to fiscal planning.

- **Reserves and Borrowing:** One northern Council is borrowing almost half of its budget to build a multi-million dollar infrastructure project in the next two years. This Council focuses its planning on the needs of youth, future generations and the young families projected to spend their whole careers in the area. Another leader discussed scrutinizing services, eliminating deficit and saving, as well as the “appropriateness” of reserve funds. Finally, in one exceptional case, a northern leader explained that they ran a deficit in 2015/16 to maintain high levels of programming, but would cut services rather than “run a deficit for multiple years.” In cases such as these, the MGA is clear that municipalities must budget expenditures to recover the shortfall from previous years.

Question:

What types of changes or adaptations has your community made?

Both borrowing and budgetary shortfalls are regulated by various levels of government. Borrowing is subject to bylaws, limits and regulations, which are set by the municipalities, the MGA and the Minister of Municipal Affairs, and which must be budgeted into future plans for repayment. Regarding shortfalls, the MGA specifically states: “the municipality must include a budgeted expenditure in the next calendar year that is sufficient to recover the shortfall.”¹¹

- **Interest Rate:** One community formed an agreement with a private company that the company will “backstop” projects at a two per cent interest rate for the next four to six years. This arrangement is mutually beneficial. It allows the business to retain skilled labour in preparation for the next economic surge. Meanwhile, it allows the community to maintain good working relationships with industry without sacrificing the social capital of trust and reliability because the Council no longer needs to cancel projects or contracts.
- **Tender Rates:** Northern communities have noticed a substantial drop in tender quotes, and most are choosing to take advantage by building or retendering. Many will address infrastructure deficits, while one community is going to build “super structures.” This latter community will build larger infrastructure than originally planned with more capacity for multiple uses.

Optimize

Communities across the north are sharing resources, infrastructure, and facilities to optimize service provision. These arrangements are complex – involving any combination of multiple levels of government, urban and rural municipalities, and public or private stakeholders at once – and can be contentious; yet combined assets offer larger populations and economies of scale that can lower shared costs while maintaining high levels of service. Moreover, Councils which pursue these routes better align with the Government of Alberta’s promotion and encouragement of inter-municipal collaboration. Mutually beneficial and successful northern arrangements range from water and emergency response services to shared access to recreation facilities.

- **Partnerships and Agreements:** Northern communities have formed agreements to share planning and development, water treatment and delivery, as well as fire services. Communities are also forming partnerships and agreements that go beyond regionalized services, to include private industry and First Nations as well as the provincial and federal levels of government. One community recently partnered with the private industry and the Governments of Alberta and Canada to build a state of the art wastewater treatment facility.
- **Efficiencies:** In their efforts to maintain or improve service provision without increasing tax loads, some northern communities are sharing resources between stakeholders internal to their community. For example, some communities are sharing gymnasiums and libraries between the public and their school systems. This practice has increased the number of hours facilities are being used beyond typical peak hours, and thus maximize the benefits of capital investments.
- **Provincial Initiatives:** Financial and in kind support is available through programs like the [Alberta Community Partnership](#) (supports regional collaboration and capacity building) the [Collaborative Governance Initiative](#) (assists development of inter-municipal collaborative work protocols) and the recently released [Community And Regional Economic Support Program](#)

Question:

What type of innovations has your community undertaken to meet your goals?

(allocates financial support to regional organizations that take a collaborative approach to enhancing local economic conditions).¹²

Review

Last, but not least, communities may consider formalizing processes for continual or regularly scheduled reviews. In many ways, this strategy has already been discussed. Ensuring that communities have options and pre-approved back up plans, building flexibility into priorities and looking for efficiencies are all part and parcel of review processes. Nonetheless, creating a review structure is significant enough to warrant separate mention.

- **Process:** At times reviewing community plans and budgets will be more about the process and action than it will be about the results. The review is an active reminder to evaluate plans comprehensively and meticulously without taking anything for granted. Leaders often described this strategy as placing “everything under review.” It may be that innovations, partnerships or agreements will be formed from this process.
- **Schedule:** Northern Communities are conducting reviews of policies at regular intervals to build capacity for proactive evaluation of community services, as well resident expectations and needs. In this vein, one community has implemented a mandatory service capacity review to be undertaken every two years as an immediate response to the economic downturn. Having done so, the Council expects their community to be more prepared for any sudden future changes.

Concluding Comments

This preliminary study was conducted to understand, at the community level, how socio-economic changes are impacting northern Alberta; and to gather community best practices for managing economic changes. Interviews were conducted with Mayors and Reeves that are geographically represented by each of Alberta's three Comprehensive Regional Infrastructure Sustainability Plans (CRISP) areas. Questions covered: the impact of economic changes on communities regarding their priorities, programs, and services; as well as their adaptations, innovations and advice. Qualitative analysis revealed common themes in the issues that northern communities have faced during this economic downturn: revenue and budgetary constraints; infrastructure deficits; as well as unemployment and decreased business opportunities. Leaders remain committed to increasing the quality of life for their residents, and they have adapted and innovated unique plans to maintain services and address deficiencies. As such, this report outlined five practices to inform community planning and policy development with respect to economic change. Communities facing similar challenges may consider: planning; creating incentives; customizing financial tools; optimizing plans by sharing resources; and formalizing review processes. These are some of the best practices that are being implemented and continually amended by northern leaders working to anticipate, respond to, and manage change.

This preliminary study contributes a community perspective to the knowledge of resource industries and their economies. While the effects of economic cycles ripple throughout domestic and global markets, it is on the municipal scale that social and structural infrastructures are strained from corresponding fluctuations in population, revenue, and resident expectations. Municipalities are on the front lines of this experience, as well as the management and resolution of social and economic change, it is therefore imperative to understand community perspectives to maximize opportunities and minimize the challenges.

Endnotes

1. Here, northern Alberta is defined by the boundaries of the Northern Alberta Development Council's region. This region is "bounded on the west by the Alberta-British Columbia border, on the north by the Alberta-Northwest Territories border, on the east by the Alberta-Saskatchewan border." Its southern border is determined by municipal boundaries, but roughly follows the 54th parallel. Northern Alberta Development Council (NADC), "NADC Area Profile: An Economic Description of the Region" (Edmonton, AB; Fort McMurray, AB; Bonnyville, AB; Peace River AB, May 2016), 4, <http://nadc.ca/docs/Area-Profile-An-Economic-Description-of-the-Region.pdf>.
2. Population who work in Alberta work but reside and pay taxes to another province or Country.
3. Government of Alberta, "Northern Alberta Development Council Act," sec. N-4 RSA 2000 (2002), sec. N-4 RSA 2000, http://www.qp.alberta.ca/1266.cfm?page=N04.cfm&leg_type=Acts&isbncln=077970276X&display=html.
4. Comprehensive Regional Infrastructure Sustainability Plans (CRISPs) are "long-collaborative approaches to planning infrastructure in Alberta's three oil sands areas" the Athabasca Oil Sands Area, the Cold Lake Oil Sands Area and the Peace River Oil Sands Area. See: Government of Alberta, "Comprehensive Regional Infrastructure Sustainability Plan (CRISP)," *Government of Alberta: Alberta Energy*, September 6, 2016, <http://www.energy.alberta.ca/Initiatives/3224.asp>.
5. See Attachment A for a list of the questions covered.
6. Government of Alberta, "Shadow Population in Alberta," *Government of Alberta: Alberta Treasury Board and Finance*, September 6, 2016, <http://www.finance.alberta.ca/aboutalberta/osi/demographics/FAQs-and-Glossary/index.html#s>.
7. Government of Alberta, "Northern Alberta Development Council Act," sec. N-4 RSA 2000 (2002), sec. N-4 RSA 2000, http://www.qp.alberta.ca/1266.cfm?page=N04.cfm&leg_type=Acts&isbncln=077970276X&display=html.
8. Comprehensive Regional Infrastructure Sustainability Plans (CRISPs) are "long-collaborative approaches to planning infrastructure in Alberta's three oil sands areas" the Athabasca Oil Sands Area, the Cold Lake Oil Sands Area and the Peace River Oil Sands Area. Government of Alberta, "Comprehensive Regional Infrastructure Sustainability Plan (CRISP)."
9. Those leaders that did not discuss infrastructure deficits spoke of their very recent focus on building, upgrading and maintaining infrastructures for water and industry.
10. *A note on disincentives*: While disincentives may seem an obvious strategy to pair with incentives, only one community discussed their use. This community considered, but did not implement, charging building owners extra taxes to discourage large downtown spaces from remaining empty.
11. Government of Alberta, "Municipal Government Act," September 17, 2012, 2003 cE5.1 s165, http://www.qp.alberta.ca/1266.cfm?page=m26.cfm&leg_type=Acts&isbncln=9780779756155&display=html.

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12. Government of Alberta, “Municipal Grants,” *Government of Alberta: Municipal Affairs*, September 13, 2016, <http://www.municipalaffairs.alberta.ca/municipal-grants>; Government of Alberta, “Community and Regional Economic Support (CARES) Program,” *Government of Alberta: Community Grants and Funding*, September 13, 2016, <http://www.alberta.ca/community-regional-economic-support-program.aspx>.

Appendix A: Interview Questions

1. How have changes in the economy impacted your organization's / community's plans for programs, services, or projects?
2. What are high priorities for your organization / community? How have these priorities changed or remained the same with the economic down turn?
3. What types of changes or adaptations has your organization / community made?
 - a. How have they been successful or unsuccessful?
 - b. What were the lessons learned?
4. What type of innovations has your organization / community undertaken to meet your goals? (partnerships, grants, investments ...)
 - a. What were the results or outcomes of these innovations?
5. What are your suggestions for other organizations / communities facing fiscal constraints or surpluses?

Appendix B: Additional Resources

Title	Source	Website
Integrated Community Sustainability Plan (ICSP) Tools	AAMDC	www.aamdc.com/toolkits-initiatives- 2/209-integratedcommunitysustainability-planicsp-toolkit
Municipal Sustainability Planning	AUMA	http://msp2010.auma.ca
Budget Analyst Academy	Alberta Government Finance Officers Association	http://www.gfoa.ab.ca/
Debt Limit Worksheet	Alberta Capital Finance Authority	http://www.acfa.gov.ab.ca/loan-form-script/dlw_index.html
Asset Management	Municipal Affairs	http://www.fcm.ca/Documents/presentations/2007/mission/Integrated_Community_Sustainability_Planning_ICSP_Toolkit_EN.pdf
Integrated Community Sustainability Plan Tool Kit	Federation of Canadian Municipalities	http://www.fcm.ca/Documents/presentations/2007/mission/Integrated_Community_Sustainability_Planning_ICSP_Toolkit_EN.pdf
Guide For Municipal Asset Management Plans	AUMA	http://www.auma.ca/advocacy-services/programs-initiatives/asset-management

Figure 2: Selection of Municipal Capacity Building Tools

Source: Municipal Affairs Government of Alberta, “Alberta Municipality Sustainability Strategy (MSS) - Capacity-Building Tools,” May 2016, <http://www.municipalaffairs.alberta.ca/documents/MSS%20Capacity%20Building%20Tool%20Feb%202017.pdf>.

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