



SPRING UPDATE FROM STARLAND COUNTY

THE COUNTY'S RESPONSE TO THE COVID-19 PANDEMIC:

With the growing concerns in regards to Covid-19, on March 16th, 2020 Starland County closed the Administration and Public Works facilities to public access in an effort to protect our residents and staff. Since that date we have worked hard to stay on top of the on-going developments connected with the pandemic and adjust our procedures accordingly. We implemented processes and protocols from our Business Continuity Plan to address and maintain all our essential services, such as water, sewer, fire, cemetery and snowplowing. Many staff were directed to work from home to minimize the number of workers in the office as well as to maintain social distancing.

We thank all our residents for their understanding and patience through this difficult time. We are conducting business as usual for the most part, although our facilities are still closed to the public. If you need to contact us please call 403-772-3793 or email info@starlandcounty.com with any questions or concerns.

We realize that everyone has been extremely affected by this pandemic. Basically, the whole world has been "shut down" and this has caused immense devastation and uncertainty for the future. Not only for the health and economy of our communities, but for our province, our nation and for the world. So many businesses are not able to sustain this downturn in the economy; hundreds of thousands are without work; and the stress of all this uncertainty is taking its toll on people as well.

Here in Starland County, we were already experiencing the downturn of the oil and gas industry. In the last two years we have written off nearly \$7.5 million of bad debt (uncollected taxes) and we are projecting another \$4 million in 2020. With nearly one-third of our total annual revenues being uncollected and written off as bad debt for these years, this has caused us to deplete our reserves to cover for this loss.

With the given situation now and the economic crisis before us, we have totally revamped our 2020 budget, recognizing that realistically there may be even more oil and gas companies in distress and there will be even more taxes uncollected. This together with the 35% reduction in assessment that the province placed on the shallow gas



assessments, decreased our total assessment for the County back to a similar amount as in 2007, negating thirteen years of progress. Oil and gas make up for approximately 80% of our total taxes levied and we are projecting that 32% will not be collected this year which is about one-third of our total revenues. We hope our estimation is high, but we will have no certainty until the end of the year. With our reserves depleted, we had no choice but to tremendously cut expenditures.

2020 REVISED BUDGET:

In our revamped 2020 Budget we determined that we needed to cut approximately \$4 million of expenditures. This was realized by the following methods:

- There are no new capital expenditures in 2020. That being said, our new office/shop building is still in progress, but this expense is totally covered by MSI Capital Grant funding from the past several years and insurance proceeds received for the Administration building;
- We put our Road Construction Program and Bridge Replacement Programs on hold for this year; however, this was not an easy decision, as our regular seasonal crew were not re-hired in lieu of this;
- We reduced our gravel program for 2020 substantially and all hauling will be done by internal forces, which also displaced our contracted gravel haulers, some of whom have been hauling for the County for decades;
- We have several positions vacant that will not be filled in the interim and co-workers will be required to fill in and complete these job tasks as well. With six positions vacant, this will be quite an onus to the other workers, however, they have agreed to take on this extra work in the interim. Later next year three will be returning from maternity leave and that will alleviate some of the extra burden. In addition, we have restricted the overall seasonal hires for this year with only nine seasonal hires, where we generally have approximately thirty-four;
- There will not be a dust control program;
- No Summer Fun Program;

- Training, seminars and conferences are cancelled or postponed; and
- With the reductions in staffing, use of construction equipment, etc. savings will be recognized in reduced wages, government benefit payments, fuel, repairs, etc.

With these reduced expenditures in place, Council was able to hold the line in terms of a municipal tax increase. We eliminated the non-collection allowance rate from last year and incorporated it into the municipal rate, keeping the overall tax rate the same. However, although the province announced they will not be increasing their education requisition in light of the Covid-19 Pandemic, the overall amount they requisitioned from us is 5.43% higher than last year. That together with the reduction in total assessment of 10.9% will mean an increase for school taxes of approximately 6% and resulting in an overall increase on your tax bill of approximately 2%.

PLANS GOING FORWARD:

Council and Staff worked hard to reduce our budget to this extreme, striving to keep services at a reasonable level together with cutting expenses to a minimum. We have prioritized our summer work activities and all departments will be working together to achieve the goals set forth. We still have a full utilities staff, however, our Ag Services and Recreation crews are minimal, so their programs will also need to be adjusted. Programs such as tree planting and mulching are suspended for this year; and mowing will not be able to be done as often in the recreation areas and hamlets, however, we have prioritized the maintenance of our cemeteries to ensure they are well maintained. Our scheduled road and bridge construction program have also been suspended for this year, but we are hoping that things will turn around so that we can continue with our programming in future years. Our campgrounds were closed due to the Covid-19 restrictions and we are now in the process of reopening them. McLaren Dam reopened June 12th and Michichi Dam and Starland Recreation Area hopefully will be reopened around June 19th. As for Tolman Bridge Campground, although the County had expressed an interest in maintaining this campsite, the province has announced they will be continuing the operation of this site with opening scheduled for June 29th.

CLOSING COMMENTS:

Council has been actively engaged in many meetings and discussions with the provincial government, regarding all the downloading that is being put on the shoulders of the municipalities including: no recourse for uncollected oil and gas taxes; a substantially reduced assessment base for shallow gas infrastructure; new policing costs for small municipalities; requisitions based on an assessment base which includes assessment for bankrupt or abandoned oil and gas companies;

reductions in grants; etc. These are all heavy burdens to bear and are certainly straining the resources of the County.

We previously scheduled a Ratepayer Meeting for April 2020, however, it had to be cancelled due to the Covid-19 Pandemic shut down. This update is intended to relay to our ratepayers and residents the situation we, as a County, are faced with and help them to understand our reasonings for the major changes you will see this year.

All this being said, we are in the midst of a million-dollar rainfall in our area which brings hope for the agricultural industry. Natural gas prices are increasing ever so slightly, rather than decreasing as they have for the past few years. We have a few hopeful prospects for new renewable energy developments within the County; and most of all we have a very knowledgeable, hard-working, resilient community within Starland County who have shown time and time again their eagerness and dedication to work together for the betterment of their communities. Which all in all brings hope and desire to continue moving forward and to regain our losses with diversification, advancement and progression.

If you have any questions or concerns, please feel free to contact your local Councillor or contact our Administration Office at 403-772-3793 or email info@starlandcounty.com. A list of the Starland County Councillors is listed below:

Division 1 (Delia area):

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Division 2 (Munson, Michichi, Verdant Valley areas):

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