

Municipal Government Act Review

What We Heard: A Summary of Consultation Input

Governance and Administration Technical Session

Held in Grande Prairie on April 2, 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	6
Municipal Finances	7
Municipal Accountability, Liability, and Risk Management	8
Municipal Services and Delivery	9
Public Participation and Municipal Relations	9
Assessment and Taxation	11
Taxation and Municipal Finances	11
Public Participation and Assessment Appeals	11
Planning and Development	12
Subdivision and Development Authorities and Processes	12
Land Dedication and Use of Reserves	12
Regional Approaches	12
Public Participation and Planning Appeals	13
Appendix A: Session Agenda	14

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 Grande Prairie.

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	Muskoseepi Park, Grande Prairie
Date	April 2, 2014
Number of Participants	19

- 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 MGA is disorganized and is not user-friendly, especially when it comes to the assessment and taxation portions.
- The new MGA needs to be easier to understand, and should minimize legal wording.
- Other provincial government ministries, such as Alberta Education, have a huge impact on municipalities. However, the government ministries operate in silos, so municipalities can't influence these ministries.

Governance and Administration

The following input was received and documented related to governance and administration.

Municipal Powers, Structures, Annexations and Other Changes

Fundamental changes and municipal restructuring

Comments from participants included that:

- In the dissolution process, the absorbing municipality should have access to legislated financial assistance from the Province to cover some of the costs associated with absorbing the infrastructure and debt of another municipality.

Municipal Governance and Administration

Municipal governance

Comments from participants included that:

- The division between the roles of council and the chief administrative officer are fairly clear in the MGA, but there is a wide range of interpretations and applications of these roles across the province. This may be more of an issue of training, as opposed to an issue that requires a legislative change.
- The current pecuniary interest provisions are clear in the MGA. However, other council biases that may cause conflicts are not addressed.
 - Disclosure of new councillor interests should be mandated in the MGA. More disclosure would lead to more transparency upfront, which may help prevent issues and protect councillors from accusations.
 - The current process puts the burden of enforcing conflict of interest provisions on the administration, but the governance relationship with council makes this problematic.
- The in camera meeting section of the MGA should be clearer. Existing provisions need to be enforceable, and are being misinterpreted.
- The MGA should include requirements for transparency in minutes for in camera meetings. The minutes should state why the council met in camera.

Municipal administration

Comments from participants included that:

- Administration doesn't necessarily communicate all information in an unbiased way to council.
- Councillors have adequate tools to work with administrators to ensure full information sharing. Action logs are one example.

Municipal Finances

Financial administration

Comments from participants included that:

- Borrowing and investment debt limits are working well under the current MGA.

Regional funding approaches

Comments from participants included that:

- Regional collaboration should be mandated in the MGA, especially around cost sharing and revenue sharing. If collaboration is not mandated, it won't happen.
- Current grant programs administered by Municipal Affairs that emphasize regional cooperation bring an additional burden and challenges for municipalities who are applying for those grants.
 - Regional cooperation is occurring between municipalities, but it can be difficult to get a group of municipalities all on the same page to make a formal application.
 - Local autonomy is impacted when municipalities are financially dependent on cooperating with other municipalities.
 - Regional grants currently limit funding for projects that are specific to one municipality.
- The MGA needs a formula to consider service areas when making determinations about revenue sharing.
 - For example, some municipalities provide services to shadow populations, or to populations larger than their municipality boundaries. In these cases, bordering municipalities need to support the services their citizens' access in other municipalities.

Municipal revenue sources

Comments from participants included that:

- Municipalities need a sustainable, predictable source of funding, as opposed to incidental grants.
 - One example that should be considered is the approach in Manitoba, where municipalities receive a percentage of income tax revenue.
 - If municipalities were to collect income tax, the system would need to consider how to apply taxes across provinces of residence and different locations of employment.
- Municipalities should get a share of provincial resource revenues, such as those derived from lumber operations.
- Revenue for small rural and urban municipalities is a challenge if there is not oil and gas revenue within the municipality. Farmland doesn't provide much income.
 - Provincial wealth is currently being distributed to the largest municipalities at the expense of smaller ones.

- Revenue distribution should not be based on population. Other factors need to be considered, like the amount of roads that need to be serviced, or the need to maintain infrastructure sustainability.
- Revenue is a challenge for rural municipalities after dissolutions have occurred within their boundaries.
- Municipal Sustainability Initiative funding is positive, but it is not enough for small municipalities.
- The Province should extend the municipal tax base to include shadow populations. Each municipality's funding should consider the shadow populations that impact their municipality. That way, taxes could be based on people's use of services.
 - Municipalities should be able to set up a hotel tax for work camps, as residents of these camps use services in the local municipalities. This would provide both provincial and municipal revenue.
 - Information deadlines to recognize shadow populations don't align with the busy seasons of the camps. This means that shadow populations are not adequately captured. High estimates of the shadow population should be used, and not slow season estimates.

Fees and levies

Comments from participants included that:

- Municipalities should have the flexibility to revisit offsite levies and potentially collect more funds after the initial subdivision.
- There needs to be a clear connection between collected offsite levies and what the money is being used for, including services like roads. This change would improve local government transparency.
- The collection of levies needs to be more equitable across different industries. Currently, there seems to be more money collected on oil and gas developments than on other kinds of developments.
 - Levies can be a high cost for the energy industry, especially if the amount paid for the well drilling equipment tax is also considered.

Municipal Accountability, Liability, and Risk Management

Compliance and accountability

Comments from participants included that:

- The MGA should enable a third party, such as an ombudsman, for the public to express concerns about their municipal government.
- There should be an intermediary board or tribunal that could be used as a step before the courts are involved. The court process is very disruptive to councils.
- More needs to be done to hold municipalities accountable for decisions. The current process isn't rigorous enough.

- The fines and consequences associated with current municipal accountability provisions are not strong enough.
 - The MGA needs more definitive and enforceable penalties to hold councils accountable. Currently, pursuing legal action is the only option for doing so.
- There is an issue with municipalities' ability to enforce stop-work orders, which are often the result of poor subdivision and development appeal board decisions.
 - Applicants will often re-apply multiple times for redevelopment, even after the municipality issues a stop-work order. There needs to be more power for the municipality to enforce these decisions.
- The application of the pecuniary interest provision needs to be broadened to instances where there is a perceived bias. This is especially relevant during subdivision and development approvals.
- The process for declaring pecuniary interest is currently voluntary, but additional consequences or enforcement measures are needed if there is a perceived bias.
- Members of the general public should be empowered to hold council accountable for perceived bias.
 - Provisions around perceived bias could potentially affect the ability for council to make decisions, especially in small communities where personal connections to council decisions are more likely.

Municipal Services and Delivery

Service provisions

Comments from participants included that:

- The fact that provincial services are centralized in major cities isn't meeting the needs of rural municipalities.
- The Province is downloading services to municipalities without providing additional funding. Funding needs to come along with new responsibilities.

Public Participation and Municipal Relations

Public participation

Comments from participants included that:

- The provisions in the MGA regarding public participation are working well.
- The increased focus on the public in recent years, particularly in rural municipalities, is working well. This needs to continue to increase as a focus for municipalities. The sustainability of municipalities depends on the public buying into decisions.
- Municipalities should be held accountable for holding open meetings and facilitating public participation.
- Municipalities should be required to track public participation.
- There are currently limited options in the MGA for the public to express concerns.

- The MGA needs to provide municipalities with more flexibility in how they communicate with the public. Notifications can't be limited to the newspaper.
 - Modernizing notifications for tax notices should include email.
 - Higher public expectations for communication mean that more flexibility is needed in how notifications are handled generally.
 - Options for notification should be left to municipal discretion.
- Face-to-face mechanisms of engagement don't always draw people. Social media is increasingly the most effective way to engage people. Therefore, guidelines and provisions for using social media should be included in the MGA.
 - Municipalities need to manage information on social media. This creates the risk of councillors getting into disputes on social media. Councillors need to be held accountable for their public interactions on social media.
 - Formal mechanisms are needed for responses to social media comments.
 - The Province should provide funding for municipalities to hire consultants who can help develop a social media strategy and information dissemination strategy.
 - Municipal Affairs could provide a social media resource for municipalities.
This could be done at a regional level for efficiency.
- Business is providing an increasing proportion of tax revenue, but they do not have a political voice.

Municipal Government Board

Comments from participants included that:

- A central body, such as the Municipal Government Board, should evaluate industrial property assessment appeals.
- The MGA needs to clarify what constitutes a complex oil and gas property and what types of industrial appeals go to the Municipal Government Board.

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:

- Municipalities should be able to gather revenue from horizontal well drilling through the well drilling equipment tax. Well drilling assessment is currently limited to vertical depth, but impact on municipalities and use of services is high for horizontal wells as well, and oil companies are generating a lot of revenue from the wells.
- Industrial tax rates need to be linked to residential tax rates to ensure an equitable and fair tax system. There needs to be a set ratio between the two tax rates.
 - Linking residential and non-residential tax rates would limit municipal autonomy to determine their own mill rates.
- Currently, there is a lack of consistency in taxation rates across the province. Consistency is needed for good business planning.

Public Participation and Assessment Appeals

Assessment complaints and appeals

Comments from participants included that:

- Composite assessment review boards do not always have adequate knowledge or expertise to make fair decisions related to complex assessments.

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.

Subdivision and Development Authorities and Processes

Administrative decision-making processes

Comments from participants included that:

- The MGA should set standards for what kinds of developments require an engineering analysis.
- Engineering requirements are very expensive for small municipalities.
 - Tools should be available that allow municipalities to share engineering costs.
 - Similar projects shouldn't have to be re-engineered, and should be able to draw upon previous projects' engineering work.

Land Dedication and Use of Reserves

Land dedication (reserves)

Comments from participants included that:

- There is not enough guidance in the MGA around the use of reserves. There are also not strong enough provisions to hold municipalities accountable for compliance to the reserves sections of the MGA.
- Development within reserve land could be limited under the MGA to when specific needs arise, such as road maintenance.

Regional Approaches

Managing growth and development

Comments from participants included that:

- It should be mandated that developers will provide mapping for identical flood plains. Municipalities need more authority to require slope stability reports on development applications.
- The MGA needs mechanisms to manage urban sprawl. Municipalities shouldn't have unlimited ability to expand.
 - Rural municipalities are being taken over, and are losing revenue.
 - Prime farmland is being developed, and should be protected.

- There needs to be accountability in the MGA for population density and environmentally responsible use of land.
 - The Toronto region has a good example of how to address urban sprawl. The current land supply of each municipality has to be exhausted before they can expand. Toronto has also implemented population density targets, which Alberta should consider doing as well.
 - Portland and Ottawa also have models that Alberta should consider. These municipalities have greenbelts or urban growth boundaries around their municipalities, which reduces sprawl. However, this also drives up land costs.
 - The costs of urban sprawl impact all Albertans.

Public Participation and Planning Appeals

Planning and intermunicipal appeals

Comments from participants included that:

- Generally, more flexibility is needed within the MGA on who can appeal, and on what can be appealed.
 - For example, right of appeal provisions need to be more flexible.
 - More flexibility is needed for residents to appeal any council decisions.
- The current appeal process can work really well, depending on the municipality.
- Landowners should be able to appeal permitted use developments and subdivisions on adjacent land.

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