

Municipal Government Act Review

What We Heard: A Summary of Consultation Input

Governance and Administration Technical Session
Held in Fort McMurray on February 12, 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 Fort McMurray.

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	Governance and Administration Technical Session
Location	Macdonald Island Park, Fort McMurray
Date	February 12, 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 taken directly from the MGA Review Consultation Workbook. Several of the topics for discussion appear under more than one of the three themes of the review because they are relevant to more than one theme (e.g. public participation). The agenda is attached as Appendix A.

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

Capturing input and reporting

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

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

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

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

How the Summary of Responses is Organized

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

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

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

Summary of Input

General Comments about the MGA

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

- The purpose of the MGA should be to contribute towards the overall betterment of society. This should be clearly outlined in both the preamble and the body of 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 current MGA gives municipalities too much power.
- Bylaw-making powers should rest with the municipality to ensure local priorities are met.

Municipal structures

Comments from participants included that:

- Hamlets and summer villages do not have a sufficient tax base to support operations and staff, which means they are not sustainable.
- The structure and role of small municipalities needs to be addressed in the MGA.

Fundamental changes and municipal restructuring

Comments from participants included that:

- The MGA should allow municipal boundaries to be flexible based on changing needs.
 - Specialized municipalities have less control over urban versus rural issues. There should be sub-wards within the larger municipality to ensure better representation.
- During amalgamation processes, representation should be based on more than population.

Municipal Governance and Administration

Municipal governance

Comments from participants included that:

- The MGA should clearly define the role of council versus the role of administration.
- The MGA should make training mandatory for councillors to help prepare them more adequately.
 - Currently, more than half of councillors opt out of training and are not well enough prepared to meet the needs of their citizens.
 - It is very important that councillors develop a clear understanding of conflict and how to resolve it. This should be included in their training.
- The MGA needs to enable collaboration between business stakeholders and municipalities to ensure needs are met on both sides, particularly where there are major infrastructure challenges.
- Work camps should be represented in municipal governance.

Municipal Finances

Financial administration

Comments from participants included that:

- The MGA should require municipalities to report and explain their budgets in way that makes the budget clear for all citizens.
- The duty for municipalities to report out to the public on budgeting decisions should be balanced with protecting privacy of information for work in progress, such as competitive bidding.
- Disclosing budget information works against municipalities getting competitive bids on projects, since they are advising potential contractors of their budget. This can drive up the cost.
- The current debt limits in the MGA are appropriate. Debt limits should be conservative to manage risks and liabilities to municipalities.
- The MGA requires new approval processes or channels to allow for changes to the debt limit, when needed.

Regional funding approaches

Comments from participants included that:

- The MGA should include public-private partnerships (P3s) as an option for regional funding.

Municipal revenue sources

Comments from participants included that:

- If new revenue sources are established in the MGA, clear “goal posts” or rules should be established to ensure fair application.

- Using fines and penalties as a municipal revenue source negatively impacts the quality of life of citizens in that municipality.
- With fines, the penalty must be higher than the financial benefit to business of non-compliance. In other words, the penalty needs to be high enough to actually deter a business from repeating the violation.

Municipal Accountability, Liability, and Risk Management

Provincial powers

Comments from participants included that:

- The MGA should require additional provincial oversight on the financial operations of municipalities.

Municipal Services and Delivery

Service provisions

Comments from participants included that:

- The MGA needs to clarify provincial and municipal responsibilities in relation to service provision. For example, one area for clarification is who maintains bridges.
 - There are occasions when a municipality constructs and funds a road that should be a provincial responsibility.
- Service requirements in the MGA should stay the same to afford more adaptability and flexibility to the municipality. Too much prescription would limit municipalities.

Regional Services Commissions

Comments from participants included that:

- Regional services corporations need a clear definition in the MGA to ensure transparency and accountability for their use.

Municipally Controlled Corporations

Comments from participants included that:

- The MGA should continue to allow municipally controlled corporations to operate, since they can be a good way of pooling resources, accessing technical expertise and creating local jobs.

Public Participation and Municipal Relations

Municipal relationships and dispute resolution

Comments from participants included that:

- The cost of paying appeal board members can be a financial burden for small municipalities.

Public participation

Comments from participants included that:

- The MGA needs to modernize allowable communication methods to promote convenience, efficiency and accessibility.
- The MGA should allow business and industry to have a voice in decisions. Currently, industry does not have a vote so their influence is limited.
 - There should be a voice for industry operating in areas where they work but don't reside. This is not currently included in the MGA.
- The MGA should ensure stakeholders and the community are engaged well in advance of any changes.
- The MGA needs to include checks and balances to ensure collaboration between the Province, municipalities and business. Mechanisms to support this collaboration should be included in the MGA, such as rules of engagement.
- It is hard for the public to attend public hearings and council meetings, often due to shift work or other demands. There should be options for these meetings to be viewed live on television.
- Regular updates to municipal websites should be required.

Municipal Government Board

Comments from participants included that:

- Having the Municipal Government Board at the provincial level creates more fairness and equity. The precedents set by this board should be applied province-wide.

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 MGA should allow municipalities to have more flexibility in how they administer taxation.
- People should be required to pay taxes in the province where they work, not the province in which they reside.
- Property tax rates between residential and non-residential properties should be linked to ensure equity, and to promote fairness and greater certainty. This would make councils more accountable, since changes would make citizens ask questions. However, linking tax rates would also limit the flexibility of municipalities.
- The MGA should allow different taxation classes for businesses to account for the widely diverse business types and operations that exist in municipalities.
- The MGA should shorten the timeframe for tax enforcement processes. The current processes are onerous and happen too late to help people meet their obligation.
 - The enforcement process starts after four years, which means that people are too far behind to catch up. If it was started earlier, people could address the issue sooner and have more opportunity to catch up on taxes owed.
 - There may be other avenues to reduce the burden on people who are overdue on their taxes, such as lowering the interest rate. However, the interest would then not serve as a deterrent from missing payments in the first place.

Planning and Development

During the discussions surrounding governance and administration some discussion occurred on planning and development. The following input was received and documented related to planning and development.

Land Management and Planning Tools

Statutory plans and land use bylaws

Comments from participants included that:

- The MGA should require municipalities to create long-range plans to prepare for “worst case” scenarios. Municipalities should communicate these plans with industry.

Regional Approaches

Managing growth and development

Comments from participants included that:

- The Province should be required to consult with municipalities regarding growth needs.
- The MGA should include additional provisions that address flood risks.

Public Participation and Assessment Appeals

Assessment complaints and appeals

Comments from participants included that:

- The MGA should require consistent information sharing prior to property taxation appeals to ensure that the municipality, industry and the public all have the same understanding of what information is required for the appeal process.

Appendix A: Session Agenda

MGA Review: Governance and Administration Technical Session

Agenda Item	Timing
1. Welcome and introductions	10:00-10:10
<p>2. Potential topics for discussion:</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"> ▪ 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 	10:10-10:20
3. Change tables (if needed)	10:20-10:25

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