

# Municipal Government Act Review

## What We Heard: A Summary of Consultation Input

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Municipal Elected Officials Session  
Held in Edson on March 7, 2014

Released on June 17, 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 .....	5
Municipal Powers, Structures, Annexations and Other Changes .....	5
Municipal Governance and Administration .....	6
Municipal Finances .....	6
Municipal Accountability, Liability, and Risk Management .....	7
Municipal Services and Delivery .....	7
Public Participation and Municipal Relations .....	7
Assessment and Taxation .....	9
Taxation and Municipal Finances .....	9
Exemptions from Assessment and Taxation .....	9
Market Value, Equalized and Supplementary Assessment .....	9
Industrial and Agricultural Property Assessment .....	9
Assessment Administration .....	10
Public Participation and Assessment Appeals .....	10
Planning and Development .....	11
Fees and Levies .....	11
Land Management and Planning Tools .....	11
Land Dedication and Use of Reserves .....	11
Regional Approaches .....	11
Public Participation and Planning Appeals .....	12
Appendix A: Session Agenda .....	13

## 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 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](mailto: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](http://mgareview.alberta.ca)), the MGA Review Consultation Workbook, and official submissions.

## Session Overview

<b>Session</b>	Municipal Elected Officials Session
<b>Location</b>	Lion's Club Hall, Edson
<b>Date</b>	March 7 <sup>th</sup> , 2014
<b>Number of Participants</b>	14

- This session was open to current elected officials. 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 should include cross references between sections of the Act to make the document more user-friendly.
- Municipal Affairs should improve the MGA's readability by adding more plain language and clear interpretations of terms, such as "may" or "must."

### **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 MGA should be more definitive on municipal powers. The current language defining municipal powers is too broad, which allows the Province to download more responsibilities to municipalities.
- There is a public expectation that municipal governments should address all local issues, yet municipalities do not always have the powers or jurisdiction to do so.

#### ***Municipal structures***

Comments from participants included that:

- Summer villages should not exist.
  - It is not equitable that citizens of summer villages currently get more than one vote (i.e. in the municipality where their permanent residence is located as well as in the summer village where their temporary residence is located).

#### ***Fundamental changes and municipal restructuring***

Comments from participants included that:

- The Province should review the number of municipal governments in Alberta and consolidate regions to reduce the number of municipalities.
- The MGA should define some criteria that specify when a municipality can annex land.

- The annexation process takes too long and can be damaging to the municipalities involved.
- There should be provisions in the MGA to assist municipalities that annex properties that have debt. Once annexation negotiations begin, no further debt should be allowed to be incurred.
- Dissolution of a municipality should be a last resort, and should be avoided where possible.

## Municipal Governance and Administration

### ***Municipal governance***

Comments from participants included that:

- The MGA should require municipalities to have a code of ethics that outlines both appropriate and inappropriate behaviors of elected officials.
  - The MGA should also include enforcement tools to ensure that municipal codes of ethics are followed. Municipalities should have the ability to remove councillors from committees if the code of ethics is breached.

## Municipal Finances

### ***Financial administration***

Comments from participants included that:

- There should be tools available for municipalities to communicate a complete financial picture to the public.
- The MGA should include a provision that requires municipalities to use plain language in their budgets.
- The public should know what money municipalities are keeping in reserve versus what will be spent annually.
- Currently, there is a disincentive for municipalities to keep money in reserves. The Province is reluctant to give grants if they see large amounts of money in reserve.
  - There should be a baseline on how much municipalities should save, and anything over that amount could be considered when reviewing applications for grants.
- The current process to control municipal borrowing is effective.
- The MGA should provide the ability for the municipality to make lump sum payments or to pay off debts early without penalty.
- The current debt limit should either be lowered or kept the same in the MGA.



### ***Regional funding approaches***

Comments from participants included that:

- The MGA should provide more equity in the distribution of funds across the province.
- The Province should initiate and be more involved in regional funding approaches.
- The MGA should require affected parties to come together to agree on regional funding approaches. However, individual funding formulae should be decided among municipalities, and not prescribed in the MGA.
- If regionalization is considered, there should be criteria for regional agreements based on viability.

### ***Municipal revenue sources***

Comments from participants included that:

- The MGA should establish protection for municipalities that prevents the Province from downloading responsibilities without also providing appropriate revenue sources.

## **Municipal Accountability, Liability, and Risk Management**

### ***Liability and risk management***

Comments from participants included that:

- The MGA needs to include a definition of “bad faith” in addition to the definition for “good faith.”

## **Municipal Services and Delivery**

### ***Service provisions***

Comments from participants included that:

- Municipalities need the Province to provide some resources to help manage the costs of services that have been downloaded to the municipal level.
- There needs to be clarity on who (i.e. the municipality of the province) is responsible for implementing Alberta Health’s Continuing Care Strategy on “Aging in Place”.
- It is difficult for municipalities to provide services to recreational property subdivisions that have been developed on previous crown lands.

## **Public Participation and Municipal Relations**

### ***Municipal relationships and dispute resolution***

Comments from participants included that:

- Municipalities should have the ability to ask the Province for assistance after they have tried unsuccessfully to resolve conflicts with other municipalities.

***Public participation***

Comments from participants included that:

- The MGA needs to outline more opportunities and formats to engage the public.

## **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 should allow municipalities to charge hotel taxes. Hotel taxes would allow municipalities to cover infrastructure usage costs related to “shadow populations” of workers who live in hotels for extended periods of time.
- Councils should have additional taxation tools to encourage development on vacant lands.
- Municipalities should have the ability to split tax rates on vacant and improved properties.
- Municipalities should have the ability to split mill rates within assessment classes to account for businesses that are of very different size and scales.

### Exemptions from Assessment and Taxation

#### ***Exemptions and other special tax treatment***

Comments from participants included that:

- There needs to be a provision in the MGA that allows municipalities to collect payments in lieu of taxes for large facilities that are exempt from taxes, like seniors lodges and schools.

### Market Value, Equalized and Supplementary Assessment

#### ***Market value assessment and administration***

Comments from participants included that:

- Municipalities find it difficult to assess property at market value when there are very few sales in a given community.

### Industrial and Agricultural Property Assessment

#### ***Linear property assessment***

Comments from participants included that:

- Linear properties should be taxed at a flat rate across province.

### ***Transportation properties***

Comments from participants included that:

- The assessment method used for rail properties should be reviewed.
- Municipalities should not be able to own airports. Airports should only be a federal responsibility.

### ***Farm property assessment***

Comments from participants included that:

- The MGA needs to establish stricter provisions about what qualifies as a farm for assessment purposes.
- When farmland is bought and used for industrial purposes, that land should no longer be assessed as farmland.
- Some citizens use “hobby farms” to avoid taxation, and this should not be permitted.
- Farm properties should not be assessed at market value, as this would harm the farming industry in Alberta.

## **Assessment Administration**

### ***Assessment administration***

Comments from participants included that:

- The general public needs more clarity on how assessments are prepared.
- Assessment services should be administered at the local level to ensure local accountability.
- The valuation date should be shifted so that it is as close as possible to year-end, rather than being on July 1<sup>st</sup>.

## **Public Participation and Assessment Appeals**

### ***Assessment complaints and appeals***

Comments from participants included that:

- Composite Assessment Review Boards should be eliminated.
  - Some property types are too complicated to be dealt with by the Composite Assessment Review Board. Composite Assessment Review Board complaints should go to the Municipal Governance Board instead.
- Assessment review board members should receive a higher level of training.
- The Province should create a provincial roster of qualified board members, or another centralized compliant body, to ensure consistent decisions.

## **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:

- The rates that can be charged under community aggregate levies need to be increased to adequately cover the costs of road use.
- The community aggregate payment levy should be distributed at the end of every year.
- The MGA should allow municipalities to have legislated access to tonnage information related to gravel levies, rather than having to request this information from gravel companies.

### Land Management and Planning Tools

#### ***Statutory plans and land use bylaws***

Comments from participants included that:

- Developers are over-regulated and the current level of regulation is causing developers to walk away from potential projects.
- There needs to be better planning provisions in the MGA for mixed residential and commercial areas.

### Land Dedication and Use of Reserves

#### ***Land dedication (reserves)***

Comments from participants included that:

- Developers should be paid to offset the lost value of mandatory dedicated reserve land.

### Regional Approaches

#### ***Managing growth and development***

Comments from participants included that:

- A regional planning system should return in Alberta.

- Joint partnerships between municipalities could resolve many issues associated with large projects. For example, the services needed to support large projects are often located outside of the municipality where the project is taking place.
- The provincial government needs to be involved in joint planning and provide incentives to encourage partnerships.
- Water use will be an issue that will require provincial assistance to manage competing interests.
  - Water use is a good starting place to pilot joint planning ventures, since water is currently managed by the Province.
- The MGA should mandate the involvement of provincial departments in municipal planning where there is overlap in jurisdiction. Transportation would be an example where municipalities and the Province should be working together more.

## Public Participation and Planning Appeals

### ***Planning and inter-municipal appeals***

Comments from participants included that:

- Subdivision and Development Appeal Boards should be composed of neutral, third-party members.
- Members of appeal bodies should be appropriately qualified and well-trained.

## Appendix A: Session Agenda

### *MGA Review: Elected Officials Session*

Agenda Item	Timing						
<b>1. Welcome and introductions</b>	10:00-10:15						
<p><b>2. Potential topics for discussion:</b></p> <p>The following topics will be available at table discussions:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 33%;"><b>Governance and Administration</b></th> <th style="text-align: left; width: 33%;"><b>Assessment and Taxation</b></th> <th style="text-align: left; width: 33%;"><b>Planning and Development</b></th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>▪ Municipal powers</li> <li>▪ Municipal structures</li> <li>▪ Fundamental changes and municipal restructuring</li> <li>▪ Municipal governance</li> <li>▪ Municipal administration</li> <li>▪ Financial administration</li> <li>▪ Regional funding approaches</li> <li>▪ Municipal revenue sources</li> <li>▪ Fees and levies</li> <li>▪ Compliance and accountability</li> <li>▪ Liability and risk management</li> <li>▪ Provincial powers</li> <li>▪ Service provisions</li> <li>▪ Regional services commissions</li> <li>▪ Municipally controlled corporations</li> <li>▪ Municipal relationships and dispute resolution</li> <li>▪ Public participation</li> <li>▪ Municipal Government Board</li> </ul> </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>▪ Taxation</li> <li>▪ Municipal revenue sources</li> <li>▪ Fees and levies</li> <li>▪ Exemptions and other special tax treatment</li> <li>▪ Market value assessment and administration</li> <li>▪ Equalized assessment</li> <li>▪ Progressive and supplementary assessment</li> <li>▪ Linear property assessment</li> <li>▪ Machinery and equipment property assessment</li> <li>▪ Transportation properties</li> <li>▪ Farm property assessment</li> <li>▪ Assessment administration</li> <li>▪ Public participation</li> <li>▪ Assessment complaints and appeals</li> <li>▪ Municipal Government Board</li> </ul> </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>▪ Fees and levies</li> <li>▪ Statutory plans and land use bylaws</li> <li>▪ Planning authorities</li> <li>▪ Administrative decision-making processes</li> <li>▪ Land dedication (reserves)</li> <li>▪ Municipal relationships and dispute resolution</li> <li>▪ Managing growth and development</li> <li>▪ Regional funding approaches</li> <li>▪ Municipal Government Board</li> <li>▪ Public participation</li> <li>▪ Planning and inter-municipal appeals</li> </ul> </td> </tr> </tbody> </table>	<b>Governance and Administration</b>	<b>Assessment and Taxation</b>	<b>Planning and Development</b>	<ul style="list-style-type: none"> <li>▪ Municipal powers</li> <li>▪ Municipal structures</li> <li>▪ Fundamental changes and municipal restructuring</li> <li>▪ Municipal governance</li> <li>▪ Municipal administration</li> <li>▪ Financial administration</li> <li>▪ Regional funding approaches</li> <li>▪ Municipal revenue sources</li> <li>▪ Fees and levies</li> <li>▪ Compliance and accountability</li> <li>▪ Liability and risk management</li> <li>▪ Provincial powers</li> <li>▪ Service provisions</li> <li>▪ Regional services commissions</li> <li>▪ Municipally controlled corporations</li> <li>▪ Municipal relationships and dispute resolution</li> <li>▪ Public participation</li> <li>▪ Municipal Government Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ Taxation</li> <li>▪ Municipal revenue sources</li> <li>▪ Fees and levies</li> <li>▪ Exemptions and other special tax treatment</li> <li>▪ Market value assessment and administration</li> <li>▪ Equalized assessment</li> <li>▪ Progressive and supplementary assessment</li> <li>▪ Linear property assessment</li> <li>▪ Machinery and equipment property assessment</li> <li>▪ Transportation properties</li> <li>▪ Farm property assessment</li> <li>▪ Assessment administration</li> <li>▪ Public participation</li> <li>▪ Assessment complaints and appeals</li> <li>▪ Municipal Government Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fees and levies</li> <li>▪ Statutory plans and land use bylaws</li> <li>▪ Planning authorities</li> <li>▪ Administrative decision-making processes</li> <li>▪ Land dedication (reserves)</li> <li>▪ Municipal relationships and dispute resolution</li> <li>▪ Managing growth and development</li> <li>▪ Regional funding approaches</li> <li>▪ Municipal Government Board</li> <li>▪ Public participation</li> <li>▪ Planning and inter-municipal appeals</li> </ul>	10:15-10:45
<b>Governance and Administration</b>	<b>Assessment and Taxation</b>	<b>Planning and Development</b>					
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Agenda Item	Timing										
<p><b>3. Table Facilitation</b></p> <table border="1" data-bbox="310 441 1156 768"> <tr> <td data-bbox="310 441 630 541">Block 1: 10:45-11:45</td> <td data-bbox="630 441 1156 541">Governance and Administration Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 541 1156 594">Lunch (1 hour)</td> </tr> <tr> <td data-bbox="310 594 630 653">Block 2: 12:45-1:45</td> <td data-bbox="630 594 1156 653">Assessment and Taxation Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 653 1156 709">Break (15 min)</td> </tr> <tr> <td data-bbox="310 709 630 768">Block 3: 2:00-3:00</td> <td data-bbox="630 709 1156 768">Planning and Development Topics</td> </tr> </table> <ul style="list-style-type: none"> <li data-bbox="302 779 1299 852">▪ Discussion will focus on what is working well, desired changes, and potential impacts of changes to the legislation</li> </ul>	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	<p>10:45-3:00</p>
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<p><b>4. Break</b></p>	<p>3:00-3:15</p>										
<p><b>5. Open discussion</b> Are there any other relevant topics participants want to address?</p>	<p>3:15-3:45</p>										
<p><b>6. Wrap-up</b></p>	<p>3:45-4:00</p>										