

MUNICIPALITY OF JASPER
PUBLIC HEARING AGENDA
September 3, 2024 | 1:30 pm
[Municipality of Jasper Strategic Priorities 2022-2026](#)



Notice: Due to the ongoing wildfire recovery, this meeting will be conducted electronically. Members of the public can view meetings through the Zoom livestream; or view archived Council meetings on YouTube at any time. **To live-stream this meeting starting at 1:30pm, use this Zoom link:** <https://us02web.zoom.us/j/87657457538>

1 CALL TO ORDER

2 APPROVAL OF AGENDA

2.1 Public Hearing Agenda, September 3, 2024 attachment

Recommendation: That Council approve the agenda for the Public Hearing of September 3, 2024 as presented.

3 NEW BUSINESS

3.1 Public Hearing – Clean Energy Improvement Program Tax Bylaw attachment

- 3.1.1 Presentation by Administration
- 3.1.2 Public Presentations
- 3.1.3 Close the Public Hearing
- 3.1.4 Motions arising

Recommendations:

- 1. *That Council give second reading to the Clean Energy Program Tax Bylaw. OR*
- 2. *That Council give second reading to the Clean Energy Program Tax Bylaw as amended:*

4 ADJOURNMENT

Recommendation: That, there being no further business, the Public Hearing of September 3, 2024 be adjourned at _____.

Please note: All regular and committee meetings of Council are video recorded and archived on YouTube.

REQUEST FOR DECISION

Subject: Clean Energy Improvement Program Tax Bylaw
From: Bill Given, Chief Administrative Officer
Prepared by: Mona El Dabee, Energy & Environment Manager Natasha
Reviewed by: Malenchak, Director of Finance & Administration
Date: September 3, 2024



Recommendation:

- That Council give second reading to the Clean Energy Program Tax Bylaw.

Alternatives:

- That Council direct Administration to discontinue work on the CEIP program and Tax Bylaw.

Background:

On December 13, 2022 Committee directed Administration to to work with Alberta Municipalities and develop the following and present them at a future committee of the whole meeting:

- A Clean Energy Improvement Program business case for Jasper
- Draft Clean Energy Improvement Program Tax bylaw

On May 14, 2024 the CEIP business case for Jasper was presented at the Committee of the Whole meeting, during which Committee received the Clean Energy Improvement Program (CEIP) business case for information; and directed Administration draft a CEIP bylaw to support a residential program. The draft bylaw attached was presented at the July 9, 2024 Committee of the Whole meeting. The following motion was passed that day:

#320/24 - That Committee recommend Council give first reading to the Clean Energy Program Tax Bylaw; and

That Council, establish 1:30pm, September 3, 2024 at Council Chambers as the date time and location for a public hearing on the proposed Clean Energy Improvement Program Tax Bylaw.

Discussion:

The attached CEIP Tax Bylaw presents a bylaw for the municipality to authorize and establish the Clean Energy Improvement Program for eligible residential properties.

The CEIP is an innovative financing mechanism allowing property owners of residential or commercial buildings to undertake energy efficiency and renewable energy upgrades. This program supports repayment through property taxes, passing on the loan to new owners upon property sale, which ensures continuity and reduces financial risks.

To date 27 Alberta municipalities have passed clean energy improvement tax bylaws, of which 17 have active CEIPs in place. These bylaws are available to the public and the Program Administrator can support municipalities in drafting their bylaw. Once a municipality establishes a CEIP program, individual property owner participation is entirely voluntary.

Jasper's participation involves initial costs, including a \$14,762 onboarding fee and administrative expenses integrated within existing municipal operations. The program is made possible by the Government of Alberta, and Alberta Municipalities is the central Program Administrator which takes on many significant responsibilities. Jasper will be responsible for some of the program's administration, such as, securing capital for the program.

The benefits, of the program extend to economic opportunities for local contractors, increased property values, reduced greenhouse emissions, and enhanced community resilience. This discussion supports the need for a tailored CEIP bylaw to govern and operationalize the program effectively within Jasper.

Based on estimated from ABMunis the typical residential project is likely to have a cost of \$30,000 and the total cost of financing over a 25-year period would be \$45,550. On such a project assuming an equal split of the 5% administrative fee the municipality would collect approximately \$750 as well as recouping its full upfront capital expense and the associated interest.

In summary, the Bylaw authorizes a municipality to make a borrowing for the purpose of financing Clean Energy Improvements to Eligible Properties and authorizes Council to impose a Clean Energy Improvement Tax to raise revenue to pay the amount required to recover the costs of that Clean Energy Improvement. Additionally, the Bylaw highlights that the Minister of Environment and Parks has designated Alberta Municipal Services Corporation ("AMSC") as the Program Administrator for the Clean Energy Improvement Program.

Some of the key components covered in the Bylaw are:

- definitions;
- program administration;
- limitations of the Bylaw;
- CEIP application by the owner(s) of a property to finance an Eligible Clean Energy Improvement; and
- Agreement between the Municipality and eligible CEIP applicants.

Strategic Relevance:

- Take proactive steps to reduce the risk of people becoming vulnerable and respond when they are vulnerable.
- Collaborate with other municipalities, orders of government, indigenous partners and advocacy associations.
- Include an environmental lens into our decision making and operational plans.
- Ensure residents receive quality service that provides strong value for dollar.
- Pursue alternative revenue sources and equitable distribution of costs.

Inclusion Considerations:

Adopting the CEIP bylaw would contribute positively to equity, diversity, and inclusion by making energy improvements more accessible to a broader range of property owners, thereby distributing the financial and environmental benefits more widely across the community.

Relevant Legislation:

- Section 390 of the Municipal Government Act (Alberta)

Financial:

The program requires an initial investment of \$14,762 for the onboarding package, plus administrative costs which could be supported within existing resources. Revenue generated from administrative fees on financed projects could offset these costs.

ABMunis suggests that supporting a residential program would require an approximate annual borrowing amount of \$200,000 per year.

There are a number of methods available to provide the funding required to capitalize the program, these including borrowing or using municipal reserves neither of which would impact Jasper's debt limits.

Attachments:

- Clean Energy Improvement Program Tax Bylaw Document

**MUNICIPALITY OF JASPER
BYLAW #263**

BEING A BYLAW OF THE MUNICIPALITY OF JASPER IN THE PROVINCE OF ALBERTA, TO AUTHORIZE THE CLEAN ENERGY IMPROVEMENT PROGRAM.

WHEREAS: a Clean Energy Improvement Program is a financing program that facilitates the construction and installation of Eligible Clean Energy Improvements to Eligible Properties;

AND WHEREAS: pursuant to section 390.3 of the Act, Council wishes to pass a Clean Energy Improvement Tax Bylaw to establish a Clean Energy Improvement Program;

AND WHEREAS: a Clean Energy Improvement Program Tax Bylaw authorizes a municipality to make a borrowing for the purpose of financing Clean Energy Improvements to Eligible Properties and authorizes Council to impose a Clean Energy Improvement Tax to raise revenue to pay the amount required to recover the costs of that Clean Energy Improvement;

AND WHEREAS: the Minister of Environment and Parks has designated Alberta Municipal Services Corporation ("AMSC") as the Program Administrator for the Clean Energy Improvement Program;

AND WHEREAS: the Program Administrator has developed a property assessed clean energy style program to support municipalities' efforts to establish Clean Energy Improvement Programs;

NOW THEREFORE, the Council of the Municipality of Jasper in the Province of Alberta, duly assembled, hereby enacts as follows:

1. CITATION

- 1.1 This Bylaw shall be known as the "Clean Energy Improvement Program Tax Bylaw".

2. DEFINITIONS

- 2.1 In this Bylaw:
 - 2.1.1 "**Act**" means the *Municipal Government Act*, R.S.A. 2000, Chapter M26, as amended.
 - 2.1.2 "**Administration Fee**" means an administration fee as defined in section 1(a) of the Regulation.

- 2.1.3 **"Agreement"** or **"Clean Energy Improvement Agreement"** means in accordance with section 390.4 of the Act, a Clean Energy Improvement agreement executed between the Municipality and the Owner of an Eligible Property whereby the Owner agrees to pay an amount required to cover the costs of financing each Eligible Clean Energy Improvement approved by the Program Administrator.
- 2.1.4 **"Bylaw"** means this Clean Energy Improvement Program Tax Bylaw.
- 2.1.5 **"Chief Administrative Officer"** or **"CAO"** means the Chief Administrative Officer of the Municipality, as appointed by Council and pursuant to the Act, including the CAO's designate.
- 2.1.6 **"Clean Energy Improvement"** or **"Improvement"** means a clean energy improvement as defined in Section 390.1 of the Act.
- 2.1.7 **"Clean Energy Improvement Program"** or **"CEIP"** or **"Program"** means a Clean Energy Improvement Program as described in Part 10, Division 6.1 of the Act and in the Regulation.
- 2.1.8 **"Clean Energy Improvement Tax"** means a tax levied against an Eligible Property pursuant to an Agreement in accordance with Part 10, Division 6.1 of the Act.
- 2.1.9 **"Council"** means the Municipality's duly elected municipal Council.
- 2.1.10 **"Eligible Clean Energy Improvement"** means an improvement that the Program Administrator qualifies as such, in accordance with section 3(1) of the Regulation.
- 2.1.11 **"Eligible Property"** means a residential property, situated within the Municipality, that qualifies as eligible under section 390.2 of the Act, on which an Owner is applying to affix a Clean Energy Improvement.
- 2.1.12 **"Municipality"** and **"Municipality of Jasper"** shall mean the Municipality of Jasper located in Jasper National Park in the Province of Alberta.
- 2.1.13 **"Owner"** means, collectively, the registered owners of an Eligible Property.
- 2.1.14 **"Program Administrator"** means the Alberta Municipal Services Corporation ("AMSC"), operating as Alberta Municipalities, or the provincially designated Program Administrator as defined in the Regulation.
- 2.1.15 **"Regulation"** means the *Clean Energy Improvements Regulation A.R. 212/2018* and amendments thereto.

3. PROGRAM ADMINISTRATION

- 3.1 The Municipality shall enter into an agreement, pursuant to section 6 of the Regulation, to have the Program Administrator act as the program administrator of the Program for the Municipality.
- 3.2 The CAO shall have the authority to approve and enter into the agreement with the Program Administrator on behalf of the Municipality.
- 3.3 When exercising duties under the Program, the Program Administrator shall not act as an agent of the Municipality.

4. LIMITATIONS

- 4.1 The Municipality shall not enter into a Clean Energy Improvement Agreement when:
 - 4.1.1 Tax arrears have been owing on the property;
 - 4.1.2 the Owner is in bankruptcy or in receivership;
 - 4.1.3 the property is going through foreclosure;
 - 4.1.4 it is prohibited from doing so pursuant to sections 10(1)(c) and 10(2) of the Regulation;
 - 4.1.5 there appears to be limited equity in the Property;
 - 4.1.6 the property has unresolved development compliance or safety code issues;
 - 4.1.7 the costs under proposed Clean Energy Improvement Agreement shall cause the Municipality to exceed the amount of borrowing authorized under this Bylaw;
 - 4.1.8 the Owner does not intend to permanently affix the Clean Energy Improvement to the Property;
 - 4.1.9 the Program Administrator has not approved the Owner's application for a Clean Energy Improvement; or
 - 4.1.10 the Owner, or the property, does not otherwise meet the eligibility requirements of the Act, the Regulation or this Bylaw.

5. APPLICATION

- 5.1 Pursuant to the Program, an Owner of an Eligible Property may apply to the Program Administrator to finance an Eligible Clean Energy Improvement. The Program Administrator may charge an Administration Fee in relation to any such application, pursuant to Section 8 of the Regulation.
- 5.2 An Owner may submit one (1) Program application per year, per Eligible Property.
- 5.3 A Property's tax-exempt status shall have no effect on eligibility to participate in the Program, or on the Owner's liability to pay the Clean Energy Improvement Tax pursuant to an Agreement.
- 5.4 The Municipality may enter into an Agreement with an Owner on a discretionary basis but subject at all times to the requirements, conditions and limitations set out in sections 10(1) of the Regulation including, but not limited to, the Program Administrator's approval of the application referenced in Section 3.
- 5.5 Pursuant to section 10(1)(b) of the Regulation, the Municipality shall not enter into a Clean Energy Improvement Agreement when the value of the capital costs of undertaking all Eligible Clean Energy Improvements to the Property are:
 - 5.5.1 less than \$3000; or
 - 5.5.2 greater than \$50,000 for properties classified as residential.
- 5.6 Pursuant to section 390.4 of the Act and sections 10(4), (5), (6) and (7) of the Regulation, a Clean Energy Improvement Agreement shall be signed by all Eligible Property Owners.
- 5.7 Where the Municipality has entered into an Agreement with an Owner, and at any time following the signing of that Agreement, but in no case later than the next annual tax notice following payment being authorized by the Municipality to a Contractor for the Improvement, a Clean Energy Improvement Tax will be imposed in respect of an Eligible Clean Energy Improvement made to an Eligible Property, in order to raise revenue to pay the amount required to recover the cost of the Eligible Clean Energy Improvement, pursuant to that Agreement.
- 5.8 A Clean Energy Improvement Tax shall be paid in accordance with the Clean Energy Improvement Agreement and be inclusive of:
 - 5.8.1 the capital cost of undertaking the Clean Energy Improvement;
 - 5.8.2 the Administration Fee;
 - 5.8.3 the cost of financing the Clean Energy Improvement; and
 - 5.8.4 any other expenses incidental to the undertaking of the Clean Energy Improvement and the raising of revenue to pay for it.

- 5.9 For the purposes of imposing a Clean Energy Improvement Tax, the period over which the cost of each Eligible Clean Energy Improvement will be spread may vary, but in no case will such period exceed the probable lifetime of the applicable Improvement as determined by the Program Administrator, to a maximum of 25 years. In the case of multiple upgrades to a single Eligible Property, financing terms will be calculated for each upgrade separately and will be added to the property tax bill as a single line item.
- 5.10 The Clean Energy Improvement Tax shall be shown as a separate line item on the Eligible Property's tax roll and on any tax notices.
- 5.11 Over the course of the Program, and in the form of a line of credit or other loan instrument, the Municipality may borrow funds totalling up to an annual amount of \$200,000 from a financial institution in order to finance Eligible Clean Energy Improvements meeting the eligibility requirements of the Act, Regulation and this Bylaw.
- 5.12 The annual borrowed amount will have a maximum rate of interest of ten percent (10%), a maximum term of twenty-five (25) years, and repayment terms including principal and interest, plus other fees or charges applicable to the borrowing.
- 5.13 The principal and interest owing under the borrowing will be paid using the proceeds from the Clean Energy Improvement Taxes and other payments that may be made by the Owners with respect to the terms of their individual Agreements.
- 5.14 The funds borrowed under this Bylaw shall be applied only for the purposes specific in this Bylaw and for no other purpose.
- 5.15 If an Owner wishes to make early, full repayment of an amount financed by a Clean Energy Improvement Tax, the amount owing will be calculated at the time of the request, based on the principal and interest remaining and the terms of the Clean Energy Improvement Agreement.
- 5.16 Any Eligible Clean Energy Improvement that has been approved under the Program must be completed within the time limit as set out under the Agreement.

6. SEVERANCE

- 6.1 If any clause in this Bylaw is found to be invalid, it shall be severed from the remainder of the Bylaw and shall not invalidate the remainder.

7. COMING INTO EFFECT

- 7.1 Pursuant to section 390.3 of the Act, Council must, before giving second reading to a proposed Clean Energy Improvement Tax Bylaw, hold a public hearing with respect to the proposed Bylaw in accordance with section 230 after giving notice of it in accordance with section 606.
- 7.2 This Bylaw shall come into force and effect on the final day of passing thereof.
- 7.3 If any provision herein is adjudged to be repugnant to any federal regulation or legislation, this Bylaw shall continue in full force and effect but any such repugnant provision shall be of no force or effect until such time as the repugnancy is removed by repeal or amendment of the federal legislation or regulation.

READ a first time this 16th day of July, 2024

READ a second time this XX day of XXXX, 2024

READ a third time and finally passed this XX day of XXXX, 2024

Mayor

Chief Administrative Officer