

Municipal Government Act Review

What We Heard: A Summary of Consultation Input

Governance and Administration Technical Session

Held in Peace River on April 23rd, 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 Peace River.

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	Sawridge Inn and Conference Center
Date	April 23, 2014
Number of Participants	8

- 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

Governance and Administration

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

Municipal Powers, Structures, Annexations and Other Changes

Municipal structures

Comments from participants included that:

- The current system of municipal structures may not be applicable anymore. A balance between financial viability and autonomy is needed when defining these structures.
- The current municipal structures put municipalities in competition with one another for funds, which promotes poor regional planning.
- The MGA needs to be very clear about how municipal boundaries are determined.

Fundamental changes and municipal restructuring

Comments from participants included that:

- When a municipality wants to dissolve, the viability study required in the MGA makes the process slow and difficult.
- The MGA currently allows for restructuring, but in practice any restructuring has to be accompanied by political will at the provincial level. A municipality should be able to decide and carry through with dissolution regardless of the Province's input.
- The MGA should define what a "good agreement" is during annexation negotiations.

Municipal Governance and Administration

Municipal governance

Comments from participants included that:

- Councillors should be required to take training on their role.
- Councillors should be paid the same or similar amounts across the province to ensure that salaries are sustainable.
 - Councillors who are paid more will attend more meetings, which affects representation in regional or provincial conversations.

Municipal administration

Comments from participants included that:

- The MGA needs more clarity around the roles and responsibilities of assessors and chief administrative officers.
- The MGA needs more direction and definition around designated offices. The way it is currently written takes powers away from chief administrative officers.
- There should be clear definitions of both governance and administration in the MGA.

Municipal Finances

Financial administration

Comments from participants included that:

- The borrowing and debt limit provisions in the MGA are working well.
- The debt of municipalities should be looked at in detail.
- The MGA should require municipalities to contribute a portion of their funds into reserves for the future. If municipalities can't do this, they should be classified as unviable, and action should be taken.

Regional funding approaches

Comments from participants included that:

- The MGA could enforce cost sharing by stating that funds not used for regional funding activities go to a corporate pool.
- The MGA could allow funds to pool at the provincial level and have municipalities submit their budgets to gain access to funds.

Municipal revenue sources

Comments from participants included that:

- The funding formulas outlined in the MGA need to change to be more representative. There are many more factors that should be considered than just population size.
- Specialized grants like grants under the *Water for Life* strategy should be based on the needs of municipalities.

Municipal Accountability, Liability, and Risk Management

Liability and risk management

Comments from participants included that:

- The MGA needs to recognize new liabilities from social media that pose a threat to municipalities.

- The MGA should include a provision that forces industry to reclaim the land that they use. Contaminated sites are a huge liability for municipalities.
 - For example, the money allocated to reclamation for gravel pits is not sufficient to cover the true cost. This means that municipalities are left to pick up the tab.

Provincial powers

Comments from participants included that:

- The MGA needs to clearly identify what is under provincial jurisdiction, and outline how municipalities should work with the Province to get things accomplished effectively.

Municipal Services and Delivery

Service provisions

Comments from participants included that:

- If services are downloaded from the Province to municipalities, the MGA should require appropriate funding be provided by the Province to cover the costs of those services.
- The MGA should further define core services.
 - There are major service disparities between urban and rural municipalities. This is largely due to service level expectations of citizens.
 - Urban municipalities are perceived to over-serve their citizens, while rural municipalities are perceived to simply try to provide essential services.
- The MGA should state that utilities can only be charged on a cost recovery basis.

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 not allow non-residential and residential property taxation rates to be split into multiple categories.
- The MGA should outline a maximum ratio between non-residential and residential property taxation rates to ensure that the non-residential rate is not raised too much.
- Municipalities should be able to determine what is and is not taxed, and should be able to adjust as needed.

Assessment Administration

Assessment administration

Comments from participants included that:

- The MGA should require municipalities to claim a consistent rate of depreciation (such as 25 per cent) across the province.

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