

# Municipal Government Act Review

## What We Heard: A Summary of Consultation Input

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Municipal Administrators Session  
Held in Vermilion on February 20, 2014

Released on June 17, 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 Administrators Session held in Vermilion.

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](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 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](http://mgareview.alberta.ca)), the MGA Review Consultation Workbook, and official submissions.

## Session Overview

<b>Session</b>	Municipal Administrators Session
<b>Location</b>	Vermilion Regional Centre, Vermilion
<b>Date</b>	February 20, 2014
<b>Number of Participants</b>	12

- This session was open to current municipal staff. 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 powers***

Comments from participants included that:

- Current natural person powers are working well for municipal decision-making. Municipalities don't want to lose these powers.
- Municipalities would like to see consistent and knowledgeable support for natural person powers from Municipal Affairs.
- Section 619 in the MGA (National Resources Conservation Board (NRCB), Energy Resources Conservation Board (ERCB), Alberta Energy and Utilities Board (AEUB) or Alberta Utilities Commission (AUC) authorizations) limits municipal decision powers. This is not working well.
- Municipalities would like to be more involved in discussions at the provincial level.
- Expropriation powers are working well.

#### ***Municipal structures***

Comments from participants included that:

- No minimum population threshold should be set for determining whether a municipality is sustainable.
- Specialized municipalities are just a "catch-all" structure, and are not proactive.

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

Comments from participants included that:

- When smaller communities are dissolved into a rural municipality, there should be some financial recognition of the added costs of absorbing the municipality.
  - The MGA should clarify the role of the Province to address associated costs, such as infrastructure, when a community is dissolved.
- The new dissolution process in the Municipal Sustainability Strategy is working well. However, the process is too long and doesn't really address the problem of sustainable communities.

- People who live in smaller communities, such as villages, are resistant to dissolution.
- There should be a trigger to start the amalgamation process.
  - There is concern about what an appropriate trigger would be. Many small communities are still viable, so determining how to measure viability can be difficult.

## Municipal Governance and Administration

### ***Municipal governance***

Comments from participants included that:

- The roles and responsibilities within the MGA are clear. The problem is with the application of the roles.
- For example:
  - There is a lack of understanding by councils on their role.
  - There needs to be common guidelines for councillors.
  - It is hard to get councillors to follow rules or attend training when there is nothing to hold them accountable in the MGA.
  - Enforcement needs to come from the Province.
  - There is a burden with local administration to enforce behaviour of elected officials, but council has power over administration.
  - There needs to be some sort of screening test before people are considered qualified to serve in office.

More clarity is needed in the MGA on the roles and responsibilities of council and administration.

- In other government systems, such as school boards, the division of roles seems to be more clear.
- Councillor orientation, training and refresher courses should be mandated in the legislation, similar to the requirements for assessment review board training. Training could be provided either when councillors are elected or at the point of nomination.
  - However, training is not entirely the Province's problem to fix.
  - Mandatory training could potentially be very costly for small municipalities.
  - The ability to have mandatory training should be enabled in the MGA, but participation should be specified through bylaw for different communities.
- The mayor or reeve should have special powers in situations where council dynamics are toxic.
  - Legislating these special powers will have to be a delicate measure. It can be dangerous to rely on one individual who may abuse power.
  - Other checks and balances would be needed, such as impeachment provisions.

- The mayor or reeve may not need veto power, but rather some type of recognition that their role is distinct from that of council.
  - The option for these special powers should remain flexible for municipalities, and should be voluntary.

### ***Municipal administration***

Comments from participants included that:

- The role of the chief administrative officer needs to be expanded in the MGA to more accurately describe their responsibilities.
  - Clearer recognition of the chief administrative officer role is needed, but legislating requirements within the MGA could significantly reduce council powers. There needs to be a balance.
- The chief administrative officer reports to council and this can affect relationships when there are disagreements with direction.
- More protection for chief administrative officers is needed. Sometimes reasons for changing chief administrative officers are petty.
  - After an election is when most changes to chief administrative officers are made.
  - Currently there is a risk of council abusing the ability to dismiss chief administrative officers, and mitigation measures are needed.
  - Better definitions will increase accountability in the MGA. Currently there are instances when the CAO is fulfilling their legislated duties, but are able to be easily dismissed from their role by council.
  - A rationale or a checklist justifying the reason for the CAO's dismissal should be required.
- The CAO role should have a requirement to be professionally designated or certified as qualified for the position.
  - However, it is already a challenge for many municipalities to find qualified staff for a range of positions in their organizations. These requirements would make it more difficult to fill those positions.

## **Municipal Finances**

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

Comments from participants included that:

- The MGA needs to encourage collaboration, rather than pooling revenues.
  - There need to be tools to facilitate collaboration.
  - If necessary, the MGA should force regional cooperation.
- Provincial incentives may be needed to encourage two or more municipalities to collaborate.

- There needs to be more regional government cooperation to provide services to the taxpayers.
- There should be new regional boundaries established by the Province.
  - Manitoba is an example of this kind of regionalization that should be researched to determine the effects, as it may not be working.
  - Regionalization could cause municipalities to lose autonomy.
- Grants may not be the right tool to encourage regional cooperation, as they are difficult to apply to operating costs.
  - They are also only based on new initiatives, rather than existing initiatives.
- Linear tax needs to be shared among municipalities. Rural municipalities should share revenue with urban municipalities.
  - Currently, some municipalities share these revenues and some do not. This inconsistency is not working well.
  - Linear property tax should go to the Province, who would then distribute it among municipalities.
  - Rural municipalities need the revenue from linear property tax to pay for road damages caused by industry.
  - Pooling tax revenue can cause inequities.
- Linear revenue sharing based on a per capita basis can negatively impact a municipality's debt limit.
  - There is more information about this within the Alberta Association of Municipal Districts and Counties report titled "Apples to Apples – Rural Finance in Alberta" from November 2013.
  - Per capita revenue sharing would divert all of the revenue to Edmonton and Calgary. Instead, revenues should be distributed regionally through a regional sharing formula.
- The MGA should focus on regional collaboration as opposed to mandatory or forced sharing of linear property tax revenue.
  - There is a misperception that certain rural municipalities are getting richer as a result of linear property tax. The fact is that the money is being used to maintain infrastructure or repair damages that are a result of having those industries operate within their boundaries.
  - This is a similar issue to the concerns about the well drilling equipment tax and how revenue will be distributed across municipalities.

### ***Municipal revenue sources***

Comments from participants included that:

- Grant funding is not working well, as it does not provide municipalities with any predictability to support long-term planning.
  - Municipalities need to have stable funding and can't rely solely on taxes.

- Municipalities need more advance notice about grant funding and timing from the provincial and federal governments.
- If additional powers, such as a gas tax, are given to the large urban centres through the civic charters, then these same options should also be considered for other municipalities.
- Another example for an additional revenue source could be tolls for roads that are heavily used by industry.
  - Road agreements are voluntary, so having tolls on roads could be a more consistent means of collecting revenue to pay for damage to these roads.

## Municipal Services and Delivery

### ***Service provisions***

Comments from participants included that:

- When the Province can no longer provide a service, it typically falls to municipalities to provide. Citizens then want municipalities to provide more and more services that do not typically fall within their responsibilities, such as health care.
  - For example, some municipalities provide housing to doctors for them to live in.
  - Municipalities are competing with one another to attract staff, such as doctors.
  - The Province needs to take responsibility for this or provide municipalities with resources to do take on these new roles and attract appropriate staff.

## Public Participation and Municipal Relations

### ***Municipal relationships and dispute resolution***

Comments from participants included that:

- Mediation under the MGA is a good process and is working well.
- The Province should take more of a lead on the restructuring processes. The MGA should outline what regional government looks like, and regulate accordingly.
  - The MGA needs to define “regionalized government,” as well as define the criteria, triggers, mechanisms, processes, etc., that initiate a regional governance approach.
  - Regional collaboration needs to remain voluntary.
  - The enabling powers in MGA are working well, but the voluntary process needs to be clearer.

## **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 different tax rates between municipalities are causing residents to locate to areas with lower taxes.
- The MGA should not allow for split mill rates.
  - Avoiding split mill rates prevents abuse of taxation.
- Split mill rates for non-residential property should only be tied to a percentage of residential tax rates.
  - There should be a “fair share” calculation, similar to a royalties system.

### Market Value, Equalized and Supplementary Assessment

#### ***Equalized assessment***

Comments from participants included that:

- The Province, not municipalities, should collect the education property tax.
  - When education taxes increase, municipalities reduce their portion of taxes to offset the increase to tax payers.
  - The Province should also collect senior funding requisitions.

### Industrial and Agricultural Property Assessment

#### ***Linear property assessment***

Comments from participants included that:

- Municipalities do not have control over linear assessment. This is not working well.
  - Municipalities would like more control.
- Municipalities should be able to tax linear property before it is in use. Even before the property is in use, industry has used infrastructure and services.
  - This shouldn't be based around a certain date, such as December 31<sup>st</sup>. It should be based on the time-period that industry is present within the municipality and using the infrastructure and services.

### ***Machinery and equipment property assessment***

Comments from participants included that:

- Municipalities need tools for recovery of taxes owed on machinery and equipment properties.
  - They require authority from the Province to enforce recovery.
- Depreciation on machinery and equipment property should be discontinued.
- Residual values need to be better maintained.

### ***Farm property assessment***

Comments from participants included that:

- Land purchased by industry often remains assessed as farmland and receives an exemption. This is not working well.
  - There needs to be a mechanism to assess this differently.
- Assessment is not applied consistently within municipalities and across the province.
- If farm property is assessed at market value, the only impact on rural municipalities will be for them to adjust the mill rate so that farmers are not affected.
- The benefit of market value assessment for farms is that the value of the land will be clearer.
- Farmland productivity is antiquated and problematic, and needs to be modernized.

## **Assessment Administration**

### ***Assessment administration***

Comments from participants included that:

- Municipalities should be able to send assessments out earlier to taxpayers.
- Municipalities need more flexibility for different types of assessment classes.
  - Municipalities require flexibility to determine what classes and sub-classes they need for residential and non-residential properties.
  - Municipalities need to be able to assess and tax “brownfields” differently. There needs to be a separate class for brownfields.

## **Public Participation and Assessment Appeals**

### ***Assessment complaints and appeals***

Comments from participants included that:

- The current assessment review board process is not user-friendly.
  - A quasi-judicial process is needed.
- The membership on the assessment review boards needs to be reviewed.
  - Council members sitting on the boards are not always informed or educated, especially if there are not a lot of appeals in that municipality.

- The training system for the assessment review boards should be reviewed.
  - It is difficult to find trained people for boards in smaller municipalities.
  - Training by the Province is a good process.
  - Having a pool of trained assessment review board members is useful.
- Local Assessment Review Board and Composite Assessment Review Board processes work well.

## Planning and Development

The following input was received and documented related to planning and development.

### Fees and Levies

#### ***Fees and levies***

Comments from participants included that:

- Off-site levies need to be reviewed.
  - Currently, it is the responsibility of the municipality to anticipate all costs for subdivisions at the outset.
    - There should be the ability to charge off-site levies later on as development changes.
  - Uses for off-site levies should be expanded to provide municipalities with more flexibility.
    - More flexibility in fees and levies is preferred over access to other forms of taxation for municipalities.

### Land Dedication and Use of Reserves

#### ***Land dedication (reserves)***

Comments from participants included that:

- Removal of a reserve designation should not require placing signage. The MGA needs to be modernized and have flexibility in its processes for removal of reserve designation.

## Regional Approaches

### ***Managing growth and development***

Comments from participants included that:

- The *Alberta Land Stewardship Act* should not be able to override municipal plans.
- There is currently no provincial body responsible for planning for the Province.
  - It is unclear if the 1995 removal of Regional Planning Boards is working as municipal planning is now occurring in isolation.
- Private sewage rules are taking farmland out of production as a minimum 10 acre parcel of land is needed.
  - The Province should justify these rules with respect to preservation of agricultural land.

## Public Participation and Planning Appeals

### ***Public participation***

Comments from participants included that:

- The newspaper advertisement requirement for notices in the MGA is outdated. The new MGA needs more flexibility.
  - The municipality should be able to adjust what works best for their community.

## Appendix A: Session Agenda

### *MGA Review: Municipal Administrators Session*

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

Agenda Item	Timing
<p><b>Assessment and Taxation Continued</b></p> <p><u>Subject 3: Market Value Equalized and Supplementary Assessment</u></p> <ul style="list-style-type: none"> <li>• Market value assessment and administration</li> <li>• Equalized assessment</li> <li>• Progressive and supplementary assessment</li> </ul> <p><u>Subject 4: Industrial and Agricultural Property Assessment</u></p> <ul style="list-style-type: none"> <li>• Linear property assessment</li> <li>• Machinery and equipment property assessment</li> <li>• Transportation properties</li> <li>• Farm property assessment</li> </ul> <p><u>Subject 5: Assessment Administration</u></p> <ul style="list-style-type: none"> <li>• Assessment administration</li> </ul> <p><u>Subject 6: Public Participation and Assessment Appeals</u></p> <ul style="list-style-type: none"> <li>• Public participation</li> <li>• Assessment complaints and appeals</li> <li>• Municipal Government Board</li> </ul> <p><b>Planning and Development</b></p> <p><u>Subject 1: Fees and Levies</u></p> <ul style="list-style-type: none"> <li>• Fees and levies</li> </ul> <p><u>Subject 2: Land Management and Planning Tools</u></p> <ul style="list-style-type: none"> <li>• Statutory plans and land use bylaws</li> </ul> <p><u>Subject 3: Subdivision and Development Authorities and Processes</u></p> <ul style="list-style-type: none"> <li>• Planning authorities</li> <li>• Administrative decision-making processes</li> </ul> <p><u>Subject 4: Land Dedication and Use of Reserves</u></p> <ul style="list-style-type: none"> <li>• Land dedication (reserves)</li> </ul> <p><u>Subject 5: Regional Approaches</u></p> <ul style="list-style-type: none"> <li>• Municipal relationships and dispute resolution</li> <li>• Managing growth and development</li> <li>• Regional funding approaches</li> </ul> <p><u>Subject 6: Public Participation and Planning Appeals</u></p> <ul style="list-style-type: none"> <li>• Municipal Government Board</li> <li>• Public participation</li> <li>• Planning and inter-municipal appeals</li> </ul>	
<p><b>3. Change tables (if needed)</b></p>	<p>1:20-1:25</p>

Agenda Item	Timing										
<p><b>4. Table facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Topics will be prioritized for discussion for each block</li> </ul> <table border="1" data-bbox="310 470 1156 699"> <tr> <td data-bbox="310 470 618 512"><b>Block 1: 1:25-2:05</b></td> <td data-bbox="618 470 1156 512">Governance and Administration Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 512 1156 562" style="text-align: center;"><i>Break (5 mins)</i></td> </tr> <tr> <td data-bbox="310 562 618 604"><b>Block 2: 2:10-2:50</b></td> <td data-bbox="618 562 1156 604">Assessment and Taxation Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 604 1156 655" style="text-align: center;"><i>Break (5 mins)</i></td> </tr> <tr> <td data-bbox="310 655 618 699"><b>Block 3: 2:55-3:35</b></td> <td data-bbox="618 655 1156 699">Planning and Development Topics</td> </tr> </table> <ul style="list-style-type: none"> <li>▪ Discussion will focus on what is working well, desired changes, and potential impacts of changes to the legislation</li> </ul>	<b>Block 1: 1:25-2:05</b>	Governance and Administration Topics	<i>Break (5 mins)</i>		<b>Block 2: 2:10-2:50</b>	Assessment and Taxation Topics	<i>Break (5 mins)</i>		<b>Block 3: 2:55-3:35</b>	Planning and Development Topics	1:25-3:35
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<b>Block 3: 2:55-3:35</b>	Planning and Development Topics										
<p><b>5. Open discussion</b></p> <ul style="list-style-type: none"> <li>▪ Are there any other relevant topics participants want to address?</li> </ul>	3:35-3:55										
<p><b>6. Wrap-up</b></p>	3:55-4:00										