

Municipal Government Act Review

What We Heard: A Summary of Consultation Input

Municipal Elected Officials Session
Held in Medicine Hat on April 16, 2014

Released on June 24, 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 Municipal Elected Officials Session held in Medicine Hat.

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	Municipal Elected Officials Session
Location	Southside Events Centre, Medicine Hat
Date	April 16, 2014
Number of Participants	7

- This session was open to current municipal 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 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 should be shorter and easier to read.
 - A streamlined version would be helpful for readers who aren't legal experts.
 - The structure of the MGA needs to be focused in a more logical way.
- It is important to clarify in the MGA that sections cannot be interpreted independently of each other.
- Changes to numbers or other content in the MGA need to be clearly identified in the new MGA.
- Municipalities should be a distinct order of government.

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:

- Municipal powers are working well in the MGA, aside from powers related to land development.
- Municipalities need to have the power to interact with the federal government and federal-level organizations.
 - Municipalities need the right to discuss issues, not to enforce decisions on federal bodies.
 - Municipalities need to be able to hold federal organizations accountable for their impact on municipalities.
 - Municipalities need some kind of mechanism in the MGA to deal with issues at the federal level, even if railroad issues have to be excluded.
- Smaller municipalities don't have the same ability to use the powers in the MGA as larger municipalities.
- Municipalities should have more power to oversee policing in their communities. Police services shouldn't be able to operate in isolation.

Municipal structures

Comments from participants included that:

- There are huge differences between cities of 12,000, 60,000 and one million people. Their challenges are very different. There may need to be different structural classifications to reflect these differences.

Fundamental changes and municipal restructuring

Comments from participants included that:

- Current restructuring processes in the MGA are working well.

Municipal Governance and Administration

Municipal governance

Comments from participants included that:

- Governance requirements for municipalities in the MGA are working well.
- Pecuniary interest provisions in the MGA are working well.
- Self-declaration of pecuniary interest depends on the rest of council's understanding of the pecuniary interest. Not everyone understands or agrees when to bring the

conflicted councillor back when the subject changes. This is a risk for councillors, since they could miss discussions they should have been present for.

- Conflict of interest provisions need to be stronger in the MGA. Conflict of interest should not just be based on pecuniary interest.
 - For example, conflict may arise because of relationships with non-governmental organizations and other issues where there is an interest but not a personal financial gain.
 - Councillors need formal discretionary powers not to vote in cases of conflict of interest. Currently, councillors informally leave the meeting at the time of the vote.

Municipal Finances

Financial administration

Comments from participants included that:

- Financial administration provisions under the MGA are clear and working well.
- Budgeting for “offsite levy assists” doesn’t factor in that the tax base will have to increase for the cost to accrue. There might be a gap between when the cost occurs and when the new revenue comes in. The current process therefore assigns a cost that may never occur.
- Municipalities are currently required to complete their budgets prior to the Province confirming its funding. This is not working well.
- Municipalities should have more options for investing municipal dollars.
 - However, more investment options could expose municipalities to higher risk.

Regional funding approaches

Comments from participants included that:

- Individuals in rural municipalities use services in urban centres that are paid for by the urban municipalities. Cost sharing is dependent on the willingness of the rural municipality to contribute, which is an issue for urban municipalities.
 - Per capita funding does not address the issue of cost sharing. There needs to be a different formula for voluntary revenue sharing.
 - Formulas for revenue sharing could be based on per capita amounts, but with an additional factor that considers use of services as well.
- There are existing options for municipalities to implement fees, and to try to negotiate cost sharing.
 - User fees could be higher based on where users live, but this is impractical.
- The Province should not take more control over regional revenue and cost sharing. Sharing between municipalities should remain voluntary.

Municipal revenue sources

Comments from participants included that:

- Larger municipalities could have more options to collect more taxes, but smaller and medium-sized municipalities don't need additional tax options.
 - If larger municipalities apply more taxes, it will make smaller municipalities more competitive since they will offer a lower cost of living in their community.
- Currently, the way gasoline taxes are shared more with larger municipalities than with smaller municipalities is not fair or equitable.
- It is fair for larger municipalities to receive a bigger share of gasoline tax, as rural citizens use urban services.

Municipal Accountability, Liability, and Risk Management

Compliance and accountability

Comments from participants included that:

- Municipalities should be held accountable for complying with the requirements in the MGA.
 - Municipalities should be audited for compliance at regular intervals, such as every ten years. This would provide assurance for citizens of good governance.
 - Municipalities don't want to see an administratively intense layer of bureaucracy put in place to ensure compliance.
 - More oversight would prevent serious compliance issues that have to be addressed through severe provincial interventions.

Municipal Services and Delivery

Service provisions

Comments from participants included that:

- Service provisions are generally working well in the MGA.
- The Province should take control of water and wastewater services for a number of reasons:
 - The requirements from the Province for water services change regularly and are hard to keep up with.
 - Municipal Sustainability Initiative funding is insufficient to cover water-related infrastructure. Municipalities are acquiring huge debts for water infrastructure.
 - Water licences are already issued at the provincial level.
 - Safe drinking water is a big issue for the entire province.
- Larger municipalities might be less interested in giving up water services than smaller municipalities are.
- Municipalities should retain control of their water.
- Inter-municipal service agency options are working well.

Municipally controlled corporations

Comments from participants included that:

- Arms-length municipally controlled corporations make decisions with council members present. Therefore, the rest of council needs to be protected from liability for these decisions.

Public Participation and Municipal Relations

Municipal relationships and dispute resolution

Comments from participants included that:

- There should be a provincial mediator to resolve conflict between two municipalities around sharing of funding.
- There does need to be a role for the provincial government in coordinating and settling disputes between municipalities.

Public participation

Comments from participants included that:

- Petition percentage requirements in the current MGA may not be realistic.
- The current requirement for public notifications by newspaper is too narrow. Municipalities should have more flexibility to do what works for them. For example, they should be allowed to decide to mail notifications, or to use electronic media.

Assessment and Taxation

The following input was received and documented related to assessment and taxation.

Exemptions from Assessment and Taxation

Exemptions and other special tax treatment

Comments from participants included that:

- The exemptions mechanisms in the current MGA need clarification, and still require intensive consultation.
- There are too many exemptions in the MGA. Setting exemptions should be at the discretion of the municipality.
- Municipalities would like more flexibility to use exemption incentives to attract businesses.
 - American cities have a lot more exemption incentive options, as do municipalities in Saskatchewan, both of which Medicine Hat competes with.
- Treatment of exemptions for farm buildings should be the same, whether in rural or urban municipalities.
- Farm buildings in an urban municipality shouldn't be tax-exempt.

Market Value, Equalized and Supplementary Assessment

Market value assessment and administration

Comments from participants included that:

- Definitions for market value assessment in the MGA are not clear enough.
- Mass appraisals don't work well for small communities. There need to be different methods for medium and small municipalities to calculate market value.

Equalized assessment

Comments from participants included that:

- The Province should collect education property taxes in another way, and leave property taxes to municipalities for their revenue.

Industrial and Agricultural Property Assessment

Farm property assessment

Comments from participants included that:

- Definition of farm property in the current MGA are not working well.

- The definition of farm property needs to be broadened. Specifically, the use of the term “exclusively” in the MGA is too narrow.
- The definition of farm property needs to be more defined, as it doesn’t account for commercial industry.
- There should be multiple categories for farmland in the MGA.
- There is inconsistent use of the term “farmland” versus “agricultural” land in the current MGA. The MGA should just use the term “agricultural.”

Assessment Administration

Assessment administration

Comments from participants included that:

- Assessors have too much power over assessment values.
 - Councils need more ability to check unreasonable assessments.
- Municipalities are wary of taking on an assessment oversight role.
- Assessment criteria and processes need to be more consistent to ensure accuracy.
- All non-residential assessments should occur at the provincial level, so that these assessments are made at arms-length from municipalities.
- Not all municipalities want to give up involvement in non-residential property assessments.

Public Participation and Assessment Appeals

Assessment complaints and appeals

Comments from participants included that:

- The assessment appeal process is working well in the current MGA. Challenges experienced are due to non-compliance with the MGA, and not to the MGA itself.
- Councils aren’t empowered to intervene in the assessment appeals process to ensure fairness in large-scale appeal processes that affect their whole municipality.
 - Appeals are designed to address “one-off” or unique cases, not mass appeals like what occurred recently in Medicine Hat.
- Assessment review appeal board members need more expertise and training regarding the cases they hear in order to deliver appropriate decisions.
- Representation on composite assessment review appeal boards is biased.
 - There are too many assessors on the composite assessment review boards.
 - Municipalities sit on the assessment review boards, thus creating a conflict of interest.
- All non-residential appeals should go to a provincial or a regional composite assessment review board.

- All appeals should go to a provincial or a regional composite assessment review board.
 - If all assessment appeals are heard provincially, the Province should not be involved in setting property taxes to ensure there is no bias.
- The assessment appeal process should be simpler and more accessible for members of the public.
 - Appellants are not fully prepared for the appeals process, but municipalities aren't sure if it's appropriate for the public to be required to have such a high level of knowledge. There needs to be some support to help citizens through the process.
 - The requirements for assessors and appellants should be equal through the appeal process.
- The requirement to have submitted a previous request for information in order to file an appeal really limits access to fair appeals.

Municipal Government Board

Comments from participants included that:

- There are too many former assessors in the pool of Municipal Government Board members sitting on the composite assessment review boards, and this creates bias or the perception of bias in favour of assessors.

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 existing flexibility in the MGA regarding land-use bylaws is working well.

Land Dedication and Use of Reserves

Land dedication (reserves)

Comments from participants included that:

- The school reserve land requirements for school boards may be higher than what is needed. Many school reserve lots sit empty.
- There should be timelines for the development of school reserve land. After the deadline, the land should return to the developer or the municipality.
 - For example, the timeline for development could be the lifespan of the adjoining road.
- Once land is given to school boards, they should have the right to sell it.

Regional Approaches

Managing growth and development

Comments from participants included that:

- There should be the ability to hold land for more challenging economic times.
- There should be regulations limiting how much land a municipality can hold, and land should be sold at market value.
 - The requirement for market value sale ensures fair competition and minimizes conflict of interest sales by the municipality.
- Regional plans set by the Province overstep municipal powers to define their own plans.
 - Municipalities need more input into these provincial plans.
 - The MGA should include an obligation for the Province to consult with municipalities on regional plans that affect municipalities. Municipalities want to be involved prior to decision-making.
- Municipalities are forced to deal with provincial issues outside of their scope of responsibility.

- It is appropriate for complex regional planning decisions to happen at the provincial level with appropriate expertise.

Public Participation and Planning Appeals

Planning and inter-municipal appeals

Comments from participants included that:

- Councillors should not sit on planning appeal boards, as this is a conflict of interest. They are making the planning decision and appeal decision in these cases.

Appendix A: Session Agenda

MGA Review: Elected Officials Session

Agenda Item	Timing						
<p>1. Welcome and introductions</p>	<p>10:00-10:15</p>						
<p>2. Potential topics for discussion:</p> <p>The following topics will be available at table discussions:</p> <table border="0" data-bbox="228 737 1281 1749"> <thead> <tr> <th data-bbox="228 737 602 800">Governance and Administration</th> <th data-bbox="602 737 959 800">Assessment and Taxation</th> <th data-bbox="959 737 1281 800">Planning and Development</th> </tr> </thead> <tbody> <tr> <td data-bbox="228 800 602 1749"> <ul style="list-style-type: none"> ▪ Municipal powers ▪ Municipal structures ▪ Fundamental changes and municipal restructuring ▪ Municipal governance ▪ Municipal administration ▪ Financial administration ▪ Regional funding approaches ▪ Municipal revenue sources ▪ Fees and levies ▪ Compliance and accountability ▪ Liability and risk management ▪ Provincial powers ▪ Service provisions ▪ Regional services commissions ▪ Municipally controlled corporations ▪ Municipal relationships and dispute resolution ▪ Public participation ▪ Municipal Government Board </td> <td data-bbox="602 800 959 1749"> <ul style="list-style-type: none"> ▪ Taxation ▪ Municipal revenue sources ▪ Fees and levies ▪ Exemptions and other special tax treatment ▪ Market value assessment and administration ▪ Equalized assessment ▪ Progressive and supplementary assessment ▪ Linear property assessment ▪ Machinery and equipment property assessment ▪ Transportation properties ▪ Farm property assessment ▪ Assessment administration ▪ Public participation ▪ Assessment complaints and appeals ▪ Municipal Government Board </td> <td data-bbox="959 800 1281 1749"> <ul style="list-style-type: none"> ▪ Fees and levies ▪ Statutory plans and land use bylaws ▪ Planning authorities ▪ Administrative decision-making processes ▪ Land dedication (reserves) ▪ Municipal relationships and dispute resolution ▪ Managing growth and development ▪ Regional funding approaches ▪ Municipal Government Board ▪ Public participation ▪ Planning and inter-municipal appeals </td> </tr> </tbody> </table>	Governance and Administration	Assessment and Taxation	Planning and Development	<ul style="list-style-type: none"> ▪ Municipal powers ▪ Municipal structures ▪ Fundamental changes and municipal restructuring ▪ Municipal governance ▪ Municipal administration ▪ Financial administration ▪ Regional funding approaches ▪ Municipal revenue sources ▪ Fees and levies ▪ Compliance and accountability ▪ Liability and risk management ▪ Provincial powers ▪ Service provisions ▪ Regional services commissions ▪ Municipally controlled corporations ▪ Municipal relationships and dispute resolution ▪ Public participation ▪ Municipal Government Board 	<ul style="list-style-type: none"> ▪ Taxation ▪ Municipal revenue sources ▪ Fees and levies ▪ Exemptions and other special tax treatment ▪ Market value assessment and administration ▪ Equalized assessment ▪ Progressive and supplementary assessment ▪ Linear property assessment ▪ Machinery and equipment property assessment ▪ Transportation properties ▪ Farm property assessment ▪ Assessment administration ▪ Public participation ▪ Assessment complaints and appeals ▪ Municipal Government Board 	<ul style="list-style-type: none"> ▪ Fees and levies ▪ Statutory plans and land use bylaws ▪ Planning authorities ▪ Administrative decision-making processes ▪ Land dedication (reserves) ▪ Municipal relationships and dispute resolution ▪ Managing growth and development ▪ Regional funding approaches ▪ Municipal Government Board ▪ Public participation ▪ Planning and inter-municipal appeals 	<p>10:15-10:45</p>
Governance and Administration	Assessment and Taxation	Planning and Development					
<ul style="list-style-type: none"> ▪ Municipal powers ▪ Municipal structures ▪ Fundamental changes and municipal restructuring ▪ Municipal governance ▪ Municipal administration ▪ Financial administration ▪ Regional funding approaches ▪ Municipal revenue sources ▪ Fees and levies ▪ Compliance and accountability ▪ Liability and risk management ▪ Provincial powers ▪ Service provisions ▪ Regional services commissions ▪ Municipally controlled corporations ▪ Municipal relationships and dispute resolution ▪ Public participation ▪ Municipal Government Board 	<ul style="list-style-type: none"> ▪ Taxation ▪ Municipal revenue sources ▪ Fees and levies ▪ Exemptions and other special tax treatment ▪ Market value assessment and administration ▪ Equalized assessment ▪ Progressive and supplementary assessment ▪ Linear property assessment ▪ Machinery and equipment property assessment ▪ Transportation properties ▪ Farm property assessment ▪ Assessment administration ▪ Public participation ▪ Assessment complaints and appeals ▪ Municipal Government Board 	<ul style="list-style-type: none"> ▪ Fees and levies ▪ Statutory plans and land use bylaws ▪ Planning authorities ▪ Administrative decision-making processes ▪ Land dedication (reserves) ▪ Municipal relationships and dispute resolution ▪ Managing growth and development ▪ Regional funding approaches ▪ Municipal Government Board ▪ Public participation ▪ Planning and inter-municipal appeals 					

Agenda Item	Timing										
<p>3. Table Facilitation</p> <table border="1" data-bbox="310 443 1157 711"> <tr> <td data-bbox="310 443 631 491">Block 1: 10:45-11:45</td> <td data-bbox="631 443 1157 491">Governance and Administration Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 491 1157 548">Lunch (1 hour)</td> </tr> <tr> <td data-bbox="310 548 631 596">Block 2: 12:45-1:45</td> <td data-bbox="631 548 1157 596">Assessment and Taxation Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 596 1157 653">Break (15 min)</td> </tr> <tr> <td data-bbox="310 653 631 711">Block 3: 2:00-3:00</td> <td data-bbox="631 653 1157 711">Planning and Development Topics</td> </tr> </table> <ul style="list-style-type: none"> <li data-bbox="302 722 1235 793">▪ Discussion will focus on what is working well, desired changes, and potential impacts of changes to the legislation 	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	10:45-3:00
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Break (15 min)											
Block 3: 2:00-3:00	Planning and Development Topics										
4. Break	3:00-3:15										
<p>5. Open discussion</p> <p>Are there any other relevant topics participants want to address?</p>	3:15-3:45										
6. Wrap-up	3:45-4:00										