

Municipal Government Act Review

What We Heard: A Summary of Consultation Input

Municipal Administrators Session
Held in Calgary on April 10, 2014

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Developed by KPMG for Alberta Municipal Affairs



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Introduction

Purpose

This document provides a summary of what was heard during a consultation session for the *Municipal Government Act* (MGA) review. The summary below includes the comments and opinions of the participants of the Municipal Administrators Session held in Calgary.

These contributions have not been reviewed or edited for accuracy. Comments recorded here reflect the opinions of individuals offered in person and recorded by session facilitators; they do not necessarily represent the opinion of the Government of Alberta.

The input summarized below will be considered by Alberta Municipal Affairs as part of the review of the legislation. Municipal Affairs would like to thank the participants of this session, as well as all Albertans participating in the review of the MGA. Any inquiries related to this summary or to the consultation process should be directed by email to the MGA Review Team at mga.review@gov.ab.ca.

The Municipal Government Act Review

The MGA is designed to help build strong, prosperous and sustainable communities throughout Alberta. Alberta Municipal Affairs is reviewing and refreshing the MGA to address evolving circumstances and priorities in Alberta's many communities, and to ensure the MGA continues to meet its objective. A successful MGA review process will continue to position Alberta as the leading Canadian jurisdiction in terms of municipal legislation, having incorporated sound thinking, input and research into a clear Act that meets the needs of the Province and municipalities. In order to achieve this vision, an inclusive and comprehensive engagement process was developed to ensure stakeholders across the province have opportunities to provide input to the review.

As part of the MGA review, regional consultations were held in eleven locations around the province to give Albertans an opportunity to provide input face-to-face. In each location, different types of sessions were held, including Technical Sessions, a Business and Industry Session, a Municipal Administrators Session, an Elected Officials Session, and a Public Open House.

These engagements were conducted in February 2014 to April 2014 in 11 locations throughout the province. Each location was held over 3 days in the following locations:

- Brooks
- Calgary
- Edmonton
- Edson
- Fort McMurray
- Grande Prairie
- Lethbridge
- Medicine Hat
- Peace River
- Red Deer
- Vermilion

Sessions were promoted via news releases, direct email invitations, social media, and by the Minister of Municipal Affairs at stakeholder conventions. Information on regional session locations, dates and registration were on the MGA Review website.

Input to the MGA Review has also been provided through other channels, including the MGA Review website (mgareview.alberta.ca), the MGA Review Consultation Workbook, and official submissions.

Session Overview

Session	Municipal Administrators Session
Location	Radisson Airport Hotel and Conference Centre, Calgary
Date	April 10, 2014
Number of Participants	25

- This session was open to current municipal staff. Participants were asked to register in advance in order to receive background materials before the session.

Regional Consultation Methodology

How sessions were organized

Regional consultations were structured around one or more of the three themes of the MGA Review:

- Governance and Administration
- Assessment and Taxation
- Planning and Development

Participants were provided with agendas in advance, which identified a list of potential topics for discussion. These topics were taken directly from the MGA Review Consultation Workbook. Several of the topics for discussion appear under more than one of the three themes of the review because they are relevant to more than one theme (e.g. public participation). The agenda is attached as Appendix A.

At this session, participants provided input through facilitated table discussions. The goal of the facilitated conversations was to give the opportunity to all participants to discuss the issues that mattered most to them. Given the large size and scope of the MGA, participants at each table were asked to focus their discussion on those topics that they felt were most important to provide input on, using the list provided in advance. In addition, this session included time for “open discussion” during which participants could provide any additional input that they felt was important to the review. Table facilitators and note takers included staff from Municipal Affairs, KPMG and ADR Education.

Capturing input and reporting

Input from session participants was captured on flipcharts by facilitators during the discussion. It was explained to participants that:

- Comments were being recorded on flipcharts so that they could be captured and considered by Municipal Affairs as part of the review of the MGA.
- Comments would not be attributed to individuals or organizations.
- Other avenues were also available to provide written input to the review.

The summary below documents the input heard from participants and recorded on flipcharts. These comments have been transcribed and organized according to the list of topics for discussion; they have not been screened for accuracy and do not reflect consensus of participants. As a result, comments and opinions listed may be contradictory. Comments that apply to issues outside of the scope of the review (e.g., suggested changes to other legislation) have been removed.

It is important to emphasize that this summary reflects the input heard from participants, and does not necessarily reflect the position of the Government of Alberta.

How the Summary of Responses is Organized

Input from session participants is organized according to the three themes for the review:

- *Governance and Administration*
- *Assessment and Taxation*
- *Planning and Development*

Within these themes, comments are organized according to the applicable topics for discussion, using the list provided to participants in advance. In some sessions, not all themes may have been discussed.

Summary of Input

General Comments about the MGA

The following input was received and documented related to the MGA in general. Comments from participants included that:

- The MGA should begin by setting the philosophy and vision for the future of municipalities in Alberta.

Governance and Administration

The following input was received and documented related to governance and administration.

Municipal Powers, Structures, Annexations and Other Changes

Municipal powers

Comments from participants included that:

- The broad, flexible powers offered to municipalities in the MGA are working well.
- Municipal charters would enable differentiation in Calgary and Edmonton. The issues faced by these two cities are much different than those of most other municipalities in the province.
 - The additional powers that city charters will give to the big municipalities are a concern for some municipalities.
- Natural person powers are working well and should remain in the MGA.
- There needs to be a better definition of natural person powers in the MGA.
 - These powers are undermined by other sections in the MGA. Natural person powers should extend throughout the MGA.

Municipal structures

Comments from participants included that:

- The current municipal structures in the MGA are working well.
- The restrictions on municipalities' ability to incorporate are working well.
- It is not working well that the minimum and maximum numbers to define municipal structures are not enforceable. Currently, if a municipality drops below or above the population threshold, they are not required to change.
- There are inequities between urban and rural municipal structure types, in regards to granting and assessment policies.
- The MGA should include more options for specialized municipalities.
 - Specialized municipalities provide a more efficient bureaucracy, fewer inequalities, and protect sustainability.
 - Disputes between municipalities would be reduced if there were more specialized municipalities.
 - National park resort municipalities have different needs and require a unique, specialized type of municipality.
- Specialized municipalities should not become mandatory, as they wouldn't work for every municipality.

Fundamental changes and municipal restructuring

Comments from participants included that:

- Viability is a huge concern for municipalities. Many other factors in addition to size should be considered in viability studies.

- Dissolutions should remain voluntary.
- More guidance is needed in the MGA to support balanced negotiations between both parties in any kind of municipal restructuring.

Municipal Governance and Administration

Municipal governance

Comments from participants included that:

- There should be minimum education requirements for councillors.
- Councils should each be required to develop a code of conduct.
- More clarity is needed in the MGA on what is and is not appropriate regarding *in camera* council meetings.
 - The MGA needs to encourage transparency and should have enforcement for misuse of *in camera* meetings.

Municipal Finances

Financial administration

Comments from participants included that:

- Municipalities should have the option of adopting a different budgetary year-end than December 31.
- Timing of school requisitions should have more options in how they are paid, such as a monthly option. Currently, the requirements demand large sums from municipalities before their tax revenue comes in.
- More information from the Province is needed about what should be in a budget. This would help small municipalities with limited expertise to prepare adequate budgets.

Regional funding approaches

Comments from participants included that:

- Regional funding agreements shouldn't be limited to municipalities with contiguous borders.
- Regional funding agreements need to remain voluntary. These agreements should be left up to the municipalities, but the Province should set some direction about how they should be structured.

Fees and levies

Comments from participants included that:

- The MGA should allow inter-municipal levies.
- Another mechanism besides the courts should be available to resolve fee and levy disputes.

- Business revitalization zone levies should be based on real property assessment.
- Municipalities should be able to charge franchise fees for telecommunication like they do for utilities. This would have an impact on municipal infrastructure.
- There should be provisions in the MGA for automatic rate increases over time, instead of large one-time rate hikes.

Municipal Accountability, Liability, and Risk Management

Compliance and accountability

Comments from participants included that:

- The MGA should include a clause for dealing with rogue councillors. Currently there is nothing Alberta municipalities can do if faced with this kind of inappropriate councillor behaviour.

Municipal Services and Delivery

Service provisions

Comments from participants included that:

- The Province shouldn't download service responsibilities to municipalities. Roles should be set in the MGA.
 - The Province needs to take responsibility for responsibilities within its scope. The Province should be accountable itself if it wants to hold municipalities accountable.
 - The Province not complying with its role impacts the ability of municipalities to manage their own responsibilities and to follow the MGA.
- The principle in the current MGA that each municipality decides what services to provide is positive. However, in practice, the Province downloads some responsibilities that are a challenge to meet.
- Municipalities have to provide services to out-of-town populations that don't contribute tax dollars. This is a challenge.

Regional Services Commissions

Comments from participants included that:

- Regional services commissions should be mandated. The decision-making process between councils isn't working as-is.

Municipally Controlled Corporations

Comments from participants included that:

- Municipally controlled corporations are currently working well in the MGA.
- Municipally controlled corporations allow municipalities to be creative in how they manage service provision.

- Guidelines for establishing municipally controlled corporations would be helpful to clarify requirements.

Public Participation and Municipal Relations

Municipal relationships and dispute resolution

Comments from participants included that:

- The voluntary aspect of municipal relationships is critical.
 - However, incentives and support for collaboration from the Province help a lot. For example, the MGA should provide support through funding, expertise, tools and processes to ensure cooperation.
 - There are constraints to working regionally in the MGA. The MGA should make it easier for municipalities to work together.

Public participation

Comments from participants included that:

- Requirements for public participation during restructuring are not equal for both participating municipalities, but should be.
- Public hearings as outlined in the MGA are not effective.
- The public hearing requirements are working well as a bare minimum.
 - The MGA should not mandate other requirements for public engagement. The MGA should provide options, but a given option may not be right for a particular community.
- Requirements for public notification need to be broader to allow for what the community has access to.
- The MGA needs to be updated to include social media as a mechanism for public engagement and notification, not just newspapers.

Assessment and Taxation

The following input was received and documented related to assessment and taxation.

Taxation and Municipal Finances

Taxation

Comments from participants included that:

- There are issues with the local improvement tax and appeals related to this tax. Local improvement tax provisions need to be reviewed.
- Fractional ownership creates issues for tax notification.
- Industrial and small business shouldn't be treated the same way for tax purposes.
 - Mill rates need to be split between small businesses and large industrial operations.
 - For example, British Columbia has six or seven taxation classes for business and that is working well.

Municipal revenue sources

Comments from participants included that:

- The MGA should expand the revenue sources available to municipalities.
- Distribution of linear property revenue is not equitable. However, there are other revenue options available that could address this inequity.

Exemptions from Assessment and Taxation

Exemptions and other special tax treatment

Comments from participants included that:

- The term "used in conjunction with" needs to be better narrowed and defined in the MGA to clarify exemption provisions.
- The MGA should clarify how it relates to the *Community Organization Property Tax Exemption Regulation*. Exemptions should be in the main legislation or regulations, not both.
- Those who are exempt should be subject to reapplication for their exemption.
- There should be a mechanism outlined in the MGA to notify municipalities of changed land use for exempt properties. For example, municipalities should be notified when a church is sold and is now a business.

Market Value, Equalized and Supplementary Assessment

Market value assessment and administration

Comments from participants included that:

- Market value assessment should continue to operate as it is in the current MGA.

Equalized assessment

Comments from participants included that:

- The Province should collect provincial taxes, including education property tax.

Progressive and supplementary assessment

Comments from participants included that:

- Supplementary assessment is working well.
- The MGA should make supplementary assessments mandatory.

Industrial and Agricultural Property Assessment

Linear property assessment

Comments from participants included that:

- It works well having the Province assess linear property.

Machinery and equipment property assessment

Comments from participants included that:

- If municipalities can opt out of taxing machinery and equipment properties, they should not be required to go through the assessment process, either.
- Tax and assessment policies should be separate for machinery and equipment.

Transportation properties

Comments from participants included that:

- Airports should continue to be assessed the way they are under the current MGA.

Farm property assessment

Comments from participants included that:

- The MGA needs to include a clear and fair definition of agricultural farmland use. The current definitions in the MGA aren't fair. Some people are benefitting from agricultural tax exemptions that aren't actually farmers.
- Municipalities don't want to see negative implications on actual farmers if taxes increase for some.
- Intensive-use farms should be assessed like a business.
- Intensive-use farms should be assessed at market value, but there is a risk that this change may hurt farmers.

Assessment Administration

Assessment administration

Comments from participants included that:

- The use of the term “necessary” in Section 295 (Duty to provide information) of the MGA needs to be reviewed, as it should not be applied to mean “indispensable.”
- Sections 299 (2)(b) (Access to assessment record) and 291 (2)(c) (Rules for assessing improvements) of the MGA should be deleted.
- The dates of evaluation and physical condition should be the same. These dates should be earlier in the year to provide municipalities with fiscal sustainability.

Public Participation and Assessment Appeals

Assessment complaints and appeals

Comments from participants included that:

- The single-tiered assessment appeal process works very well.
- The MGA should continue to require written decisions for assessment appeals.
- The standards of mass appraisal should be stipulated at the complaint and evaluation stages of assessment appeals.
- The cap on appeal fees isn’t working and should be removed.
 - There are an increasing number of appeals filed just because it’s cheap and easy to do so.
 - Appeals require a lot of municipal resources. Municipalities need to be able to use the fees to cover their costs.
 - If fees were higher, municipalities could afford to defend themselves in appeals.
- Municipalities need assistance from the Province to defend assessments in appeals made by big companies.
 - Municipalities also need provincial expertise for complex, specialized assessments.
- Currently, the composite assessment review board and local assessment review boards are too complex and bureaucratic.
- The 60-day time period for appeals should be flexible. Municipalities should be able to extend the timeline, if required.
 - There should be a minimum date in addition to a maximum date.
- The time period for appeals should be shortened to 30 days.

Planning and Development

The following input was received and documented related to planning and development.

Fees and Levies

Fees and levies

Comments from participants included that:

- Municipalities should have the ability to charge offsite levies through the lifecycle of a development.
- The bylaw process for offsite and redevelopment levies is working well.
- An established minimum offsite levy outlined in the MGA would be beneficial for municipalities.
- The MGA should give municipalities flexibility to determine what infrastructure should be subject to offsite levies. This would allow municipalities to expand what levies could be used for.
 - Municipalities need more options for clear and transparent fees and levies to fund soft services.
 - Services such as recreation, fire, libraries, parks and pathways require fees and levies made available to fund them.
- Communities should be able to exercise their natural person powers to work with developers in setting and defining fees and levies.
 - Flexibility is important, as all municipalities are different.
 - Municipalities should be required to work closely in partnership around fees and levies and to be transparent. The partnership should include a reporting component relative to shared goals.
 - The MGA should allow municipalities to define what they want to collect levies on in their municipal development plan. This would be transparent to the public.

Land Management and Planning Tools

Statutory plans and land use bylaws

Comments from participants included that:

- The current provisions around land management in the MGA are working well.
- More clarity on municipal development is needed in the MGA.

Subdivision and Development Authorities and Processes

Planning authorities

Comments from participants included that:

- Participants in subdivision decisions are shouldering the costs of extension agreements, which are an administrative burden.
- Subdivision and development appeal board members should be required to take training and certification similar to what is required for composite assessment review Boards and local assessment review boards.

Administrative decision-making processes

Comments from participants included that:

- Developers should be required to engage the public earlier in the development process.
- Timelines for subdivision decisions are too short and need to be extended.
- Section 618 (1)(b)(c) (Non application of this Part) of Part 17 of the MGA should be removed.
- Section 619 (1) (NRCB, ERCB, AEUB or AUC authorizations) of the MGA should have a section added to ensure oil and gas industry applicants have municipal approvals. These applications can represent a significant cost and can have public safety implications.

Land Dedication and Use of Reserves

Land dedication (reserves)

Comments from participants included that:

- Municipal reserves should be more flexible in how they can be used.
- The current requirement for school reserves ties up too much of the 10 per cent reserve land requirement, and usually more land is reserved than required for schools. The current standard of 10 per cent is not enough to meet municipalities' needs and also provide school land.
 - The MGA should either change provisions for school reserves or provide municipalities the flexibility and power to address this.
 - School boards should be required to buy land at market value in order to improve development timelines.
 - School reserves should have an expiry date if they are not used.
 - Some municipalities are using other types of reserves creatively or are crafting creative agreements with developers to address reserve shortages. However, this is not sufficient.
- School design requirements need to be revisited.
 - Land sharing between school boards should be encouraged.

- Schools can be more efficient in their use of space. Schools can be more than one storey tall, for instance.
- Community services reserves as outlined in the current MGA aren't working.
 - If school boards could retain the possibility of use of community services reserve land for schools, they would be more likely to share land.
- Environmental reserve definitions are archaic, as they don't reflect environmental trends and do not respond to biodiversity.
 - The definition of environmental reserve in the current MGA should be expanded.
 - Policing and maintaining hazardous environmental reserve land is a challenge for municipalities.
 - Flood hazard land should not necessarily be classified as environmental reserve land.

Regional Approaches

Managing growth and development

Comments from participants included that:

- All the layers of planning are becoming complex in Alberta. It is challenging for smaller municipalities to operate in this context of multiple layers of plans.
- Regional plans are inconsistent with other local plans.
- Compliance with regional plans should be tied to funding received by municipalities.
- Brownfield development, like oil drilling, requires more clarity in the MGA.
- The MGA should provide clear guidelines for development within floodways. This direction needs to be consistent across the province, and set at the provincial level.
- The MGA needs to protect agricultural land and conserve undeveloped environmental land.
 - There needs to be a financial framework for protecting land. For example, a transfer development audit scheme could be implemented.
 - Land protection funding should be considered in the same way that a municipality would consider funding for a municipal service.
 - The MGA should ensure credits for land protection don't negatively impact municipal revenue.

Public Participation and Planning Appeals

Municipal Government Board

Comments from participants included that:

- The use of "body of water" in Section 678 (2)(a) (Appeals) of the MGA is too vague, and has been an issue at Municipal Government Board hearings. This needs to be refined to clarify what the intent of this term is and what actually has provincial interest.

Appendix A: Session Agenda

MGA Review: Municipal Administrators Session

Agenda Item	Timing
1. Welcome and introductions	1:00-1:10
<p>2. Potential topics for discussion:</p> <p>Governance and Administration</p> <p><u>Subject 1: Municipal Powers, Structures, Annexations and Other Changes</u></p> <ul style="list-style-type: none"> • Municipal powers • Municipal structures • Fundamental changes and municipal restructuring <p><u>Subject 2: Municipal Governance and Administration</u></p> <ul style="list-style-type: none"> • Municipal governance • Municipal administration <p><u>Subject 3: Municipal Finances</u></p> <ul style="list-style-type: none"> • Financial administration • Regional funding approaches • Municipal revenue sources • Fees and levies <p><u>Subject 4: Municipal Accountability, Liability, and Risk Management</u></p> <ul style="list-style-type: none"> • Compliance and accountability • Liability and risk management • Provincial powers <p><u>Subject 5: Municipal Services and Delivery</u></p> <ul style="list-style-type: none"> • Service provisions • Regional services commissions • Municipally controlled corporations <p><u>Subject 6: Public Participation and Municipal Relations</u></p> <ul style="list-style-type: none"> • Municipal relationships and dispute resolution • Public participation • Municipal Government Board <p>Assessment and Taxation</p> <p><u>Subject 1: Taxation and Municipal Finances</u></p> <ul style="list-style-type: none"> • Taxation • Municipal revenue sources • Fees and levies <p><u>Subject 2: Exemptions from Assessment and Taxation</u></p> <ul style="list-style-type: none"> • Exemptions and other special tax treatment 	1:10-1:20

Agenda Item	Timing
<p>Assessment and Taxation Continued</p> <p><u>Subject 3: Market Value Equalized and Supplementary Assessment</u></p> <ul style="list-style-type: none"> • Market value assessment and administration • Equalized assessment • Progressive and supplementary assessment <p><u>Subject 4: Industrial and Agricultural Property Assessment</u></p> <ul style="list-style-type: none"> • Linear property assessment • Machinery and equipment property assessment • Transportation properties • Farm property assessment <p><u>Subject 5: Assessment Administration</u></p> <ul style="list-style-type: none"> • Assessment administration <p><u>Subject 6: Public Participation and Assessment Appeals</u></p> <ul style="list-style-type: none"> • Public participation • Assessment complaints and appeals • Municipal Government Board <p>Planning and Development</p> <p><u>Subject 1: Fees and Levies</u></p> <ul style="list-style-type: none"> • Fees and levies <p><u>Subject 2: Land Management and Planning Tools</u></p> <ul style="list-style-type: none"> • Statutory plans and land use bylaws <p><u>Subject 3: Subdivision and Development Authorities and Processes</u></p> <ul style="list-style-type: none"> • Planning authorities • Administrative decision-making processes <p><u>Subject 4: Land Dedication and Use of Reserves</u></p> <ul style="list-style-type: none"> • Land dedication (reserves) <p><u>Subject 5: Regional Approaches</u></p> <ul style="list-style-type: none"> • Municipal relationships and dispute resolution • Managing growth and development • Regional funding approaches <p><u>Subject 6: Public Participation and Planning Appeals</u></p> <ul style="list-style-type: none"> • Municipal Government Board • Public participation • Planning and inter-municipal appeals 	
<p>3. Change tables (if needed)</p>	<p>1:20-1:25</p>

Agenda Item	Timing										
<p>4. Table facilitation</p> <ul style="list-style-type: none"> ▪ Two topics will be prioritized for discussion for each block <table border="1" data-bbox="310 478 1156 699"> <tr> <td data-bbox="310 478 618 520">Block 1: 1:25-2:05</td> <td data-bbox="618 478 1156 520">Governance and Administration Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 520 1156 569" style="text-align: center;"><i>Break (5 mins)</i></td> </tr> <tr> <td data-bbox="310 569 618 611">Block 2: 2:10-2:50</td> <td data-bbox="618 569 1156 611">Assessment and Taxation Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 611 1156 659" style="text-align: center;"><i>Break (5 mins)</i></td> </tr> <tr> <td data-bbox="310 659 618 699">Block 3: 2:55-3:35</td> <td data-bbox="618 659 1156 699">Planning and Development Topics</td> </tr> </table> <ul style="list-style-type: none"> ▪ Discussion will focus on what is working well, desired changes, and potential impacts of changes to the legislation 	Block 1: 1:25-2:05	Governance and Administration Topics	<i>Break (5 mins)</i>		Block 2: 2:10-2:50	Assessment and Taxation Topics	<i>Break (5 mins)</i>		Block 3: 2:55-3:35	Planning and Development Topics	1:25-3:35
Block 1: 1:25-2:05	Governance and Administration Topics										
<i>Break (5 mins)</i>											
Block 2: 2:10-2:50	Assessment and Taxation Topics										
<i>Break (5 mins)</i>											
Block 3: 2:55-3:35	Planning and Development Topics										
<p>5. Open discussion</p> <ul style="list-style-type: none"> ▪ Are there any other relevant topics participants want to address? 	3:35-3:55										
<p>6. Wrap-up</p>	3:55-4:00										