

Municipal Government Act Review

What We Heard: A Summary of Consultation Input

Municipal Elected Officials Session
Held in Red Deer on March 14, 2014

Released on June 24, 2014

Developed by KPMG for Alberta Municipal Affairs



Contents

Introduction	1
Purpose	1
The Municipal Government Act Review	1
Session Overview	2
Regional Consultation Methodology	3
Summary of Input	5
General Comments about the MGA	5
Governance and Administration	6
Municipal Powers, Structures, Annexations and Other Changes	6
Municipal Governance and Administration	8
Municipal Finances	9
Municipal Accountability, Liability, and Risk Management	13
Municipal Services and Delivery	14
Public Participation and Municipal Relations	15
Assessment and Taxation	17
Taxation and Municipal Finances	17
Exemptions from Assessment and Taxation	18
Market Value, Equalized and Supplementary Assessment	19
Industrial and Agricultural Property Assessment	19
Public Participation and Assessment Appeals	21
Planning and Development	22
Fees and Levies	22
Land Management and Planning Tools	22
Subdivision and Development Authorities and Processes	23
Land Dedication and Use of Reserves	24
Regional Approaches	25
Public Participation and Planning Appeals	27
Appendix A: Session Agenda	28

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 Elected Officials Session held in Red Deer.

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 Elected Officials Session
Location	Westerner Park, Red Deer
Date	March 14, 2014
Number of Participants	42

- This session was open to anyone who wished to attend. 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:

- Revisions to the MGA should not make it larger by incorporating more statutes.
- The current MGA doesn't reach far enough, and it needs to be changed so it is fair and right for all Albertans. The MGA should state that Alberta will be built in a fair and equitable manner.
- The MGA is out of date. The MGA needs to be visionary.
- The MGA should be resilient and flexible.
- The MGA should be designed around principles, such as:
 - shared responsibility;
 - flexibility;
 - enabling;
 - governance;
 - resources;
 - sustainability;
 - collaboration; and
 - fairness and equity.
- Currently, the MGA causes competition and the new MGA should promote and encourage collaboration above all else.
- The current MGA is based on a growth model. Instead, it needs to focus on municipal sustainability – financially, socially and environmentally.
- The entire MGA isn't in need of revisions. Only sections requiring updates should be changed. Should the MGA go without revisions for another 15 years, any changes should be made with consideration of their impact on future generations.
 - Some implications of the current MGA are only beginning to be felt now, 20 years later.
- Municipal Affairs needs to have advisors go out to municipalities to mentor councils.
- In order to better understand the risks and benefits associated with changes to the MGA, Municipal Affairs should conduct jurisdictional reviews of other Canadian provinces and territories.
- Municipalities need to have some say in provincial matters that affect them, such as transportation and environmental issues.
 - The Province needs to consult and collaborate with municipalities before changes are made, not after. Current provincial decisions are ad hoc and political, but instead need to be logical and visionary.
 - There needs to be a greater partnership between municipalities and the Province.

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:

- Municipalities want to keep their land use powers, as the status quo is working well.
- Natural person powers should be maintained, as they are working well.
- A full definition of natural person powers needs to be included in the MGA, since the current “purpose” definition doesn’t suffice.
 - For example, wording such as “may include the ability to...” would make the definition more prescriptive.
- Municipalities need to be recognized as an order of government and not a level of government. Municipalities should be recognized first, because they are the closest to the people.
- Currently, municipalities have the least authority. Municipalities need to be the most accountable order of government.
- There needs to be a mechanism for municipal advocacy within the MGA.
- Municipalities have little control over some social matters, such as health and housing.
- The MGA should be the one piece of legislation applicable for all municipalities.
 - The MGA should not provide different municipalities with different powers, for example by permitting Edmonton and Calgary civic charters. Such a change would support an unsustainable framework for municipal competition that isn’t equitable across the province.
 - A civic charter can only encompass the city it applies to, and should not cover other municipalities.
- All municipalities should have a charter, not a few chosen municipalities.

Municipal structures

Comments from participants included that:

- The definitions of rural and urban in the MGA need more clarity.
- The MGA needs to acknowledge the middle ground between urban and rural. For example, what used to be rural farmland is now a “rurban” area that is developing. This generates an economy for rural and urban areas.
- The MGA should provide more clarity regarding municipal types and the benchmarks for transitions between structures so municipalities know if and when they may

transition to another type of municipality. Specifications should be included for population, size and other requirements for each structural type.

- Municipal structures should be mapped around services provided.
- Alberta should not head in the direction that Manitoba did, which was dissolving all municipalities that had less than 1,000 people.

Fundamental changes and municipal restructuring

Comments from participants included that:

- There should be more emphasis on maintaining the viability of municipalities, rather than focusing on dissolution. The viability review process should be proactive, rather than reactive.
 - The responsibility should be on the councils to act on viability assessments.
 - Peer viability reviews are an option that should be available. Municipalities could review other municipalities of similar types, based on the Alberta Urban Municipalities Association categories.
- A mechanism is needed for councils to track municipal health, meaning how well the municipality is doing. The existing viability review should be more transparent regarding infrastructure deficits.
- The MGA needs more clarity regarding the viability review process.
 - There needs to be a clear trigger point for the start of a viability investigation.
- Every municipality in the province should be required to do a viability review on a regular basis.
 - A follow up of the viability review must be required, as it would help to avoid dissolution if the municipality is forced to look at and deal with their current financial state.
 - Councils should do an internal review periodically, not just at election time.
 - Municipalities need to be accountable for the use of data from the viability review.
- The Province should make sure municipalities maintain their infrastructure.
 - The MGA needs to enforce more reviews regarding infrastructure.
 - If the Province allows a municipality to incur “out of control” infrastructure debt, the Province should be responsible, not the municipality.
- The MGA needs more clarity regarding amalgamation and dissolution. Amalgamation and dissolution have different consequences for municipalities.
- Money from the Province must accompany dissolution decisions. Dissolution places financial pressures on the absorbing municipality that should be recognized and addressed.
 - There are issues regarding tax rates for dissolved municipalities. The MGA is silent on how community debts are addressed during dissolution.
 - Infrastructure deficits should not be passed on to absorbing municipalities.
 - There should be a funding formula to recognize infrastructure liability. For example, when a municipality absorbed another municipality, they took on a \$14 million infrastructure deficit.

- In the MGA the county accepting jurisdiction needs to have the choice to accept or not accept the dissolved municipality. Otherwise, the Province has to take responsibility for the added financial obligations.
- The MGA should facilitate discussions that would allow a regional approach to dissolution.
- All municipalities are different and, therefore, need flexible solutions. Possible alternatives to current dissolution processes include job sharing, or amalgamating some of the decision-making processes between small urban municipalities and rural counties.
- Municipalities should need to meet a density requirement prior to being able to annex land.
 - Municipalities that want to annex need to show that density has increased prior to being able to annex additional land.
 - Urban sprawl needs to be contained by limiting annexations.
- Urban municipalities have to provide certain service standards, such as water and sewer services. This service requirement impacts urban municipalities when they annex rural areas, which do not need the same service standards.

Municipal Governance and Administration

Municipal governance

Comments from participants included that:

- The roles and responsibilities of the chief administrative officer and elected officials need to be made clear and provided to chief administrative officers and councillors.
 - Currently, there is role overlap occurring between the chief administrative officer and elected officials.
 - Training should be mandatory following every election. Roles and responsibilities can be clearly laid out during this training.
- The MGA needs some enforcement, or “teeth,” regarding councillor roles and responsibilities.
 - It may be beneficial for issues involving councillors to be shared with the public. That way the issues can be worked out, and involve the people, rather than council going to the courts or ignoring an issue altogether.
 - The MGA should clarify how to remove someone from elected office.
- A code of conduct for council should be a requirement in the MGA, and the MGA should set principles for the code of conduct.
- Councillor conduct should be part of training or an orientation process for elected officials.
- There should be an enforceable code of conduct implemented for councils.
- The MGA should require every new council to create a code of conduct at the beginning of the term. The code of conduct should address online activity with respect to *in camera* meetings, and communication with the media.

- Municipal councils are generally working well. However, they need more openness and transparency.
- What powers should be held by the reeve or mayor should be considered.
- The Province should modernize the MGA by maintaining current powers, but clarifying key areas like the code of conduct, training for new councillors and term limits for councillors.
- There should be more flexibility on how councillors can participate in meetings.
- The MGA should consider allowing business owners who may not live in the municipality to vote in municipal elections.
 - This may create the risk of having local business owners living in the municipality advocating for two votes in any given election.
 - Despite the risks, the issue of business owners receiving a second vote warrants investigation by Municipal Affairs.
- There needs to be more clarity about what percentage is allowable when it comes to defining pecuniary interest and what is incumbent on the mayor or councillor to disclose as pecuniary or other interest.
- There is no authority under the MGA to force a councillor with pecuniary interest out of council decision-making.
 - Council has no “teeth” to enforce compliance to the MGA when it comes to conflict of interest. Enforcement provisions need to be expressed with greater clarity and should be stated in plain language to be more easily usable.

Municipal administration

Comments from participants included that:

- Chief administrative officers hold a highly political position. Chief administrative officers may have their own agenda, which may not match that of council.
- It is important that chief administrative officers are under the purview of elected officials.

Municipal Finances

Financial administration

Comments from participants included that:

- The provincial budget should come out before municipalities set their budgets.
 - The MGA could change municipalities’ year-end to July from the current December 31 date.
- The cost of certified audits to meet provincial requirements is too expensive.
- Benchmarks and ratios within the MGA need to be based on a rationale that shows a municipality is sustainable.
- The debt ceiling is either too high or impractical.
 - Utilities should not form a part of the debt limit.

- Debt limits should be based on a municipality's ability to generate cash flow, meaning the health of their balance sheet.
 - The MGA should have a financial benchmark that defines debt limits.
- A gap time is needed to pay off infrastructure investments. For example, a municipality may take on a 20-year loan, but the infrastructure lasts for 50 years or more.
- The MGA should enable greater infrastructure support for municipalities and, when necessary, minimize the fluctuations in borrowing costs to allow for sustainable long-term planning.
 - For example, main bridges need consistent funding sources for maintenance and construction.
- Some municipalities have had financial difficulties as a result of long-term borrowing.
- The debt limit of 1.5 times the municipality's annual revenue is working well.
- Councils change every 4 years, so it is important to have regulated limits on borrowing.

Regional funding approaches

Comments from participants included that:

- Regional collaboration is important to provincial service delivery.
- It is currently working well to leave flexibility for regional funding approaches up to each municipality.
 - For example, municipalities can choose to create a memorandum of agreement.
 - Regional funding models are working well from a wide variety of servicing perspectives.
- While the MGA should encourage regional collaboration, it also needs to respect the municipality's right to maintain its autonomy.
- Regional collaboration should be voluntary. The MGA should have a contingency mechanism when there are problems.
- Collaboration between municipalities is working, but the MGA needs to include mechanisms for when this collaboration is not happening. The Province needs to facilitate relationships between municipalities, when necessary.
 - Financial territorialism between municipalities harms their respective viability. There should be a trigger for intervention.
- The MGA should encourage cost sharing, but should not mandate it.
 - The Province should provide a facilitator if an agreement cannot be reached between the municipalities.
 - The amount of and approach for revenue sharing and cost sharing should be determined at the local level.
- There is currently inequality in funding provided by the Province.
 - Sometimes municipalities are mandated by the Province to enter into regional partnerships, such for as water and wastewater services, and then provided with funding by the Province. This creates the perception that some municipalities receive more funding than others.

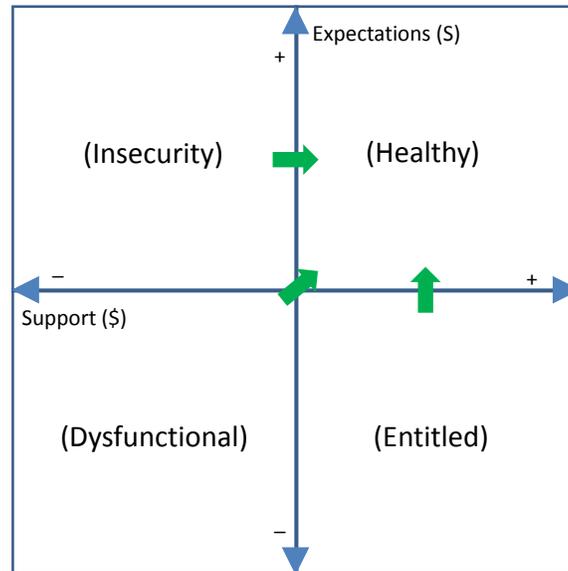
- There needs to be more clarity regarding providing funding when service agreements are mandated.
- Municipalities would like to see more regional recreation facilities.
 - The operational costs of recreational facilities are not evenly distributed between rural and urban municipalities.
 - Regional recreation facilities are working in some municipalities.
 - For example, Ponoka County and the Town of Ponoka have a flat rate, whereby the county pays 20 per cent of the cost, instead of using a per capita method for sharing costs.
- Regional approaches need a regional mindset. Rural municipalities sometimes have to say no to an urban project, such as an additional swimming pool, when it's not in the best interest of the region.
- There needs to be a mechanism to require that rural municipalities contribute to services being obtained in urban areas, such as library and recreational services.
 - Requirements for rural municipalities to contribute to regional costs could be created through regulation, rather than the main body of the MGA itself.
 - A regional levy could be established to pay for regional services.

Municipal revenue sources

Comments from participants included that:

- The continuation of the Municipal Sustainability Initiative may benefit small communities. The MGA should enable Municipal Sustainability Initiative dollars to be used for more than a single project.
- Funding mechanisms should recognize the unique issues faced by small municipalities.
- Funding should help municipalities achieve a healthy balance between what they are expected to provide and how much support they require (as illustrated in the figure below, which was developed by session participants). Appropriate levels of support should be outlined within the MGA.

Figure 1 – Balance between expectations and supports



- More options are needed for municipal revenue sources. Some municipalities only have a residential tax base to draw on.
- Cities want additional taxing powers, but there is only one taxpayer. Adding taxes would be a complex process, and could result in population shifts as people leave for a municipality with fewer taxes.
- If a municipality wanted more policing services, there is no authority that allows them to obtain additional funding. Municipalities need flexibility to obtain more revenue sources.
- Municipalities are taking over more provincial services. However, they are not receiving adequate funding to support these additional services, nor do they have the authority to find funding. Provincial funding is needed for operating costs. Municipalities receive funding for capital costs but not operating costs.
- The MGA should go back to when municipalities collected the education tax and were responsible for its use, as this provided municipalities with a predictable revenue stream. Currently, municipalities must guess how much money will come from the Province when setting budgets.
- The undercurrent of funding inequity needs to be fixed.
- Saskatchewan's model should be considered, wherein the Province gives municipalities a dedicated percentage of income received by the Province.
- Municipalities need funding streams to be more stable, such as Municipal Sustainability Initiative funding and well-drilling taxes, so municipalities can plan long-term. Unexpected and sudden changes hurt municipalities' ability to plan, and municipalities often incur huge financial burdens when changes are made.

Fees and levies

Comments from participants included that:

- Fees and levies are currently working well as set out in the MGA.
- The MGA should mandate that utilities administered to achieve full cost recovery, as the municipality should not subsidize utilities. This change would require a transition period.
 - A good example is Innisfail, which has implemented full cost recovery on utilities, progressive tax rate increases and water conservation strategies.
- Franchise fees should be administered just like linear property, meaning they should be consistent across the province. This would benefit urban and rural municipalities.
 - For franchise fees, the current ability to charge up to a maximum is working well.
 - The MGA needs to include more clarity on whether the urban municipality or the county receives linear property or franchise revenues.
- There needs to be a way to collect fees from shadow populations, who do not live permanently within a given municipality but consume its services.

Municipal Accountability, Liability, and Risk Management

Compliance and accountability

Comments from participants included that:

- The floodplain map should be up-to-date and shared across the province.

Liability and risk management

Comments from participants included that:

- Risk aversion is overriding common sense in municipalities when it comes to financial risks.
- The MGA needs to mitigate municipal risk and liability, though doing so will inhibit municipalities' ability to do some things.
- Problems could occur if a municipality builds infrastructure and takes ownership of the risk, such as a development on a flood plain. The municipality may not have the funds to cover the risk that is assumed.
- Caveats should be placed on a property's title about risks related to the property such as flood risk.

Provincial powers

Comments from participants included that:

- There are jurisdictional issues between federal, provincial and municipal governments that impact municipalities, such as aboriginal issues. However, it is difficult for municipalities to voice their concerns about these issues or have a say in the discussion with other levels of government.
- Municipalities are absorbing the costs resulting from the federal and provincial dispute about wastewater treatment.

- The Province should have no control over hiring chief administrative officers or over municipal budgets.

Municipal Services and Delivery

Service provisions

Comments from participants included that:

- The MGA should outline the minimum set of services all municipalities must provide to their residents, such as fire protection and road maintenance.
 - Municipalities need to know what the Province “must” provide.
- There are services other than roads that may be more important to municipalities. Roads are leading to urban sprawl. In addition, people moving to communities are interested in community offerings, such as waste services and recreational facilities, and not in roads.
 - Municipalities need enabling principles in the MGA that allow them to provide community services beyond roads, such as waste management and recreational services.
- Expectations from citizens for services have increased. Industrial development has also impacted growth and increased demand for services.
- Declining populations affect the ability of some municipalities to provide services, while other municipalities face increased populations and pressure for additional services.
- There are concerns about downloading services from the federal and provincial governments. The MGA should clearly outline responsibilities and roles of each authority to ensure municipalities aren’t overburdened by requirements and aren’t left struggling to find funding. The MGA needs to clearly define jurisdictions and the point at which the municipality becomes involved.
- Municipalities need more funding and legislative support to assist them with providing services. The Province is downloading the responsibility for some services to municipalities, such as health care and bridges.
 - The current amount of provincial support for policing, fire and ambulatory services does not provide a sufficient level of safety. Therefore small municipalities need to spend a high proportion of their budgets to meet needs.
 - Policing needs to be better funded to provide a reasonable minimum standard of service that meets the needs of rural municipalities and their residents.
- Municipalities are not actually being downloaded to. Instead, they are choosing what services to provide.
- The Province should be responsible for basic services, such as ambulances.
 - The Province currently says they provide ambulance services, but some municipalities are not experiencing this.

- The MGA should ensure that the downloading of services is a collaborative and that there is a mutually agreed-upon approach between the Province and municipalities.
 - Clear funding mechanisms should be outlined within the MGA to ensure sustainability, with Family and Community Support Services as an example.
- After appropriate consultation with municipalities, the MGA should articulate the provincial objectives for service delivery and subsequent required supports. For example, should the Province support constructing a high-speed Edmonton to Calgary train, impacted municipalities like Red Deer should be supported in providing appropriate local transit options.
 - Outlining provincial objectives, roles and responsibilities contributes to the transparency of the Province.

Regional Services Commissions

Comments from participants included that:

- The MGA needs to include more flexibility for regional services commissions to operate.
- There is currently nothing in the MGA to enforce compliance to regional services commission agreements.

Municipally Controlled Corporations

Comments from participants included that:

- The future vision for the MGA is that energy production will be decided upon at the municipal level. In the current environment, it is difficult for municipalities to branch out independently.
- The MGA needs to maintain the ability for municipalities to establish municipally controlled corporations. These corporations are a good way for municipalities to work together and receive added funding.
- The definition of “controlled corporations” needs to be modernized and expanded in the MGA to include telecommunications.

Public Participation and Municipal Relations

Municipal relationships and dispute resolution

Comments from participants included that:

- Municipal dispute resolution and municipal relationships are working well.
- Agreements between municipalities should not be legislated. Rather than legislate cooperation, a series of tools should be provided to support inter-municipal cooperation so municipalities have options to select from.
- The guidelines to support municipalities in working together need to be strengthened, while maintaining flexibility.

Public participation

Comments from participants included that:

- Petitions are impossible to carry out with the current minimum percentage of the population required to form a petition, and the present verification process.
- The percentage of the population needed to form a petition is working well.
- The percentage of the population needed to form a petition should increase from 10 per cent to a higher proportion of municipal residents.
- The current provision in the MGA that allows for 50 per cent of landowners covering 66 per cent of the land base to petition against a proposed local improvement tax is working well.
- Council meetings need to be open and transparent to the public.
- Public hearings should be limited to participation of those directly impacted by the proposed project.
- There is some question about the appropriate staging of a public hearing in relation to the reading of a bylaw. Municipalities could benefit from more flexibility, and council should be guided by the principle of “due diligence.”
- A public hearing should still be required under the MGA regarding the reading of a bylaw. Current timing and staging of these hearings are appropriate.
- The MGA should be flexible and provide for more tools for public participation.
- The MGA should not prescribe what must be done to engage with the public.

Municipal Government Board

Comments from participants included that:

- The Municipal Government Board does not appear to be bound by the MGA. They make their own rules.
- The Municipal Government Board does not have first hand knowledge of local decisions regarding land use.
 - A local municipal planning commission decision is more appropriate for local issues.
- There should be an appeal mechanism for Municipal Government Board decisions.
- The Municipal Government Board should have a more limited scope with respect to matters before them.
- Decisions should not be appealable to the Municipal Government Board in cases where due process has been followed at the local level.
- The cost of appeals is onerous for municipalities. There should be a form of checks and balances on appeal costs and what issues can go to the Municipal Government Board.

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:

- The MGA provides appropriate flexibility regarding taxation.
- Municipalities should have more flexibility for taxation, including the ability to determine levels of tax on certain property.
 - There is an issue of serviced lots sitting vacant instead of providing revenue.
- The MGA should not expand municipalities' tax base. Rather, it should provide more flexibility within the existing framework.
 - Including additional taxation power and tools within the MGA may not be beneficial, as citizens may feel their "tax capacity" is maxed out.
- The MGA should ensure taxation of industry is equitable between urban and rural municipalities by standardizing tax levels between the two.
- It is better for municipalities to give businesses a break by splitting assessments than risk ending up with brownfields. This should be done on a case-by-case basis.
- People closer to amenities should pay a higher tax rate.
 - There should not be a buffer that prevents rural development, if no inter-municipal development plan exists along the municipal fringe.
- In Ontario, municipalities can't use tax as a competitive tool with neighbouring municipalities. This is a model that Alberta could use.
- There needs to be the ability to charge a separate mill rate for commercial and industrial businesses.
 - Currently, charging the same mill rate for commercial and industrial businesses is unfair to the commercial businesses like the "mom and pop shop."
 - Split mill rates could also serve as a tool for development, for instance through tax rates being lower or higher in certain areas to increase development or incentivize the cleanup of contaminated land.
- High commercial taxes prevent smaller areas, such as hamlets, from growing. For example, some municipalities can't even sustain a corner store.
- The MGA should provide more clarity and direction regarding the use of local improvement tax bylaws. The local improvement tax has been misused by some municipalities and underused in others because of the MGA's lack of clarity.
- Alternative energy options, such as solar energy, should not be taxed in the future.

Municipal Revenue Sources

Comments from participants included that:

- Some municipalities would like to tax gasoline, or to be able to impose an additional “special” tax, such as hotel tax, to provide more services for the community.
- The MGA needs to eliminate property taxes and utilize income taxes or consumption taxes instead.
- Tax increases or extra levies can affect competitiveness. There is already an inherent difference between counties and urban municipalities, since the Province funds county services.

Fees and levies

Comments from participants included that:

- Municipalities need more notice when revenue sources, such as the community revitalization levy, are no longer available.
 - The MGA must clearly outline how and with how much notice the Province must notify municipalities of no longer accepting applications for a specific levy. Alternatively, better enforcement of timeframes at the departmental level could ensure that municipalities are adequately notified.
- The business revitalization levy should be put back into the MGA, or else the Province should create another funding option for this purpose.

Exemptions from Assessment and Taxation

Exemptions and other special tax treatment

Comments from participants included that:

- Tax exemption administration should remain at the municipal level through the *Community Organization Property Tax Exemption Regulation* guidelines. This provides good flexibility regarding the use of exemptions.
- The MGA should assess everything fairly and equitably, and then use policy to exempt some properties from tax.
- The MGA review should include exemptions and the provisions for exemptions to ensure that they are still relevant.

Market Value, Equalized and Supplementary Assessment

Market value assessment and administration

Comments from participants included that:

- The status quo for market value assessment and administration is currently working well.
- The MGA should clarify the process behind assessments and outline how sales data is collected and used.
- Market value assessment in smaller municipalities is not working well.
 - Market value property assessment is not an incentive for people to maintain property.
 - There needs to be a more balanced form of assessment than market value.

Equalized assessment

Comments from participants included that:

- Money is not given back to communities fairly through distribution of education taxes.
- The MGA should not charge education taxes through property tax. While there is understanding that the Province needs to open new schools, the education tax places unsustainable pressure on property taxes.
- Industry should have to pay education taxes.
- The MGA should allow for greater transparency about which authority is leveraging any given tax. It should be clear that the provincial government collects education taxes, and that the municipality collects general services taxes.

Industrial and Agricultural Property Assessment

Linear property assessment

Comments from participants included that:

- Progressive assessment is needed to allow electrical generation facilities and linear property to be assessed during construction.
- There needs to be a mechanism for linear property assessment dollars to be shared among communities within the region that support the relevant industry. One approach would be to pool linear property assessment revenue for redistribution.
- Linear property assessment should remain as it is. If revenue from linear property tax is shared between municipalities, it should be on a voluntary basis.
 - Counties are already sharing linear property tax revenues indirectly, as that is a factor in the way education property assessment is formulated.
- The MGA should maintain rural collection of linear property tax, because it is a good way to keep money in the region.

Machinery and equipment property assessment

Comments from participants included that:

- Industry uses the current rules to their advantage. For example, currently, equipment depreciates from the date of manufacture, and once the facility becomes operational it has already depreciated in value.
- Machinery and equipment is not taxed for education, but industry should be required to pay education taxes on these properties. The revenue from education taxes on machinery and equipment should be funneled into advanced education to provide funding for trades programs.
- The current level of machinery and equipment depreciation is unfair. Newly constructed machinery and equipment is automatically depreciated. The MGA should review machinery and equipment depreciation rates to ensure they are transparent and relevant.

Transportation properties

Comments from participants included that:

- The assessment and taxation of railways needs to be expanded.

Farm property assessment

Comments from participants included that:

- Farmland should be assessed based on production value, not market value.
- Farmland assessment should have at least two subcategories: small farming and commercial farming operations.
 - The differences between small and large agricultural operations need to be recognized.
 - Large industrial farm operations should be assessed and taxed at market value like any other commercial business within a municipality.
- Farm property taxes are too low.
 - The current MGA leads to farmers being under-taxed on land, particularly quarter sections.
 - Current farmland exemptions should be reviewed, specifically for large agricultural operations.
 - Large industrial farm operations need to be taxed at a higher rate than they are currently as their operations have significant impacts on municipal infrastructure.
- Farm taxation should remain status quo.
- The MGA should limit the ability of developers to buy land that is being taxed as farmland without developing on it, as this simply allows the developer to negate their tax liability.
- The MGA should give urban municipalities the option to reclassify farmland where land is not owned by the original farmer. This may stop rampant annexation because a bigger tax base will be established.

Public Participation and Assessment Appeals

Assessment complaints and appeals

Comments from participants included that:

- The new assessment appeals process, including the composite assessment review boards, is working well. Small municipalities can use regional boards to hear appeals.
- There should be a standard fee to appeal an assessment.
- There shouldn't be a fee to appeal an assessment.
- The MGA needs to have mechanisms to avoid continuous appeals from individuals every year on same property. Previous decisions should stand unless something significant has changed.
- There should be a limit to the number of times someone can appeal a decision, or the assessment review board should have the ability to rule that an appeal is frivolous.
- The Province prepares the assessment on linear property, but the municipality must attend the appeal, and this is not appropriate.
- Tax appeal timelines are sufficient for residents. However, industry appeals require more time.
- Other methods for appeal delivery should be allowed.

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:

- Offsite levies are currently restricted to covering costs of certain services. These levies should be broader to include community infrastructure and services, such as fire and recreation services.
- Offsite levies help reduce the timeline necessary to repay infrastructure costs.
- Schools should be included in the scope of offsite levies.
- Money received from offsite levies needs to increase because the Province downsizes services that businesses and developers end up paying for.
 - For example, when the well-drilling tax changed from three years to one year, municipalities were saddled with increased costs.
- Offsite levies should be expanded to include “soft services.”
- Municipalities need to be able to opt out of any new recreational fees and levies made available, such as adding recreational services to offsite levies.
- Offsite levies should be allowed to be collected when land is redeveloped.
- The design of the current system has created competition for development among municipalities. Municipalities interpret the MGA differently, resulting in some charging for services that others don't, such as recreation levies.
 - There needs to be a mechanism in the MGA that reduces competition and ensures consistency regarding development levies.
- Municipalities inconsistently assess levies because of competitiveness among municipalities who are trying to attract development.
- “Growth needs to pay for growth,” meaning that fees and levies must be appropriate to cover the municipal cost of new developments.

Land Management and Planning Tools

Statutory plans and land use bylaws

Comments from participants included that:

- There should be more statutory plans available under the MGA.
- The MGA needs to support the identity of communities and the freedom to develop the plans they need.
- Municipal emergency plans should be mandatory.

- Statutory plans between adjoining municipalities should be mandatory. The Province should facilitate discussions among neighbouring municipalities.
- The MGA should provide more direction and guidance on how municipal development plans should be produced in collaboration with rural municipalities that may be impacted.
- Municipal development plans need to comply with the *Alberta Land Stewardship Act*. The *Alberta Land Stewardship Act* should be focused on land use principles.
- Municipal land use bylaws should comply with statutes and regulations. Local municipalities are in a better position to make decisions and conduct planning regarding local land use than the Province is.
- Intermunicipal development plans are a necessity. They allow municipalities to better plan for the future, which results in cost savings.
- Intermunicipal development plans work well to open the lines of communication with neighbours. These should remain voluntary.
- Intermunicipal development plans should define how growth proceeds, but should not be mandatory.
- How intermunicipal development plans should be used should be clarified. The MGA should ensure that all affected municipalities and communities are contacted and appropriately included in the creation of an intermunicipal development plan.
- The MGA should guarantee funding for smaller municipalities to participate in the development of intermunicipal development plans. For example, the province should provide funds to pay for expert facilitation.

Subdivision and Development Authorities and Processes

Planning authorities

Comments from participants included that:

- Currently, the decision-making process and appeal board process are set up well and working well.
- The municipal planning commission and subdivision and development appeal boards should maintain independence from one another's decision-making to ensure transparency.
- Membership of appeals boards should not be "overpopulated" by councillors. Each board should include a member of the public.
- The appeal process regarding conflict of interest is working well.
- Municipalities need to better monitor the planning and decision-making of land use bylaws.
- Land use planning decisions should remain at the municipal level.
- There needs to be a way to ensure that municipal planning commissions make decisions that fit with plans established in the community. Enforcement of land use plans should be at a municipal level.

Administrative decision-making processes

Comments from participants included that:

- The MGA should align with other provincial legislation and policies in a way that is clear and user friendly, to ensure planning expectations are consistent across the Government of Alberta. For example, environmental legislation should not conflict with or make the MGA more difficult to follow.

Land Dedication and Use of Reserves

Land dedication (reserves)

Comments from participants included that:

- Land dedication under the current MGA is working well.
- The MGA should clarify and update expectations for environment and school reserves. For example, the MGA should clarify how the need for reserves is identified.
- There is a disconnect between school board plans and the development plans of municipalities. Decisions by school boards impact municipalities, but the municipality has no control over schools.
- The MGA should allow for more municipal input into the placement, control and future planning of school reserves.
 - Identifying school locations and building of schools should be done by municipalities.
 - Municipalities could add additional structures to school sites, such as rinks, if municipalities had proper input into planning.
- School boards do not have power over decisions made by the Province. The Province decides when schools will be built and where.
- Municipalities do not receive compensation for land given to schools.
- Land requirements for high schools place excessive demands on municipalities regarding servicing, reserve dedication and other costs.
 - The Province should be “front ending” the costs of land acquisition and servicing for schools, as education is a provincial responsibility.
- The MGA should address how reserve land should be used in the future if a school is not needed.
- More clarity is needed in the MGA about the purpose of environmental reserves.
 - Preservation of environmental land and natural spaces needs to be a priority.
 - Municipalities need the ability to preserve wildlife corridors. This could be considered part of environmental reserve acquisition, and be inter-municipal in scope.
- The requirement for environmental reserve land is sometimes onerous for smaller municipalities.
 - The maintenance of environmental reserve land is costly for municipalities.

- Municipalities need more flexibility associated with taking cash-in-lieu of reserve land. Cash-in-lieu provides funding for recreational developments, such as playgrounds, and can be used in other green space developments.
- Under the MGA, municipalities need the ability to acquire land for social needs at the time of development, in addition to current municipal reserve requirements.
- The MGA should clarify how municipal reserves are going to be used in response to the recent floods in southern Alberta. The MGA should not include flood plains as part of the municipal reserve dedication.
- The MGA should give municipalities the legislative ability to enforce greater water setbacks than are outlined within the MGA.

Regional Approaches

Municipal relationships and dispute resolution

Comments from participants included that:

- Regional partnerships should remain voluntary, as outlined in Bill 28 (*Enabling Regional Growth Boards Act*).
- Generally, municipal dispute resolution efforts are working well.
- Municipalities want to be given a variety of ways to address disputes.
- Within the current dispute resolution process, there is potential for provincial “strong-arming,” or the overwhelming of local interests.
- The dispute resolution process should occur before Municipal Government Board appeals.
- Inter-municipal development plan guidelines should be incorporated into the MGA to provide a process to start conversations between municipalities with conflicting interests.

Managing growth and development

Comments from participants included that:

- The MGA should remain flexible regarding “parcelling out” acreages from farmland. Current parcel methods are working well, and planning should be kept within the local jurisdiction.
- Common regional directions or “big pictures” for regions across Alberta are currently missing.
 - Separate municipal visions can be different from one another within the same region.
- There needs to be mechanisms to manage development that recognize the uniqueness of a given region. Mandates by the Province may not fit into the picture for communities. Municipalities need to maintain autonomy.
- Every provincial ministry has different regional boundaries. The Province needs a better plan to define regions consistently.

- The MGA needs to ensure that regional planning is done in a way that is affordable and sustainable for smaller municipalities. This includes, most notably, the meaningful involvement of small municipalities in the regional planning process.
- Municipalities should work out details of growth and development proactively.
- There needs to be a principles-based approach to growing in a healthy manner.
 - Principles for growing development in a sustainable way should apply to all municipalities.
- The MGA should ensure that regional plans carry more authority and jurisdiction, to ensure that communities work towards achieving the outlined goals.
- Municipalities currently base funding on growth, but also need to focus on what they will do when the growing stops or populations decrease. Some communities are decreasing in population. Municipalities also need to accommodate economic cycles.
- Municipalities do not have a say in development that occurs in an adjacent municipality.
- Municipalities do not currently have a say in the locations of pipelines or telecommunications towers.
- It is the responsibility of the Province to recognize long-term planning corridors for provincial infrastructure, such as a Highway 2 high-speed rail corridor. Municipalities cannot accommodate provincial planning in areas such as provincial transportation and water rights allocation. This kind of planning should be long-term and clear to everyone.
- The MGA needs mechanisms for municipalities to address brownfields. A possible solution is to have some money from energy royalties go into a brownfield remediation fund.
 - Within the next 20 years, resource revenues will decrease and the burden of remediation will be shouldered by acreage owners unless the MGA addresses this.

Regional funding approaches

Comments from participants included that:

- The MGA needs to provide more clarity regarding the provincial direction for regional planning, and to outline the roles and responsibilities of the Province and municipalities, particularly with respect to funding.

Public Participation and Planning Appeals

Municipal Government Board

Comments from participants included that:

- If the Municipal Government Board makes a decision on behalf of the municipality, then they need to be accountable for liability and other risks that may occur as a result of that decision.
- When the Municipal Government Board makes a decision on behalf of the municipality, it should still be the responsibility of that municipality to create the conditions of the approval.

Public participation

Comments from participants included that:

- Notification processes need to be updated and modernized within the MGA.

Appendix A: Session Agenda

MGA Review: Elected Officials Session

Agenda Item	Timing			
1. Welcome and introductions	10:00-10:15			
<p>2. Potential topics for discussion:</p> <p>The following topics will be available at table discussions:</p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>Governance and Administration</p> <ul style="list-style-type: none"> ▪ Municipal powers ▪ Municipal structures ▪ Fundamental changes and municipal restructuring ▪ Municipal governance ▪ Municipal administration ▪ Financial administration ▪ Regional funding approaches ▪ Municipal revenue sources ▪ Fees and levies ▪ Compliance and accountability ▪ Liability and risk management ▪ Provincial powers ▪ Service provisions ▪ Regional services commissions ▪ Municipally controlled corporations ▪ Municipal relationships and dispute resolution ▪ Public participation ▪ Municipal Government Board </td> <td style="vertical-align: top;"> <p>Assessment and Taxation</p> <ul style="list-style-type: none"> ▪ Taxation ▪ Municipal revenue sources ▪ Fees and levies ▪ Exemptions and other special tax treatment ▪ Market value assessment and administration ▪ Equalized assessment ▪ Progressive and supplementary assessment ▪ Linear property assessment ▪ Machinery and equipment property assessment ▪ Transportation properties ▪ Farm property assessment ▪ Assessment administration ▪ Public participation ▪ Assessment complaints and appeals ▪ Municipal Government Board </td> <td style="vertical-align: top;"> <p>Planning and Development</p> <ul style="list-style-type: none"> ▪ Fees and levies ▪ Statutory plans and land use bylaws ▪ Planning authorities ▪ Administrative decision-making processes ▪ Land dedication (reserves) ▪ Municipal relationships and dispute resolution ▪ Managing growth and development ▪ Regional funding approaches ▪ Municipal Government Board ▪ Public participation ▪ Planning and inter-municipal appeals </td> </tr> </table>	<p>Governance and Administration</p> <ul style="list-style-type: none"> ▪ Municipal powers ▪ Municipal structures ▪ Fundamental changes and municipal restructuring ▪ Municipal governance ▪ Municipal administration ▪ Financial administration ▪ Regional funding approaches ▪ Municipal revenue sources ▪ Fees and levies ▪ Compliance and accountability ▪ Liability and risk management ▪ Provincial powers ▪ Service provisions ▪ Regional services commissions ▪ Municipally controlled corporations ▪ Municipal relationships and dispute resolution ▪ Public participation ▪ Municipal Government Board 	<p>Assessment and Taxation</p> <ul style="list-style-type: none"> ▪ Taxation ▪ Municipal revenue sources ▪ Fees and levies ▪ Exemptions and other special tax treatment ▪ Market value assessment and administration ▪ Equalized assessment ▪ Progressive and supplementary assessment ▪ Linear property assessment ▪ Machinery and equipment property assessment ▪ Transportation properties ▪ Farm property assessment ▪ Assessment administration ▪ Public participation ▪ Assessment complaints and appeals ▪ Municipal Government Board 	<p>Planning and Development</p> <ul style="list-style-type: none"> ▪ Fees and levies ▪ Statutory plans and land use bylaws ▪ Planning authorities ▪ Administrative decision-making processes ▪ Land dedication (reserves) ▪ Municipal relationships and dispute resolution ▪ Managing growth and development ▪ Regional funding approaches ▪ Municipal Government Board ▪ Public participation ▪ Planning and inter-municipal appeals 	10:15-10:45
<p>Governance and Administration</p> <ul style="list-style-type: none"> ▪ Municipal powers ▪ Municipal structures ▪ Fundamental changes and municipal restructuring ▪ Municipal governance ▪ Municipal administration ▪ Financial administration ▪ Regional funding approaches ▪ Municipal revenue sources ▪ Fees and levies ▪ Compliance and accountability ▪ Liability and risk management ▪ Provincial powers ▪ Service provisions ▪ Regional services commissions ▪ Municipally controlled corporations ▪ Municipal relationships and dispute resolution ▪ Public participation ▪ Municipal Government Board 	<p>Assessment and Taxation</p> <ul style="list-style-type: none"> ▪ Taxation ▪ Municipal revenue sources ▪ Fees and levies ▪ Exemptions and other special tax treatment ▪ Market value assessment and administration ▪ Equalized assessment ▪ Progressive and supplementary assessment ▪ Linear property assessment ▪ Machinery and equipment property assessment ▪ Transportation properties ▪ Farm property assessment ▪ Assessment administration ▪ Public participation ▪ Assessment complaints and appeals ▪ Municipal Government Board 	<p>Planning and Development</p> <ul style="list-style-type: none"> ▪ Fees and levies ▪ Statutory plans and land use bylaws ▪ Planning authorities ▪ Administrative decision-making processes ▪ Land dedication (reserves) ▪ Municipal relationships and dispute resolution ▪ Managing growth and development ▪ Regional funding approaches ▪ Municipal Government Board ▪ Public participation ▪ Planning and inter-municipal appeals 		

Agenda Item	Timing										
<p>3. Table Facilitation</p> <table border="1" data-bbox="310 432 1157 674"> <tr> <td data-bbox="310 432 618 478">Block 1: 10:45-11:45</td> <td data-bbox="618 432 1157 478">Governance and Administration Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 478 1157 527">Lunch (1 hour)</td> </tr> <tr> <td data-bbox="310 527 618 573">Block 2: 12:45-1:45</td> <td data-bbox="618 527 1157 573">Assessment and Taxation Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 573 1157 621">Break (15 min)</td> </tr> <tr> <td data-bbox="310 621 618 667">Block 3: 2:00-3:00</td> <td data-bbox="618 621 1157 667">Planning and Development Topics</td> </tr> </table> <ul style="list-style-type: none"> <li data-bbox="302 674 1247 737">▪ Discussion will focus on what is working well, desired changes, and potential impacts of changes to the legislation 	Block 1: 10:45-11:45	Governance and Administration Topics	Lunch (1 hour)		Block 2: 12:45-1:45	Assessment and Taxation Topics	Break (15 min)		Block 3: 2:00-3:00	Planning and Development Topics	10:45-3:00
Block 1: 10:45-11:45	Governance and Administration Topics										
Lunch (1 hour)											
Block 2: 12:45-1:45	Assessment and Taxation Topics										
Break (15 min)											
Block 3: 2:00-3:00	Planning and Development Topics										
4. Break	3:00-3:15										
<p>5. Open discussion</p> <p>Are there any other relevant topics participants want to address?</p>	3:15-3:45										
6. Wrap-up	3:45-4:00										