

# Municipal Government Act Review

## What We Heard: A Summary of Consultation Input

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Governance and Administration Technical Session

Held in Edson on March 5, 2014

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Developed by KPMG for Alberta Municipal Affairs



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## Introduction

### Purpose

This document provides a summary of what was heard during a consultation session for the Municipal Government Act (MGA) review. The summary below includes the comments and opinions of the participants of the Governance and Administration Technical 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>	Governance and Administration Technical Session
<b>Location</b>	Lion's Club Hall, Edson
<b>Date</b>	March 5, 2014
<b>Number of Participants</b>	9

- 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.

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### ***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 format of the MGA should be revised to be more user-friendly.
- The MGA needs to be implemented and enforced consistently.
- The permissive and enabling approach of the current MGA works well.
- There should be regular reviews of the MGA to update definitions.

### **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 should be empowered to amend their census policy to get the most accurate results. Shadow populations are largely unaccounted for in many municipalities because of the current census policies.

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

Comments from participants included that:

- The MGA should require municipalities to review amalgamation impacts regularly. However, the review and study of amalgamation is costly to municipalities.
- The public must have input into the decisions made regarding amalgamation. Amalgamation processes have been inconsistent in the past depending on the Minister of Municipal Affairs and their willingness to exercise their powers.
- There must be adequate public consultation and education when major restructuring is being considered, such as a dissolution or amalgamation.
- The Province could create financial incentives, like grant funding, to encourage restructuring.
- In some cases, current councils or the Province should be able to bind future councils in their decision making regarding restructuring and amalgamation.

## Municipal Governance and Administration

### ***Municipal governance***

Comments from participants included that:

- The MGA should have rules to control the population distribution across electoral ward boundaries.
  - Ward systems can cause problems as councillors should be looking out for the public in their municipality as a whole rather than only the citizens within their wards.
- The roles and responsibilities of councillors need to be clearly defined in the MGA.
  - The MGA needs a framework that outlines the accountability and transparency requirements for councillors.
- A minimum eligibility requirement should be required to run for council. However, this may have an impact on recruiting candidates to run.
  - Councillors should be required to take training immediately after they are elected.

## Municipal Finances

### ***Financial administration***

Comments from participants included that:

- The municipal budget year is based on the calendar year, which is different from the fiscal year for provincial and federal governments.
  - The municipal budget year should align with other levels of government to allow for coordination of budgeting, tendering and grant applications.
- The MGA should align with the Public Sector Accounting Board policy to accurately account for depreciation.

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

Comments from participants included that:

- Urban municipalities are pressured to provide infrastructure and services that benefit the region as a whole, but they do not always have access to taxation revenues from the rural assessment base.
- The MGA should look at formalizing sharing arrangements for revenues.
  - When municipalities share revenue, clear lines of accountability must show how the money is used.
- The Province should leave decisions about revenue sharing at the local level.
- Political and elected official changeover can impact the follow through on regional collaboration and negotiations. There need to be provisions in the MGA to address this.

## Municipal Services and Delivery

### ***Regional Services Commissions***

Comments from participants included that:

- The revised MGA should require interim budgets for regional services commissions.

## Public Participation and Municipal Relations

### ***Public participation***

Comments from participants included that:

- There is a concern that council decisions are driven by the electorate, which leaves businesses without a voice.
- Minimum notice requirements to notify the public are adequate. Sending letters should remain as the minimum requirement, with additional options available for municipalities to choose from.

## **Assessment and Taxation**

During the discussions surrounding governance and administration some discussion occurred on 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 ways in which tax dollars are being spent should be made available to the public.
  - For example, the breakdown of which infrastructure and services are being paid for by the tax dollars.
- The link between residential and non-residential tax rates should be restored in the revised MGA.
  - The MGA should define a maximum ratio between assessment classes, and also create consequences for municipalities that do not comply.
- Industry bears too much of the burden for municipal infrastructure and service costs. If councils were restricted in how they distribute the tax burden across assessment classes, there could be greater accountability in capital project decisions and long-term operational impacts.
- There are inconsistencies across the province in how municipalities work with industry and set tax policies.
- The Province should administer a tax system for all non-residential assessments.

## Appendix A: Session Agenda

### *MGA Review: Governance and Administration Technical Session*

Agenda Item	Timing
<b>1. Welcome and introductions</b>	10:00-10:10
<p><b>2. Potential topics for discussion:</b></p> <p>The following topics will be available for table discussion:</p> <p><u>Subject 1: Municipal Powers, Structures, Annexations and Other Changes</u></p> <ul style="list-style-type: none"> <li>▪ Municipal powers</li> <li>▪ Municipal structures</li> <li>▪ Fundamental changes and municipal restructuring</li> </ul> <p><u>Subject 2: Municipal Governance and Administration</u></p> <ul style="list-style-type: none"> <li>▪ Municipal governance</li> <li>▪ Municipal administration</li> </ul> <p><u>Subject 3: Municipal Finances</u></p> <ul style="list-style-type: none"> <li>▪ Financial administration</li> <li>▪ Regional funding approaches</li> <li>▪ Municipal revenue sources</li> <li>▪ Fees and levies</li> </ul> <p><u>Subject 4: Municipal Accountability, Liability, and Risk Management</u></p> <ul style="list-style-type: none"> <li>▪ Compliance and accountability</li> <li>▪ Liability and risk management</li> <li>▪ Provincial powers</li> </ul> <p><u>Subject 5: Municipal Services and Delivery</u></p> <ul style="list-style-type: none"> <li>▪ Service provisions</li> <li>▪ Regional services commissions</li> <li>▪ Municipally controlled corporations</li> </ul> <p><u>Subject 6: Public Participation and Municipal Relations</u></p> <ul style="list-style-type: none"> <li>▪ Municipal relationships and dispute resolution</li> <li>▪ Public participation</li> <li>▪ Municipal Government Board</li> </ul>	10:10-10:20
<b>3. Change tables (if needed)</b>	10:20-10:25

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Agenda Item	Timing
<b>4. Table facilitation</b> <ul style="list-style-type: none"><li>▪ Up to three topics will be prioritized for discussion (~20 minutes each)</li><li>▪ Discussion will focus on what is working well, desired changes, and potential impacts of changes to the legislation</li></ul>	10:25-11:35
<b>5. Open discussion</b> <ul style="list-style-type: none"><li>▪ Are there any other relevant topics participants want to address?</li></ul>	11:35-11:55
<b>6. Wrap-up</b>	11:55-12:00