

SPECIAL AREAS BOARD



Report to the Ratepayer - Spring 2025

Message from the Chair

With this, my first message as Chair of the Special Areas Board, I want to share how excited I am for this remarkable opportunity. Growing up in the Special Areas, I knew this was a place where everyone worked together to create new opportunities, while still honoring those who had come before. In the years ahead, I look forward to working with you to create positive and lasting impacts in our communities and for our whole region.

In 2025, Special Areas will deliver a full complement of services and projects that benefit our region. We are planning an ambitious road program which includes construction and surfacing on many local roads, as well as completing construction at the Sheerness Industrial Park and Reservoir. Work on the current phase of the MD of Acadia and Special Areas Irrigation project is wrapping up, with a Phase 2 report expected later this year. Special Areas is working with local medical boards in Consort, Hanna, and Oyen to ensure necessary healthcare facilities are both constructed and maintained. The Board's goal is to make sure we keep essential services in our communities, including access to local healthcare.

I would be remiss if I did not take a moment to thank Mr. Jordon Christianson for his incredible dedication, leadership, and commitment over the past ten years. Jordon's passion for promoting agricultural sustainability and community resilience was matched only by his genuine care for those who live here in the Special Areas. He always made people his priority, and he leaves a legacy of fostering strong connections and finding new ways to work together. I am proud to continue this tradition in my role as Chair.

Our annual ratepayer meetings are quickly approaching, and I look forward to meeting with you this May and June. I welcome your ideas on how we can work together to build on our tradition of stability, excellence, and innovation.

Shaune Kovitch, Chair

IN THIS EDITION

FINANCIALS

- 2024 REVIEW
- 2025 BUDGET
- FUTURE TRENDS
- TRENDS IN ASSESSMENT

PUBLIC LANDS

- 2025 RATES IN EFFECT
- TAX RECOVERY LAND SALE

MUNICIPAL SERVICES

- 2024 PROGRAM HIGHLIGHTS
- 2025 ROAD PROGRAM

2025 MUNICIPAL ELECTIONS

Cover photo:
"Blue skies ahead"
Special Areas Board

Special Area No.2 District Office	(403) 854 - 5625	212 - 2nd Ave. W, Box 820, Hanna, AB T0J 1P0
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



2025 RATEPAYER MEETINGS

Join us this May and June for our annual ratepayer meetings.

We want to hear from you on what we are doing well, where we can improve, and what we should focus on in the future.



Scan to learn more

2024 FINANCIAL YEAR IN REVIEW

Special Areas planned a capital oriented budget in 2024 which was designed to draw down the accumulated operational surplus by \$18.1M. This ambitious budget included a full road construction program, previously deferred capital purchases, and a \$9M paving project which was cost shared with Alberta Transportation and Economic Corridors. Actual expenditures were lower than budgeted levels as a result of cost-savings throughout all areas of operations. This allowed the Board to advance our portion of the 14-bed dementia / assisted living project being constructed in Oyen a year earlier than expected.

Recognizing financial pressures facing towns and villages in the region, the Industrial Tax Transfer program was increased to \$2M. This program helps support urban partners as they deliver a number of key services and amenities rural residents use in these communities. Since 2018, Special Areas has taken a proactive approach to managing bad debts related to the non payment of property taxes by oil and gas through a bad debt levy on industrial taxpayers. Special Areas continues to have moderate success in collecting unpaid taxes from this industry.

2024 REVENUES

Total Revenues - \$ 77.1M

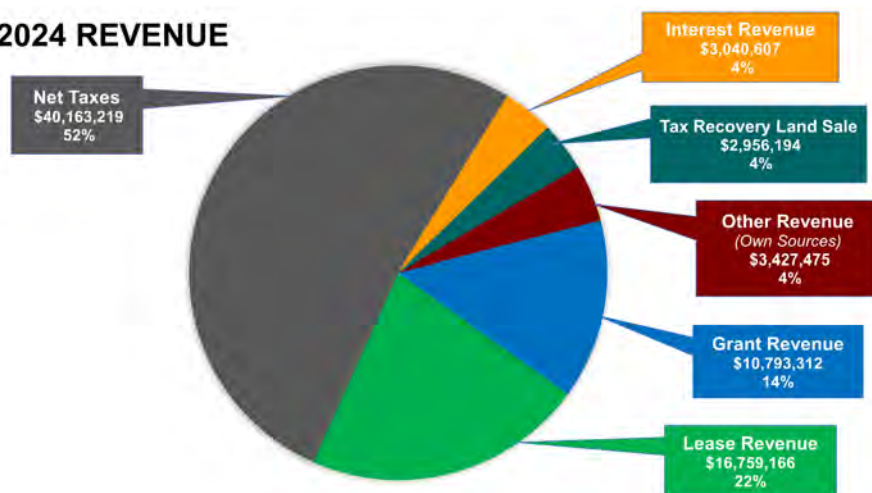
Actual revenue was \$6.6M higher or 9% more than the original budgeted amount.

Revenues from taxes were above budgeted amounts due to increased assessment from renewable energy projects.

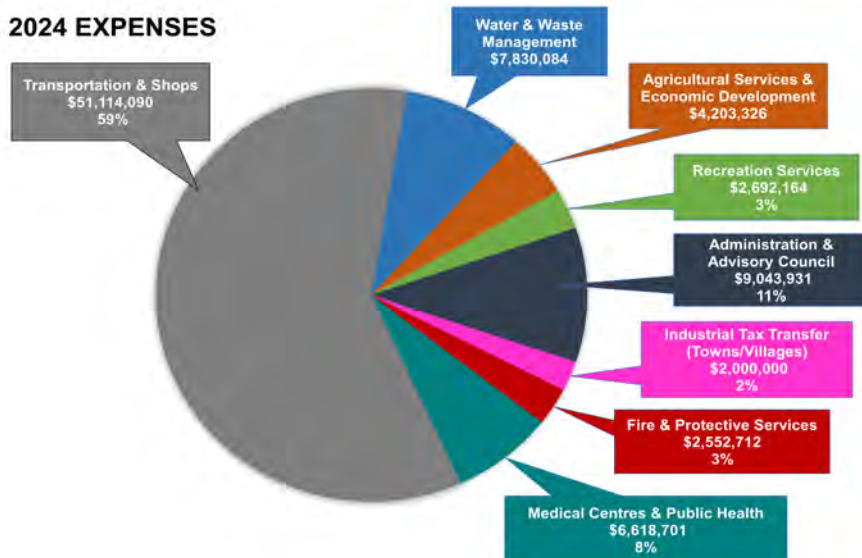
Additional revenues were also raised through an increase to the industrial mill rate to help fund future secondary paving projects.

As well, revenues collected from the bad debt levy on industrial taxpayers were more than the budgeted amount.

2024 REVENUE



2024 EXPENSES



2024 EXPENSES

Total Expenses - \$ 86.0M

Actual expenses were \$2.5M less or 3% lower than the original budgeted amount.

Funds for the 14-bed dementia / assisted living facility being constructed in Oyen were advanced in 2024, resulting in a one-time increase in medical centres. This project is being constructed in partnership with the Province and the Acadia Foundation.

Significant partnership work included paving Highway 855 - funded in part by Alberta Transportation & Economic Corridors - and the regional irrigation project funded with the MD of Acadia, the Canada Infrastructure Bank (federal), and the Province.

2025 BUDGET HIGHLIGHTS

Special Areas funds operations through revenues generated from taxation, leasing of public lands, and other sources including grants. As a part of the budgeting process, Advisory Council recommends long-term capital, operational, and strategic priorities to the Board. The Board uses these recommendations to provide direction to Administration on developing the proposed budget. This proposed budget is first reviewed by the Board, then shared with the Advisory Council at the fall Advisory Council meeting. Advisory Council finalizes the proposed budget which is then taken back to the Board for approval. The Board focuses on ensuring the budget meets ratepayer needs, is affordable, and supports long-term financial strategies.

In 2025, the Board is planning a \$9.1M deficit which will be funded from the accumulated operational surplus of \$23.8M (as of December 31, 2024). The Board remains in a strong financial position with sufficient financial resources to fund future operational and capital requirements.

2025 BUDGET PRIORITIES

- **Completion of partnership projects:**
 - **Phase 2 of MD Acadia and Special Areas Irrigation project**
 - **Sheerness Industrial Park & Reservoir**
 - **14-bed dementia / assisted living facility in Oyen**
- **Partnering with local medical boards to fund key medical priorities, including:**
 - **Local recruitment and retention initiatives for healthcare workers**
 - **Construction of new doctor’s clinic in Oyen**
 - **Second year of Nurse Practitioner pilot project in Consort**

	2025 Budget*	2024 Actual*	2024 Budget*
Total Revenues	\$72.0M	\$77.1M	\$70.5M
Total Expenses	\$81.1M	\$86.0M	\$88.5M
Total (Deficit)	(\$9.1M)	(\$8.9M)	(\$18.0M)
*Calculated using a modified cash basis			

FUTURE FINANCIAL TRENDS

Special Areas continues to focus on delivering sustainable services while prioritizing key capital expenditures. Within the region, we are seeing increasing pressures in areas which historically Special Areas has not directly funded, including housing and healthcare. We anticipate these regional pressures will continue to increase, and are looking at innovative ways we can partner with other municipalities and the Province to address these critical needs.

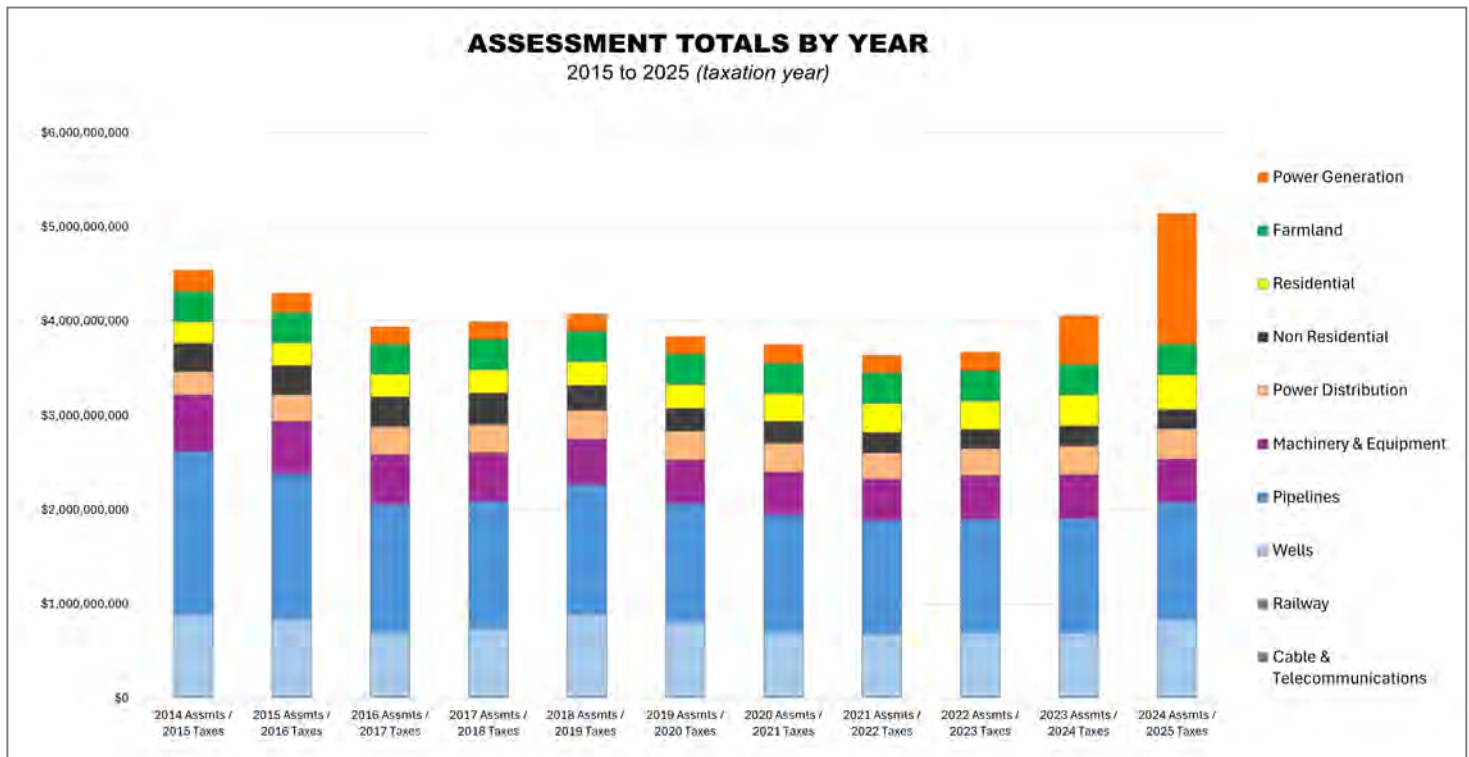
In 2024, there was a significant increase in assessment due to renewable energy projects, as well as the provincial oil and gas tax holiday coming to an end. We expect to keep seeing impacts to assessment as more renewable energy projects come online. There continues to be strong interest in the 2023 Tax Recovery Land Sale policy; proceeds from this sale will be placed into a reserve, similar to the process used for past tax recovery land sales.

Special Areas will continue working with municipalities in the region through programs like the Industrial Tax Transfer program and recreation funding. These programs are intended to help manage the cost of regional services and to support key community programs and amenities. Investing in projects which support the entire region will continue to be a funding focus, as well as opportunities to collaborate with urban partners and the Province.

TRENDS IN ASSESSMENT

Property assessment is the process of assigning a dollar value to a property for the purposes of taxation. The *Municipal Government Act* defines property as a parcel of land, an improvement, or a parcel of land and an improvement to the land. Assessed values are based on either a market value approach or a regulated value approach. In the Special Areas, the regulated value approach is used for the majority of assessments, including farmland and designated industrial properties like wells, pipelines, power generation, and other linear assessment properties. The Province is responsible for setting annual assessments for regulated properties.

Increases to assessment from renewable energy projects have begun to positively impact our overall assessment base. Total assessment has now surpassed \$5 billion, the highest level we have seen. This significant increase is due to increases from renewable energy projects active in the Special Areas. These are captured in the power generation category displayed in the chart below. The end of the province's three-year assessment holiday for oil and gas also increased our 2024 total assessment. We anticipate continuing growth in assessment in the upcoming years as more renewable energy projects become operational.



MD ACADIA & SPECIAL AREAS JOINT IRRIGATION PROJECT

Phase 2 work on the regional irrigation project is expected to wrap up in 2025. A report on Phase 2 findings is expected to help support an investment decision by project partners. This work has been completed with the MD of Acadia, the Canada Infrastructure Bank, and the Government of Alberta. Project partners have invested \$7M to complete Phase 2, with key work including:

- Engineering work including field studies, water availability, conceptual design of major infrastructure components, power supply & demand, and initial cost estimating
- Engagement with stakeholders including First Nations, local producers, municipalities and other groups
- Environmental and regulatory considerations
- Financial analysis and potential revenue generation



Scan to learn more

2025 AGRICULTURAL RATES

The Special Areas Board manages over 2.5 million acres of public lands within our boundaries, made up of both municipal tax recovery and provincial crown lands. Public lands are managed under the *Special Areas Act*, with uses including agricultural dispositions and community pastures. To learn more about public land management in the Special Areas, specific rental or lease rates, or public land policies, contact the Property Administration team at (403) 854-5600.

As the public land manager, Special Areas has a mandate to provide responsible long-term land and water management while supporting a diverse range of opportunities. The Board is committed to responsible public land policies which protect sensitive ecological areas and support the viability of agricultural operations in the region. Public lands in the Special Areas are primarily managed through agricultural leases, including both grazing and cultivation. Approximately 87% of agricultural leases are held as grazing leases, with 13% being cultivation based. Lease rates are reviewed annually, with proposed rates recommended by the Advisory Council and Board, and approved by the Minister.

Grazing lease rates are determined using a formula that integrates average market prices, average weight gain and forage values to determine the annual per acre rental rate for producers. **The 2025 annual rental rate per animal unit has been approved at \$85.15, a 13% increase from 2024 rates.** This increase is due to the continuing strength in cattle prices, resulting in increases in the average market prices used to calculate 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 2025 the annual cultivation rental rate is not changing, remaining at an assessment factor of 0.075.**

The Board manages over 172,000 acres of community pastures which provide supplemental grazing in the region. Community pastures support over 7,200 cow-calf pairs each season, although allotments may be reduced due to drought, water scarcity, and other environmental conditions. Allotments are set each year by the Special Areas Board based on recommendations from allotment committees, and in accordance with the Special Areas Disposition Regulation and Community Pasture Policy. Special Areas continues to move towards a cost-recovery position for community pastures through incremental increases to pasture rates. **2025 rates have been set at \$1.10/head/day (an increase of \$0.05/head/day), with rates for calves kept at \$8/calf/season.**

Discussions with the Buffalo Atlee Breeding Association continue, with the intent of allowing the group to take on day-to-day management of the pasture on a trial basis in 2026. An operational agreement is being developed which will protect the long term sustainability of these public lands while ensuring reasonable rental rates are being charged for use of public assets and grass. The existing Special Areas Community Pasture policy has been used as a basis for the proposed management approach, with Administration continuing to inspect pastures and set overall allotment levels.

2025 RATES

Grazing Lease Rental Rate	\$85.15 per animal unit
Cultivation Lease Rate	Assessment x 0.075
Community Pasture Rate	Cattle - \$1.10/head / day Calves - \$8.00/calf / season

2023 TAX RECOVERY LAND SALE POLICY

The 2023 Tax Recovery Land Sale (TRLS) policy was approved in July 2023 and is **in effect for three years. It will expire on July 16, 2026.**

If you would like to learn more, or complete an application, reach out to your local District Office for more information.

Applications must be received prior to July 16, 2026.



Scan to learn more



MUNICIPAL SERVICES

2024 HIGHLIGHTS

Roads & Transportation Services

In 2024, Special Areas crews completed 26.5 kms of road surfacing, 10 kms of road construction, 27 kms of road recrowning, and critical backtrail repairs. Over 890 kms of local roads were graveled. Major surfacing projects included Highway 862 and 29 km of paving on Highway 855. The Highway 855 project was cost shared with the Province and was managed by the Board.

Work on the Sheerness Industrial Park and Reservoir was completed with Special Areas forces, funded by Prairies Economic Development Canada.

Fire & Enforcement Services

Special Areas fire departments responded to 150 calls in 2024, a decrease from 2023. Medical responses continue to be a large part of calls for local fire departments, representing almost 30% of all calls. Regional training continues to be a priority, including medical first responder (MFR) courses.

Enforcement services focused on supporting public safety and effective infrastructure protection of Special Areas roadways. The move to an electronic ticketing system has streamlined processes. In 2024 we continued to see heavy traffic on local roads from large industrial projects. Over 10,400 over-dimensional permits were issued in 2024, a 142% increase from 2023.

Municipal Parks

During the 2024 camping season, Prairie Oasis Park remained a top destination for camping in the Special Areas, although Carolside Campground is becoming more popular. Online reservations for Prairie Oasis Park opened on March 1, with high levels of use from both local residents and visitors from outside the region. Harvest Sky Economic Development funded the development of new branding and marketing materials for municipal parks, supporting new future park signage.

Discussions with the Province focused on opportunities for upgrades at Gooseberry Lake and Little Fish Lake Provincial Parks. Investigations into new fish stocking approaches at Blood Indian focused on mitigating invasive species while supporting a positive fishing experience.

2025 PROJECTS

REGIONAL PROJECTS

- Completion of Sheerness Industrial Park & Reservoir projects (*partnership with Prairies Economic Development Canada*)

FIRE & ENFORCEMENT PROJECTS

- Completion of Cessford Firehall
- New Tender (Water Tanker) - Cessford

PARKS & RECREATION PROJECTS

- **Prairie Oasis Park** - marina boardwalk, west shower building and concession upgrades
- **Blood Indian Park** - playground updates & new fisheries directive for reservoir
- **Gooseberry & Little Fish Lake Provincial Parks** - operating partnerships

FACILITIES & SHOPS PROJECTS

- Construction of new Maintenance Shop in Jenner
- Upgrades to HVAC & Fuel Systems at Youngstown Service Centre

WATER PROJECTS

- Hwy 570/895 Truckfill Expansion
- Hanna East Booster Station Upgrade
- Public engagement - potential expansion of potable rural water systems

Facilities

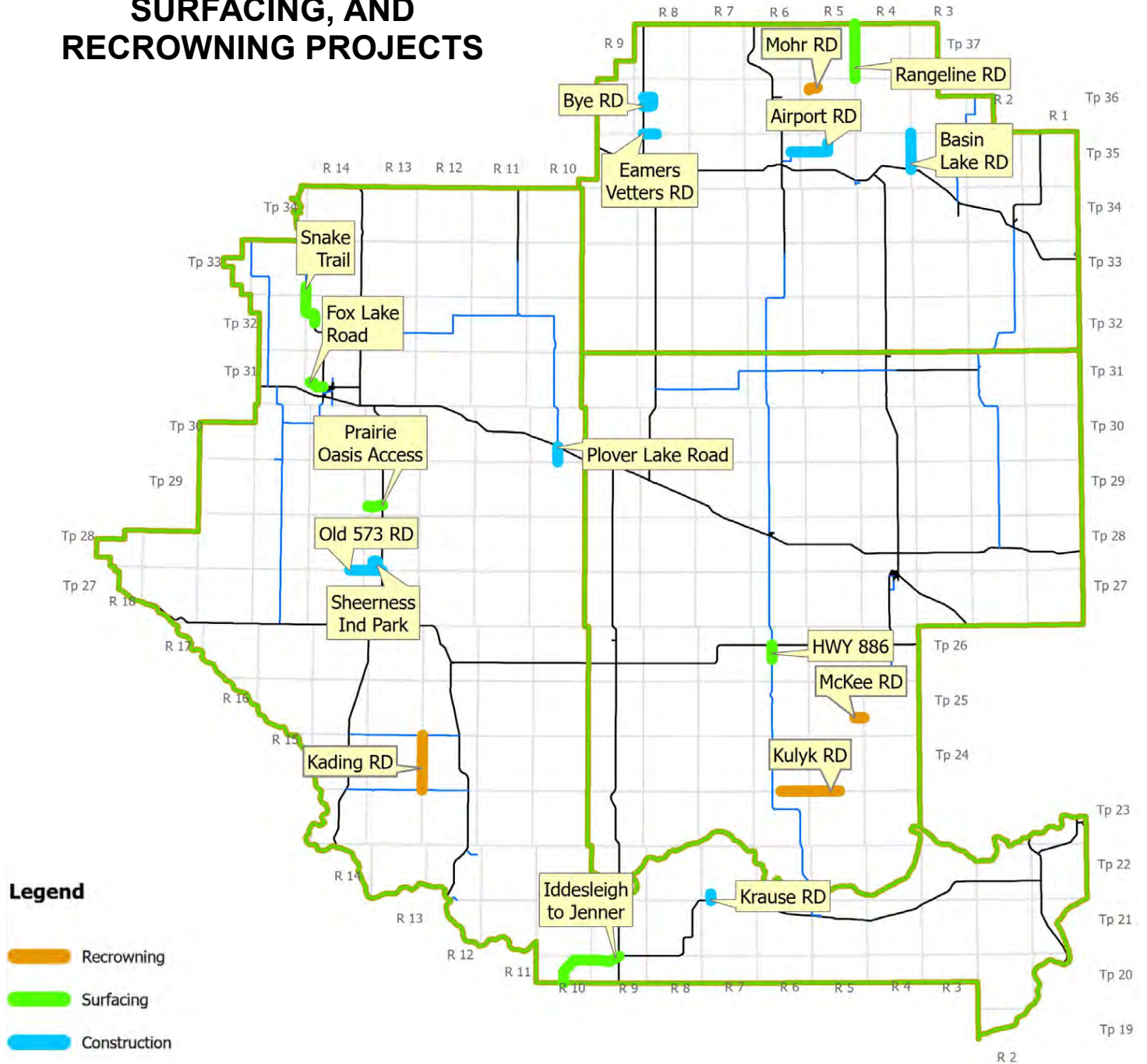
The Facilities team successfully delivered an ambitious project list in 2024. Work focused on preventative maintenance and a number of partnership projects in the region. Renovations in the Oyen District Office and a new water facility in Scotfield were completed. The facilities team continued their work managing the dam safety program for Special Areas owned dams, including the development of a 10 year budget and work plan.

Water/Waste Water

Seven certified operators on staff supported safe delivery of water / wastewater services. The new water plant in Scotfield was constructed and was operational. Treatment system improvements resulted in noticeable differences in water quality in many areas.

2025 ROAD PROGRAM

2025 ROAD CONSTRUCTION, SURFACING, AND RECROWNING PROJECTS



2025 SURFACING

- Fox Lake Road (GBC/DSC) - 3.2 km
- Hwy 886 (GBC/DSC) - 3.2 km
- Iddesleigh to Jenner Road (GBC/DSC) - 12.8 km
- Snake Trail (GBC/DSC) - 6.8 km
- Prairie Oasis Park Access Road (GBC/DSC) - 4.0 km

2025 CONSTRUCTION

26 kms of construction including:

- Old Hwy 573 (Twp 28-0)
- Local Roads: Consort Airport Road, Basin Lake Road, Bye Road, Eamers / Vettors Road, and Plover Lake Road
- Completion of Sheerness Industrial Park & Reservoir projects

2025 RECROWNING

Approximately 30 kms of recrowning work is planned.

Road recrowning restores a road to the previously built design standard (crown/width) at a much lower cost than full road construction.

The Rangeline Road project includes recrowning with milled in MG30 to help stabilize the road structure.

2025 MUNICIPAL ELECTION

The Special Areas Board will be holding a municipal election on Monday, October 20, 2025.

General municipal elections are held every four years in accordance with the *Local Authorities Election Act*. In the Special Areas, thirteen Advisory Councillors are elected (or acclaimed if there is only one nominee in a subdivision) to a four-year term. This group is referred to as the Special Areas Advisory Council.

To learn more about the 2025 municipal election, including candidate information and resources, go to <https://specialareas.ab.ca/elections/>

What is the role of the Advisory Council?

The role of the Advisory Council is to advise the Special Areas Board and the Minister of Municipal Affairs on matters impacting the Special Areas.

The Advisory Council meets quarterly throughout the Special Areas to provide advice to the Board on:

- Ratepayer and resident concerns
- Emerging and urgent issues
- Annual road program, including road construction and surfacing
- Budgeting and long-term capital planning
- Strategic priorities and overall programming direction
- Regional initiatives and partnerships
- Economic development and other community building initiatives
- Work with other (external) Boards and Committees

Advisory Councillors are provided remuneration and allowance as a part of their role as an elected official.

Current remuneration rates are set at \$169 / day (for up to eight hours) and \$257 / day (for over eight hours) in addition to mileage and other miscellaneous expenses.

Advisory Councillors are provided with a tablet or laptop and an allowance of \$150 / month for internet service, along with any required training.

Advisory Councillors are encouraged to attend the Rural Municipalities of Alberta (RMA) spring and fall conferences in Edmonton, along with other relevant conferences as they relate to their work on external Boards and Committees.

What is the role of the Special Areas Board?

The Special Areas Board is responsible for providing oversight and strategic direction for the Special Areas, including the provision of municipal services and management of public lands.

Three members from Advisory Council are appointed to the Board, with one representative for each Special Area (Special Area No. 2, 3, & 4). Board members are appointed for two, two-year terms.

The Board meets twice a month throughout the Special Areas region.

