



DLA Piper (Canada) LLP
Suite 2700, Stantec Tower
10220 - 103rd Ave NW
Edmonton AB T5J 0K4
www.dlapiper.com

Donald J. Wilson, Q.C.
donald.wilson@dlapiper.com
T +1 780.429.6817
F +1 780.702.4366

July 20, 2021

FILE NUMBER: 103091-00016

DELIVERED BY EMAIL

High Clouds Incorporated
3438-78 Avenue
Edmonton, AB T6B 2X9

Attention: Deborah M. Howes

Dear Arbitrator Howes:

Re: ICF Arbitration: Town of Mayerthorpe and Lac Ste. Anne County

Further to the above-noted matter, please find enclosed a copy of the Statement of Issues of Lac Ste. Anne County.

We appreciate your attention to this matter.

Regards,

DLA Piper (Canada) LLP

Per:

A handwritten signature in black ink, appearing to read 'D. Wilson'.

Donald J. Wilson, Q.C.

- c: Janet Hutchison - Hutchison Law
- c: Cory Dawson - McCuaig Desrochers LLP

An Arbitration Pursuant to the *Municipal Government Act, RSA 2000, c M-26*

BETWEEN:

LAC STE. ANNE COUNTY

(the “**County**”)

- and -

THE TOWN OF MAYERTHORPE

(the “**Town**”)

STATEMENT OF ISSUES OF LAC STE. ANNE COUNTY

The Parties

1. The contact details for the County’s solicitors are:

DLA Piper (Canada) LLP
2700 Stantec Tower, 10220 - 103rd Ave NW
Edmonton, AB T5J 0K4
Attention: Donald J. Wilson, Q.C.
Email: donald.wilson@dlapiper.com
Telephone: 780-429-6817

2. The contact details for the Town’s solicitors are:

Hutchison Law
#190 Broadway Business Square
130 Broadway Boulevard
Sherwood Park, Alberta T8H 2A3
Email: jhutchison@jlhlaw.ca
Telephone: 780-417-7871

3. The County is a municipality incorporated pursuant to the laws of Alberta.
4. The Town is a municipality incorporated pursuant to the laws of Alberta.

5. The Town is located within the municipal boundaries of the County.
6. Division 1, Section 708.28 (1) of the *Municipal Government Act* as of January 1, 2020 RSA 2000 C. M-26 (the “**MGA**”) including *Bill 25: Red Tape Reduction Implementation Act* requires municipalities that have common boundaries to create an Intermunicipal Collaboration Framework (“**ICF**”) where it is agreed efficiencies will mutually benefit more than one municipality.
7. The County and the Town have been unable to reach a resolution with respect to all of the terms of an ICF and as a result, an Arbitrator has been appointed to resolve all outstanding issues between the Parties.
8. A variety of agreements are currently in place between the County and the Town that set out the terms upon which a variety of intermunicipal services are delivered and funded (the “**Existing Service Agreements**”).
9. The Existing Service Agreements include the following agreements for the provision of shared intermunicipal services:
 - a) West End Bus Memorandum of Agreement, dated December 23, 2020;
 - b) Road Crossing Agreement Well 8, dated January 22, 2021;
 - c) Road Crossing Agreement Well 13, dated January 22, 2021;
 - d) Road Crossing Agreement Well 16, dated January 22, 2021;
 - e) Road Agreement - Township Road 574A (Road Plan 1525322), dated September 8, 2015;
 - f) Road Agreement - 42nd Ave;
 - g) Driveway Snow Removal Indemnity Agreement (57315 Highway 22), dated November 17, 2020;
 - h) Memorandum of Understanding Temporary Cover-Off Water/Wastewater Treatment Plants, dated June 2009, as amended;
 - i) Joint Operational & Cost Sharing Agreement for Fire Services, dated July 19, 2016;
 - j) Ste. Anne. Emergency Response Centre Building & Land Agreement, June 12, 2013;

- k) Ste. Anne Emergency Response Centre Building Lease Agreement with Associated Ambulance and Services (Whitecourt) Ltd., dated March 31, 2021;
 - l) Ste. Anne Emergency Response Centre Summer Mowing Maintenance Agreement, dated March 8, 2019;
 - m) Emergency Management Mutual Aid Assistance Agreement, dated January 22, 2018.
10. In order to finalize the terms of an ICF between the Town and the County, the terms of an intermunicipal services agreement for recreation services ("**Recreation Agreement**") must be implemented.
11. The subject matter of the Recreation Agreement will be primarily with respect to operation and cost-sharing of the following non-exhaustive list of facilities:
- a) Mayerthorpe Exhibition Centre;
 - b) Mayerthorpe Aquatic Centre;
 - c) Mayerthorpe Curling Rink;
 - d) Mayerthorpe Diamond Centre;
 - e) Sangudo Arena;
 - f) Paddle River Dam Campground; and
 - g) Such other recreation and cultural facilities that are regularly utilized by the Town's and the County's residents;
- (collectively, the "**Recreation Facilities**").
12. The County's experience with the Town has led to the County having legitimate concerns that the operation of facilities that are owned or operated by the Town will not be conducted in the ordinary course of business, which could lead to future disputes.
13. The County's concerns include, but are not limited to:
- a) Excess salary being paid to a variety of staff for the work being performed;
 - b) Inflated expenses being allocated to the operation of the Recreation Facilities;

- c) Improper expenses being allocated to facilities;
 - d) Improper accounting by the Town; and
 - e) Purchases of inventory being allocated to the Recreation Facilities but not consumed by the Recreational Facilities.
14. Having regard to the County's concerns, as set out in paragraph 13 above, the County's position is that the Recreation Agreement provided for in the Arbitrator's award should provide for the County contributing a fixed amount of operational funding with respect to each of the Recreation Facilities.
15. The ICF must set out a mechanism that provides for clear and transparent accounting of costs, expenses and labour that is set out in records made available to the Parties in the ordinary course.
16. It is the County's position that before an ICF with fair and equitable terms can be awarded, the Arbitrator must consider and modify, as necessary, the terms of each of the Existing Intermunicipal Agreements, having regard to the respective benefits received by the Town and the County pursuant to each of those agreements.
17. In addition, the County respectfully requests that the Arbitrator consider the following information and facts:
- (a) The collective and net benefits the County and the Town each derive from the Existing Service Agreements;
 - (b) The considerable capital investments and costs borne entirely by the County for the transportation infrastructure that is necessary for the County's residents to access intermunicipal services delivered by the Town; and
 - (c) Such other information, facts and other matters relevant and material to the ICF that arise out of the production of documents and questioning in the arbitration.

Request for Relief:

18. As a result of the foregoing, the County requests an order from the Arbitrator that:
- (a) directs the County and the Town to enter into an ICF that:
 - (i) identifies services being shared on an intermunicipal basis;

- (ii) identifies whether the County or the Town will be responsible for the delivery of each service that is shared on an intermunicipal basis;
 - (iii) sets out how each service that is shared on an intermunicipal basis is to be funded as outlined in specific Intermunicipal Service Agreements;
 - (iv) establishes a process for resolving disputes that occur while the ICF is in effect with respect to the interpretation, implementation or application of the ICF;
 - (v) establishes a process for resolving disputes with respect to the application of the ICF to new services that will be shared on an intermunicipal basis; and
 - (vi) establishes a process for resolving disputes with respect to any contravention or alleged contravention of the ICF.
- (b) in the alternative, directs the County and the Town to enter into an ICF that provides for an alternate funding and operational model with respect to the operation and funding of the Recreational Facilities.
 - (c) awards costs of this Arbitration to the County; and
 - (d) provides such further and other relief as may be requested and deemed fair and just.