

Municipal Government Act Review

What We Heard: A Summary of Consultation Input

Business and Industry Session
Held in Edson on March 6, 2014

Released on June 17, 2014

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 Business and Industry session held in Edson. 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 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 societal changes and evolving needs, 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 over a three-day period in each of:

- 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	Business and Industry Technical Session
Location	Lion's Club Hall, Edson
Date	March 6 th , 2014
Number of Participants	10

- 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 drawn 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 needs to establish strong, clear rules to create predictability and accountability for municipalities across the province.
- The MGA should be principle-driven.
- The Province needs to clearly define the goals of the MGA.
- Specific stakeholders should have the opportunity to sign off on revisions made to the MGA.

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 purposes and goals of the MGA need to be more clearly stated in sections 3 (Municipal purposes) and 5 (Powers, duties and functions) in the MGA.

Municipal structures

Comments from participants included that:

- The Province should have a stronger vision to deal with the structures of municipalities and ensure their sustainability.
- The current structure of municipalities across the province is very complex, which makes it difficult for business and industry to navigate. The structure needs to be simplified.
- Municipal boundaries do not always make sense. A principle to consider in the new MGA is governance without boundaries.

Fundamental changes and municipal restructuring

Comments from participants included that:

- Municipal restructuring should be reviewed in the same way that corporate restructuring is reviewed in the private sector.

Municipal Governance and Administration

Municipal governance

Comments from participants included that:

- Councillors need to understand their role as decisions makers rather than being involved in the administration and operation of the municipality.
- Councils need to be accountable for how they spend resources. More accountability would promote financial responsibility and consistency in how funds are used.
- In some instances, the MGA should allow councils to delegate some decision-making powers to non-residential ratepayers.

Municipal Finances

Municipal revenue sources

Comments from participants included that:

- The Province may need to make alternative revenue sources available to municipalities.
- The MGA should allow municipalities to add local taxes. The Province could get rid of grant programs, and instead allow municipalities to raise funds in different ways.

Municipal Accountability, Liability, and Risk Management

Compliance and accountability

Comments from participants included that:

- The MGA should ensure compliance with overarching provincial policies such as Alberta's transportation plan.
- More enforcement mechanisms are needed in the MGA that allow the Province to intervene when non-compliance is occurring.

Municipal Services and Delivery

Service provisions

Comments from participants included that:

- Downloading of provincial services has put more pressure on municipalities to fund these services at the local level.
 - Municipalities should not be responsible for library services.
- Municipalities should own their roads, with the exception of secondary highways.

Public Participation and Municipal Relations

Municipal relationships and dispute resolution

Comments from participants included that:

- The MGA should include mechanisms that enable opposing parties to resolve conflict and find mutual interests.

Public participation

Comments from participants included that:

- The way that municipalities engage the public needs to be modernized. The current notification process of open houses and newspaper ads is archaic.
- Councils need a mechanism to meaningfully engage with non-resident ratepayers and regional residents who use municipal services.
- Better communication is needed so that citizens understand the financial pressures of long-term, major expenditures.
- The current governance structures are flawed in that they do not take any input from citizens beyond their municipal boundaries.

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 municipal taxation systems need to be simplified.
- The MGA needs to ensure taxation is equitable between assessment classes and between different industries.
- Taxpayers should be able to see what their tax dollars are used for to ensure their taxes are being put toward the services that they use.
- There should be a link to how tax burden is distributed between residential and non-residential properties. A maximum ratio between residential and non-residential tax rates should be defined in the MGA.
 - Industrial taxpayers are currently paying too much of the tax burden, and are also expected to donate to community amenities.

Fees and levies

Comments from participants included that:

- Fees and levies are inconsistent among municipalities and industries in the province.
- Fees should only be used to cover specific costs and not to provide general municipal revenue.

Exemptions from Assessment and Taxation

Exemptions and other special tax treatment

Comments from participants included that:

- The MGA should have power to promote consistent taxation and exemptions across the province.
- All exemptions should be handled at the provincial level in accordance with the vision of the MGA.
- All exemptions should be applied to taxation, as opposed to exempting or otherwise altering assessments.
- Discounted taxes should be for 10 years rather than five years to attract businesses.

Market Value, Equalized and Supplementary Assessment

Progressive and supplementary assessment

Comments from participants included that:

- Supplementary tax bylaws should be in effect for longer than one year.

Industrial and Agricultural Property Assessment

Linear property assessment

Comments from participants included that:

- Supplemental assessment works fine for industrial properties, but there should be no progressive assessment of these same properties.
 - Progressive assessments are difficult to apply to industrial properties as they require costs to be estimated and this would be an onerous process.

Machinery and equipment property assessment

Comments from participants included that:

- The new MGA should retain the depreciation factor for machinery and equipment, which provides for taxation at 77 per cent of assessed value.
- Exemptions from education tax on machinery and equipment should remain in the MGA.
- Assessors should have standardized well packages to help them assess smaller wells, instead of having to visit every site.

Transportation properties

Comments from participants included that:

- For railways, spur lines and main lines should be assessed through similar processes.
- Airports should be taxed consistently, whether they are owned federally or by industry.

Farm property assessment

Comments from participants included that:

- Farmland should either be assessed at market value, or the regulated rate should be updated.
- Farm buildings should not be exempt from assessment.

Assessment Administration

Assessment administration

Comments from participants included that:

- Assessment should be centralized at the provincial level to ensure competency and consistency of assessments across the Province.
 - Industrial assessment is complex, and there are few assessors who are adequately trained.

Public Participation and Assessment Appeals

Assessment complaints and appeals

Comments from participants included that:

- There should be a central appeal board at the provincial level that provides consistent decisions.
 - This central appeal board would remove the perception of bias that occurs when councillors sit as members of appeal boards.
- A central linear assessment and appeal body, managed by the Province, is needed in order to promote consistency.

Planning and Development

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

Subdivision and Development Authorities and Processes

Administrative decision-making processes

Comments from participants included that:

- The development permit application process should only ask for information that has value to the development itself.

Regional Approaches

Municipal relationships and dispute resolution

Comments from participants included that:

- The MGA needs to clearly state when the Province should be involved in dispute resolution between municipalities.

Managing growth and development

Comments from participants included that:

- The MGA should clearly state who should pay for growth. Currently, too much of the burden is being placed on developers.
- Municipalities have lost some local autonomy through the new requirements for regional plans.

Appendix A: Session Agenda

MGA Review: Business and Industry Session

Agenda Item	Timing
1. Welcome and introductions	9:00-9:10
<p>2. Potential topics for discussion: The following topics will be available for table 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 	9:10-9:20

Agenda Item	Timing
<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>9:20-9:25</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="310 464 1157 701"> <tr> <td data-bbox="310 464 618 510">Block 1: 9:25-9:55</td> <td data-bbox="618 464 1157 510">Governance and Administration Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 510 1157 556">Break (10 mins)</td> </tr> <tr> <td data-bbox="310 556 618 602">Block 2: 10:05-10:45</td> <td data-bbox="618 556 1157 602">Assessment and Taxation Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 602 1157 648">Break (10 mins)</td> </tr> <tr> <td data-bbox="310 648 618 695">Block 3: 10:55-11:35</td> <td data-bbox="618 648 1157 695">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: 9:25-9:55	Governance and Administration Topics	Break (10 mins)		Block 2: 10:05-10:45	Assessment and Taxation Topics	Break (10 mins)		Block 3: 10:55-11:35	Planning and Development Topics	<p>9:25-11:35</p>
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Break (10 mins)											
Block 3: 10:55-11:35	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? 	<p>11:35-11:55</p>										
<p>6. Wrap-up</p>	<p>11:55-12:00</p>										