

**MACKENZIE COUNTY  
SPECIAL COUNCIL (BUDGET) MEETING**

**Thursday, December 18, 2014  
10:00 a.m.**

**Fort Vermilion Council Chambers  
Fort Vermilion, Alberta**

**AGENDA**

- |  |    |    |   |
|--|----|----|---|
| <b>CALL TO ORDER:</b>                    | 1. | a) | Call to Order   |
| <b>AGENDA:</b>                           | 2. | a) | Adoption of Agenda  |
| <b>ADOPTION OF<br/>PREVIOUS MINUTES:</b> | 3. | a) | None  |
| <b>DELEGATIONS:</b>                      | 4. | a) | None  |
| <b>BUSINESS:</b>                         | 5. | a) | Farmland Tax  |
|  |    | b) | Water Rates   |
|  |    | c) | 2015 Budget   |
|  |    | d) | Mackenzie Veterinary Services<br>(correspondence attached)  |
|  |    | e) | January 28, 2015 Council Meeting Date   |
|  |    | f) |   |
|  |    | g) |   |
| <b>IN CAMERA<br/>SESSION:</b>            | 6. | a) | None  |
| <b>NEXT MEETING<br/>DATE:</b>            | 7. | a) | Regular Council Meeting<br>Tuesday, January 13, 2015<br>10:00 a.m.<br>Fort Vermilion Council Chambers |
| <b>ADJOURNMENT:</b>                      | 8. | a) | Adjournment   |

December 8, 2014

Dear Veterinary Advisory Committee,

As always, there are at least 2 sides to every story if not more depending on who is involved.

In response to the High Level Echo's article "Region's Vet Needs Municipal Funding Support" dated November 19, 2014, there are a number of points addressed which the public may not be aware of and to which I'd like to offer an objective view on. I will also review the need for subsidy in private veterinary practice.

It is true that in the past veterinary clinics were established in rural parts of the province to provide veterinary services to the public. These clinics were usually offered to a Veterinarian at a reduced rental rate, if any, thus the practice was subsidized.

A second subsidy is currently offered to encourage the producer to use the veterinary service. The producer pays half of the professional fee for a veterinary service and the Veterinarian charges the balance to the Veterinary Services Inc. (VSI) program. This is no doubt a beneficial program for the producer but it is also a great benefit to the Veterinarian. The price is established based on the provincial Alberta Veterinary Medical Association's fee guide. The fee guide is a suggested set of fees based on the average price of services that all veterinary practices in the province charge. This set of fees is what the ABVMA recommends to be fair for the consumer and the veterinary practice. Keep in mind it is a suggested fee. Most large animal or mixed animal practices in central Alberta charge less than VSI prices due to competition. As well, there is no VSI program in southern Alberta so the Veterinarian goes without this subsidy. In northern Alberta the Veterinarian is compensated well above the norm.

A third subsidy was formed at the start of the BSE crisis of 2006-2007. It is true the big picture for the BSE program was to help the producer deal with unwanted cattle and to measure the prevalence of BSE in the Canadian cattle population. It also helped mixed and large animal veterinary practices by paying a professional fee for the testing as well as travel to the farm. Again, this provided a considerable portion of the practices income during the cattle depression and continues today ... yet another subsidy.

A fourth subsidy is being provided on an annual basis directly to Frontier Veterinary Service. As the article mentioned above states, it is in the hundreds of thousands and since its conception when totaled closer to the million mark or higher. This is money given to a private business in the local municipal district of which no other business, if not veterinary related, has access too. In fact, if you are not a veterinary business adhering to the requirements the MD has put in place then you do not qualify and are denied the subsidy.

I would like to think that this funding would have been provided originally as start up money or to promote veterinary medicine in the past. Like other government funding programs this one should be critically reviewed and determine if the support is genuinely needed or if the time has come to wean dependants off of the program and make them accountable for the success of their own business. For a long time there was only one practice in the region so this concern was not an issue. It also left that practice with a small monopoly so in reality all the work in the region could have been capitalized upon. Again, this practice had the advantage and still does as there isn't any cattle practicing Veterinarian for competition in the market.

Of course there is the option to level the playing field so to speak. Logically, it would seem reasonable to split the funding with all of the veterinary businesses of the municipal district or eliminate it all together. This would eliminate any favoritism viewed by the public. It was told to me once, by a veterinary advisory committee member, that an annual review was being done and he wanted to make sure it wouldn't negatively impact my business / practice. At that time I told him it did. It allowed for the clinic receiving the funding to upgrade medical, diagnostic and surgical equipment or provide for staff wages without using the money earned

by the practice. If the money wasn't used for that then it would go directly towards the practices net income and used personally. I believe the review should consider that if neighboring veterinary practices are able to be sustained on their own without funding, then is it really necessary. The Echo article also stated that one of the major expenses was not one but two mortgages. This is in no doubt a big fixed expense. But isn't it true that all businesses and home owners have to incur this cost. In fact, I doubt the second mortgage, for a high level building, would have been taken on without the money available for the down payment or the belief that the mortgage payments could be met every month. The funding for the High Level service can be looked at as being directly provided for by the municipal district, and is definitely running competition to Mackenzie Veterinary Services thus allowing the subsidy to directly affect them negatively. If this is not true and the grant is not used for the High Level building then it stands that there is sufficient funds present without the grant money. Again, is the funding really required?

As for the cost of damaged or frozen product being shipped this is a nil expense and being a member of the Western Drug Distribution Center this entitles the Practice to return the damaged product at no product or freight cost. This does not warrant subsidy as all Veterinary Practices deal with this issue.

Over the last 8 years we have been serving the region we have not been approached once by the MD and asked how they may offer support to our practice. Other than the one phone conversation I had with a veterinary advisory committee member a few years back I have not voiced my concern for the imbalance pertaining to the veterinary services in the area. Please consider my concern when looking at the renewal of the subsidy. I would also like to attend the next council meeting when this discussion takes place. Please advise me of the date and time.

Sincerely,

James Stickney DVM.  
Mackenzie Veterinary Services Ltd.