

# SPECIAL AREAS BOARD



Report to the Ratepayer—Spring 2019

## Message from the Chair

With our busy construction and fieldwork season around the corner, we are concentrating on getting our 2019 projects ready to go. We continue to focus on delivering cost-effective, responsive and innovative programs that meet your needs while supporting the Board's long-term infrastructure plan. One of our key initiatives this year is further refining how we measure and manage our internal costs. This work will allow us to improve how we plan and execute our projects, using detailed internal costing to enable data-driven decisions whether in the office or out in the field. The shoulder pull program is one example of how we are using this approach to determine if Special Areas crews—rather than private contractors—are the best fit for a project. In 2019 we will be using both Special Areas crews and a private contractor to complete shoulder pull projects, allowing us to make a head-to-head comparison of both costs and the finished product. We will be presenting results to Advisory Council in the fall, giving us a chance to evaluate our performance and strategically plan our programs, making sure ratepayers get the best value.

This spring we continue to focus on some key public land management policies, including the Community Pasture Policy and the Cultivation Lease Conversion Policy. Policy work like this is one way we fulfill our mandate as the manager of public lands: to provide effective long-term land and water management while supporting diverse opportunities for the people who live here. Advisory Council has struck these committees to investigate and report back, with much of this work planned for discussion at our upcoming Spring Advisory Council meeting.

Work with our municipal neighbours continues to focus on advocating with government for regional infrastructure projects as well as developing formal intermunicipal development plans (IDP) and intermunicipal collaboration frameworks (ICF). IDPs and ICFs are required to be in place by 2021 under current provincial legislation; we anticipate these documents will formally document many of the existing processes and positive working relationships already in place. We will continue to report back to you, our ratepayer, as we move through these processes.

With warmer weather finally on the horizon most of us are getting ready for the upcoming busy spring season. I wish you all the best in your work this spring, and look forward to meeting with you this June at our annual ratepayer meetings.

Best Regards,

## IN THIS EDITION

### 2019 BUDGET HIGHLIGHTS

- Revenues & Expenditures
- Major Projects

### PUBLIC LANDS IN THE SPECIAL AREAS

- 2019 Rates:
  - Grazing Leases
  - Cultivation Leases
  - Community Pastures

### 2019 SHOULDER PULL PROGRAM

*Photo Credit:  
Darianne Duffield*

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Special Area No.3 District Office	(403) 664-3618	319, Main St., Box 30, Oyen, AB T0J 2J0
Special Area No.4 District Office	(403) 577-3523	4916-50th St. Box 220, Consort, AB T0C 1B0

## 2019 ANNUAL RATEPAYER MEETINGS

Annual ratepayer meetings are taking place in the Special Areas throughout May and June. Come out and talk about any concerns you and your area may have.

**Want to  
Talk?**

More information about the upcoming meetings, including meeting dates, times and location will be posted in local newspapers, media publications and online at [www.specialareas.ab.ca](http://www.specialareas.ab.ca).

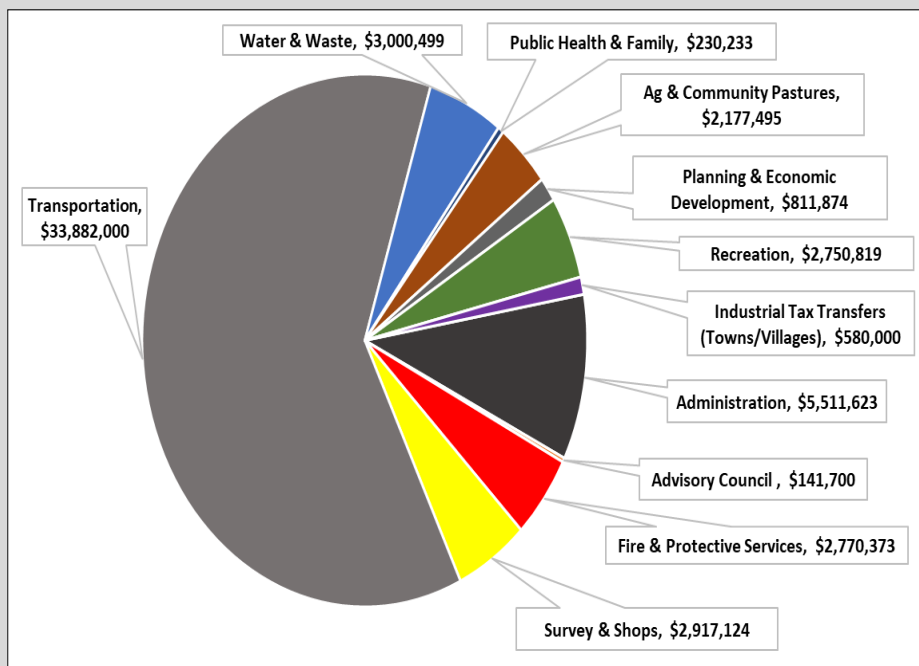
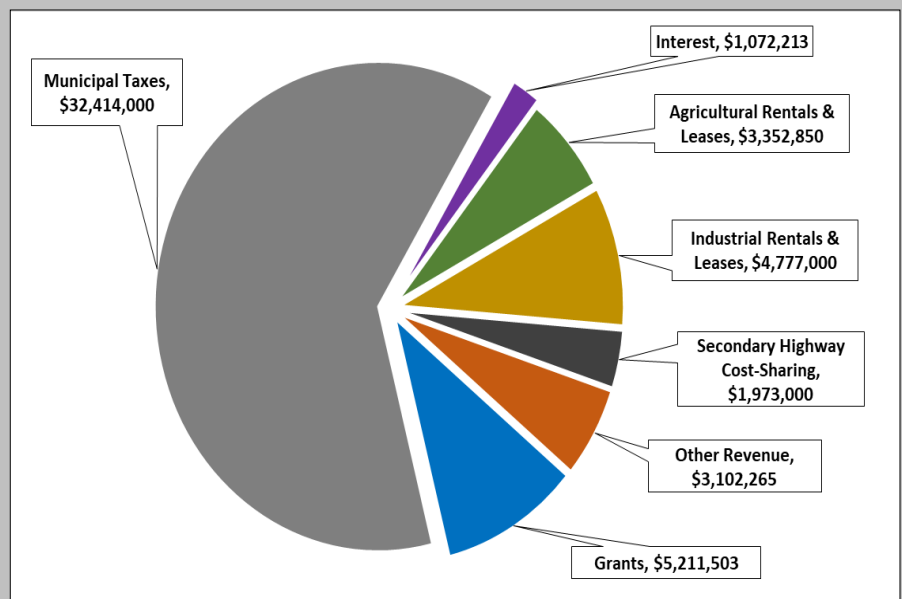
# 2019 BUDGET HIGHLIGHTS

Special Areas funds operations through revenues generated from taxation, leasing of public lands, and other sources including grants. Each fall, a proposed annual budget is drafted by Administration which outlines projects, capital purchases, operational expenses and projected revenues for the coming year. The Board's long-term capital plan and operational priorities—recommended by locally-elected Advisory Councillors—are used to develop the proposed budget. It is then reviewed by the Advisory Council and Board to ensure it meets the needs of the region and ratepayers, is affordable, and is in accordance with long-term financial strategies.

The 2019 Budget has been approved, with total expenditures of \$54,773,740 planned. Overall, this represents a 0.5% decrease from 2018's budgeted expenditures. The Board remains in a strong financial position with sufficient financial resources to fund future operational and capital requirements. The Board has an accumulated unrestricted operational surplus available for funding future expenditures. Total revenue is projected to decrease in 2019 due to a decrease in grant revenue, namely changes to the Municipal Sustainability Initiative (MSI).

## 2019 REVENUES

- ◆ Total budgeted revenue - **\$51,957,831**
- ◆ Overall budget decrease of 0.5% from 2018 (\$52,176,973)
- ◆ No planned increases in residential or non-residential mill rates.
- ◆ Millrates may be adjusted once 2019 assessment is confirmed.
- ◆ Current millrates are comparable to other municipalities in the region.
- ◆ Decreased funding in grants, specifically MSI
- ◆ Decrease from \$7,320,997 (2018) to \$5,211,503 (2019).



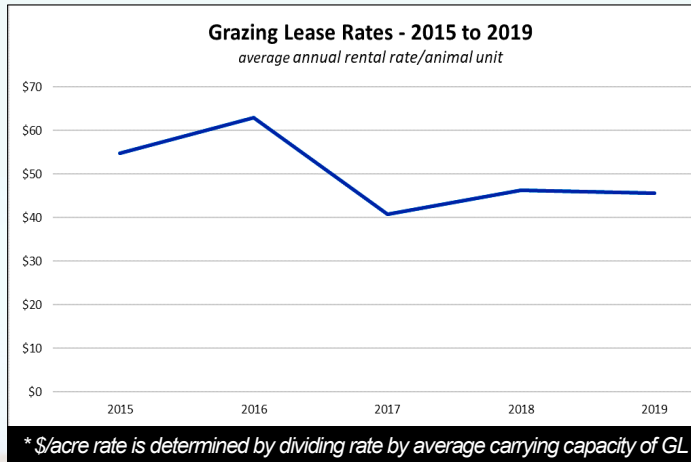
## 2019 EXPENDITURES

- ◆ Total budgeted expenditures - **\$54,773,740**
- ◆ \$6,859,250 - Capital
- ◆ \$47,914,490 - Operating
- ◆ Major 2019 projects include:
  - ◆ Shoulder pull program pilot
  - ◆ 21 km road surfacing of Kirriemuir road
    - ◆ *Contracted (external) project*
  - ◆ Rebuild/purchase of Scrapers
  - ◆ Veteran Firehall cost-sharing
  - ◆ Regional Emergency Training Project
    - ◆ *80% grant/20% municipal*
  - ◆ Playground replacement at Prairie Oasis
  - ◆ Community Pasture improvements:
    - ◆ 24 miles of cross fencing
    - ◆ Corrals at Sounding Creek CP

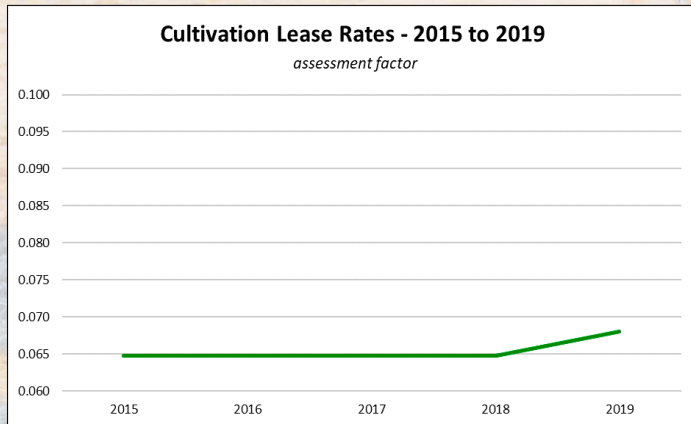
# PUBLIC LANDS IN THE SPECIAL AREAS

The Special Areas Board manages over 2.5 million acres of public lands located within our boundaries, comprised of both municipal tax recovery and provincial crown lands. Public lands are managed under the *Special Areas Act*, with uses including agricultural leases and community pastures. As the public land manager, Special Areas has a mandate to provide responsible long-term land and water management while supporting diverse opportunities. Developing policies for effective long-term land management often means having to balance private needs with public good. The Board is committed to responsible public land policies which protect sensitive ecological areas and support the viability of agricultural operations in our region.

Public lands in the Special Areas are primarily managed through agricultural leases, including both grazing and cultivation leases. Approximately 83% of agricultural leases are held as grazing leases, with 11% cultivation based.



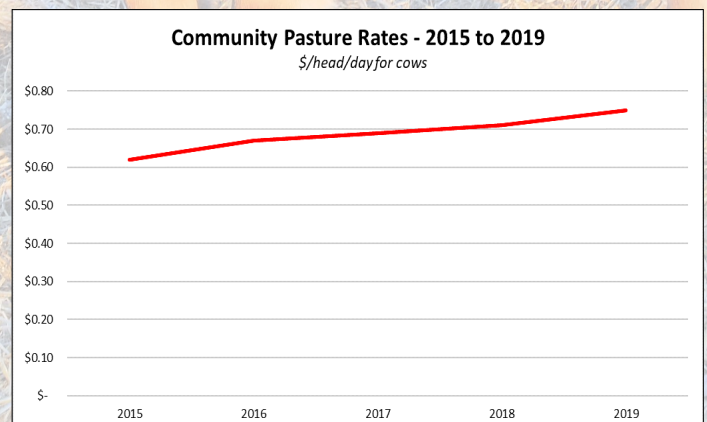
Agricultural lease rates are reviewed annually, with proposed rates recommended by the Advisory Council and Board. Grazing lease rates are determined using the formula set out in the *Public Lands Act*. This formula integrates average market prices, average weight gain and forage values to determine the annual per acre rental rate for producers. 2019's annual rental rate per animal unit is set at \$45.64, a 1.4% decrease from 2018 rates. Cultivation lease rates are determined using a formula which integrates assessed land values and an assessment factor, with the overall formula changing in response to private land rental rates. For 2019, the annual cultivation rental rate increased 4.7%, with the assessment factor increasing to 0.0680. This is the first increase to cultivation lease rental rates since 2015.



The Board manages over 172,000 acres of community pastures which provide supplemental grazing for area producers. The five community pastures, Buffalo-Atlee, Bullpound, Remount, Sounding Creek and Richdale, support over 7200 cow-calf pairs each season. Grazing space is allocated based on several factors with allotments determined annually by the allotment committee in accordance with the Special Areas Disposition Regulation and Community Pasture Policy.

Community pastures protect long-term ecological and economic health while ensuring native prairie is used effectively. Special Areas continues to move towards a cost-recovery position for community pastures through incremental increases to pasture rates. 2019 community pasture rates are set at \$0.75/head/day (an increase of \$0.04/head/day from 2018), with rates for calves maintained at \$8/calf/season. To ensure community pastures continue to meet ratepayer and patron needs, a Community Pasture Policy Committee was created to review the current Community Pasture Policy and provide recommendations back to the Advisory Council and Board. This committee includes membership from locally-elected Advisory Councillors and Administration.

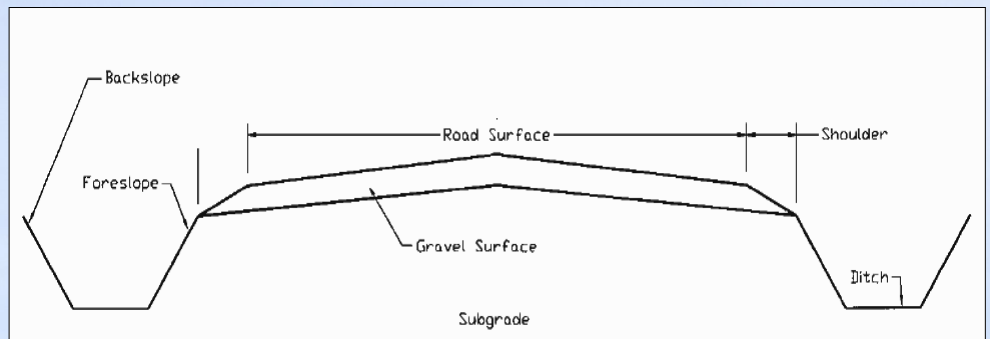
To learn more about public land management in the Special Areas, specific rental or lease rates, or public land policies, please contact our Property Administration department at (403) 854-5600.



# 2019 SHOULDER PULL PROGRAM

Special Areas is planning an aggressive road rehabilitation program this upcoming season to help determine what the most effective way is to reestablish design shape on our gravel roads. To make sure we are using the right tools to get the best long-term results, we will be doing approximately 100 kms of shoulder pull work using both in-house and private contractor forces. By comparing the costs - and results - of the work completed, we will be able to determine if the shoulder pull program is something we should be doing ourselves, or if using a private contractor is a better choice.

We design, build, and maintain our road surfaces—whether gravel or surfaced—to have a standard crown and width. By ensuring our roads are built and maintained correctly with a specific design shape (crown) and size (width), we increase the life expectancy of road surfaces by improving water drainage and reducing long-term issues to the road's sub-base. Standardizing road surfaces reduces long-term maintenance costs as these roads need less gravel material and fewer passes to deliver good road surfaces for travelling on.

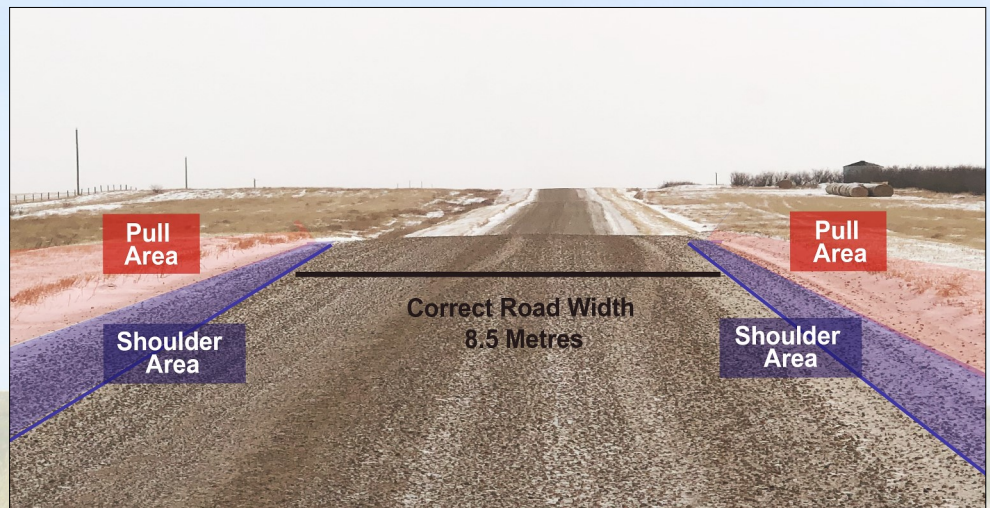


## *Why do we need a shoulder pull program?*

Over time, gravel roads can deteriorate through high use and heavy equipment travelling on it. Road surface material is spread out into the roadside (shoulders), and the crown of the road surface becomes “pounded out,” becoming concave in some cases. This means improper drainage and increased costs to keep the road in good shape. For many roads in the Special Areas, the core components (i.e. sightlines) of a road are still adequate, but the surface is degrading.

## *What is a shoulder pull?*

A shoulder pull is rehabilitative (or resurfacing) work which brings the road surface material from the sides of the road back to the main road surface. This material is used to restore the crown and correct width of the road surface. The new surface is then packed down and new gravel material applied. This process increases the longevity of the road surface while decreasing costs to maintain it.



## *Why start a shoulder pull program now?*

Currently, over 245 kms of roads have been identified as good candidates for this program, with additional roads expected to be identified over the next 12 months. If surface issues are not managed now through the shoulder pull program, damage to the sub-base and other parts of the road will likely mean these roads will need to be reconstructed in the future. The average cost to construct a gravel road is \$250,000/km, and the expected cost to complete a shoulder pull is one-tenth of the reconstruction cost. By spending a little money now to remediate these problem roads, we are expecting to save significant reconstruction costs in the future.

The detailed 2019 shoulder pull program will be confirmed this spring, with additional information about the program and other planned road projects for 2019 available as well.