

June 2016 Mayors' Caucus

An opportunity for dialogue on the
MGA

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Overview of the Day

- Update on Policy and Advocacy initiatives
- MGA
 - Minister's Address
 - Supports from AUMA
 - Have a Say
 - ✓ Accountability (ombudsman, elected official training)
 - ✓ intermunicipal collaboration and plans
 - ✓ planning and development (offsite levies, reserves, inclusionary zoning)
 - ✓ property assessment and taxation (5 to 1 ratio, non-residential subclasses, appeals, centralized assessment)

Overview of the Day

- Impact of Climate Leadership Plan
- Improving Rural Health Services (June 15 and 16)
- Member Request for Decision

AUMA Board of Directors



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Welcome from Host Municipality



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Federal Infrastructure Funding

- \$60 billion in federal funding over 10 years:
 - \$20 billion for public transit (\$347 million for Alberta's transit)
 - \$20 billion for green infrastructure (\$250 million for Alberta's water and wastewater)
 - \$20 billion for social infrastructure (mainly affordable housing)
- \$700 million remaining in Alberta's provincial/regional Building Canada (\$300 earmarked for municipalities)

Provincial Infrastructure Funding

- \$75 million increase to Water and Wastewater
- \$100 million decrease in MSI capital from pledged increase (intent to develop replacement program)

Key 2016 Initiatives



Policing



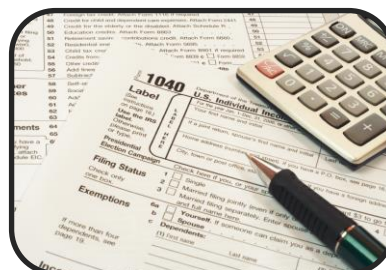
Affordable Housing



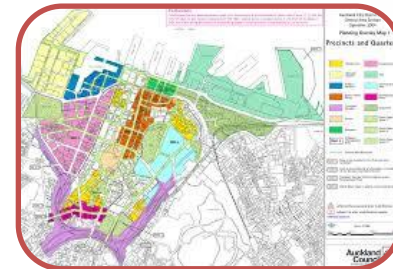
Economic Development



Brownfields



Assessment and Taxation



Municipal Planning

Marijuana issues and concerns

- Medical marijuana production
 - Greater municipal engagement in licensing and siting, inspection, and communication
 - Changes to property taxes
 - Proactive municipal action on zoning and bylaws
- Home-grown medical marijuana
 - February Federal Court ruling lifts restrictions on home growing for licensed medical marijuana users
 - Health Canada developing regulation by August
- Legalizing recreational use
 - Liberal government platform to legalize, regulate, and restrict marijuana for recreational use
 - Taskforce recommendations for production, distribution, and consumption



Family and Community Support Services

- Consider expanding eligible uses to better meet local needs
- Expand 80/20 funding formula to index for inflation and population growth and consider a needs-based funding model in the long term
- Streamline reporting requirements

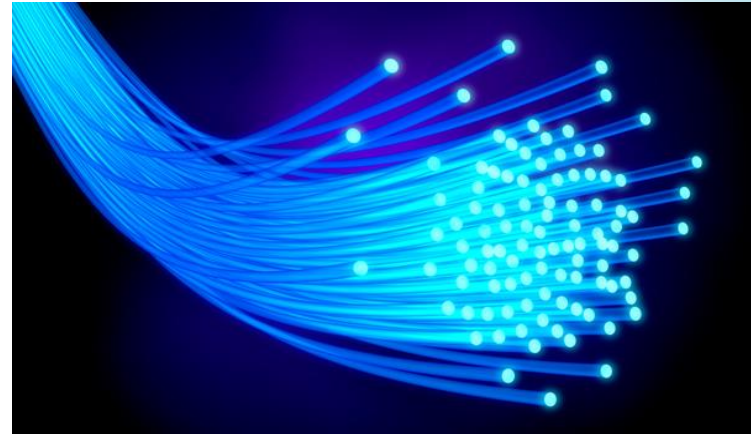


Royal Canadian Mounted Police

- Address staffing levels and vacancies
- Impact of collective bargaining



Broadband



Supports for Wood Buffalo



Status of Women Task Force

- Working towards improving outcomes for women including:
 - economic security and prosperity
 - leadership and democratic participation
 - addressing violence against women and girls
 - profiling fed/prov programs for women
 - missing and murdered Indigenous women
 - gender-based analysis

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The Value of Services

AUMA (Policy, Advocacy, Education, Toolkits)

+ AMSC (Business Services spanning
utilities, employee benefits and
pension plans, insurance, and
the procurement program)

= Complete Service Offering



AMSC Rebate

\$500,000 rebate to municipal and community and non-profit clients who purchase two or more core services

(utilities, benefits and pensions and insurance).

The MGA Journey

- Spring 2014: AUMA's compelling reason for change
- Fall 2014: province commits to MGA review
- March 2015: first set of amendments but details unknown as to be confirmed in regulations (voluntary amalgamation, annexation, council code of conduct, 3 year operating and five year capital planning, public participation)



The MGA Journey

- Fall 2015: AUMA's final submission
 - Content of regulations relating to amalgamation, annexation, and code of conduct
 - Additional legislative amendments to:
 - Strengthen Provincial/Municipal Relationship
 - Create New Funding Model
 - Supports for Regionalization
 - Over 30 consensus items with AAMDC



Next Steps

Late
May

- MGA Amendments are tabled

June -
July

- Public Consultation by Municipal Affairs
- AUMA's Discussions with Members
- AUMA's Submission to Municipal Affairs

Fall

- High Profile Advocacy (by AUMA and members)
- MGA Amendments are revised and tabled/approved
- Public consultation on City Charters

60 regulations
required before
2017 municipal
election

Key Considerations

- Difficult to assess impact as detail not yet known
- Some complete misses (e.g., no changes to funding model, school reserves, and liability)
- Disconnects with intermunicipal collaboration and planning

No Real Changes to Municipal Funding (except for mandatory funding agreements)



AUMA Asks:

- Make core grants statutory and indexed
- Additional tax and revenue powers
- Share of provincial revenue
- Vacate education property tax
- Broaden offsite levies

- X No reason given*
- X Municipalities already have enough funding*
- X No reason given*
- X Changes would increase costs for Albertans*
- X Added recreation, fire, police, and libraries, but 30% minimum benefit*

Planning Timeframes Do Not Align

Intermunicipal Collaboration Frameworks

2 year deadline + 1 year dispute = 3 years

→ *Must attach IDP*

Intermunicipal Development Plans

5 year deadline

→ *Municipal Affairs agreed to change to 3 years to align*

Municipal Development Plans

3 year deadline

→ *Municipal Affairs says the IDP and MDP can be developed together.*



? *How can the IDP be attached if it won't be done for another 2 years?*

? *Can the MDP be prepared before the IDP is finalized?*

! *However, if the MDP and IDP come into conflict, municipalities may need to amend or replace their MDP.*

MGA Working Session: Municipal Accountability

Elected Official Training; Ombudsman

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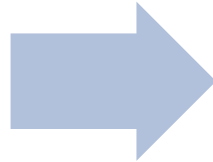


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Elected Official Training

Current State

- No required orientation training for council or administration



Amendments

- Municipalities required to offer orientation training to elected officials

Approach for Training

- Elected official training **must be offered to each councillor within 90 days of an election and include:**
 - The role of municipalities
 - Municipal organization and functions
 - Key municipal plans, policies and projects
 - Roles and responsibilities of council and councillors
 - Roles and responsibilities of CAO and staff
 - Budgeting and financial administration
 - Public participation

Elected Official Training: AUMA Perspectives

- AUMA supports mandatory training but there is no teeth to require it to be taken
 - This could be specified in the council code of conduct along with sanctions if not taken – would be an inconsistent approach
- Municipalities should be able to add content as necessary

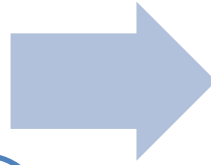
Questions: Elected Official Training

- Should a requirement for elected officials to take the training be in the Act? Or should it be up to each municipality to determine requirements and to set out in a code of conduct?
- Are any changes required to the scope of mandatory training?

Ombudsman

Current State

- Enforcement is at the local level, through the courts, or in some circumstances, by the Minister



Amendments

- Alberta Ombudsman will respond to complaints about municipalities regarding matters of administrative fairness

Ombudsman

- The scope of the existing Alberta Ombudsman will be amended to include municipalities
- Ombudsman's role will not include reviewing the quality or outcome of council decisions
- Current processes such as municipal inspections will remain in place
- Ombudsman's investigation can trigger the ability for the Minister to order the municipality to take an action

Ombudsman

- The present jurisdiction of the Ombudsman involves the decision to refuse or cease to investigate any complaint if:
 - There is another adequate remedy for the complaint;
 - The complainant has had knowledge of any decision or recommendation for more than 12 months before the complaint is received by the Ombudsman;
 - The Ombudsman thinks the complaint is trivial, frivolous or vexatious or is not made in good faith, or the complainant does not have a sufficient personal interest in the subject-matter of the complaint.

Ombudsman: AUMA Perspectives

- The position should be independent and municipalities should be involved in the selection of the Ombudsman.
- It will be important to have effective screening mechanisms to quickly determine which complaints pertain to administrative fairness.

Questions: Ombudsman

- What should be done to ensure that only issues of municipal fairness (not municipal decisions) are brought forward?
- What additional factors, if any, should be applied to help screen complaints?

MGA Working Session: Intermunicipal Collaboration & Planning

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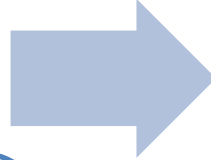


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Intermunicipal Collaboration

Current State

- Voluntary cost/revenue sharing (difficult to obtain, unpredictable as often little correlation to cost of services and can be terminated unexpectedly, often not connected to governance of common services)
- Mandatory Capital Region Board and Voluntary Calgary Regional Partnership



Amendments

- Mandatory Intermunicipal Collaboration Frameworks
- or
- Mandatory Growth Management Boards for Edmonton and Calgary regions and more can be added in future

Intermunicipal Collaboration

Current State

- Voluntary Intermunicipal Development Plans
- No MDP required under 3,500 population

Amendments

- Mandatory Intermunicipal Development Plans
- Mandatory MDPs for all municipalities

Intermunicipal Collaboration

ICFs

- Infrastructure and services located in one municipality but used by citizens and businesses of another municipality (details to be set in regulation)

- Individual or regional approach to agreements

- Avoids the battle over linear property taxes and the inclusion of mid-sized cities

Intermunicipal Collaboration

ICFs

- Must be submitted within 2 years with an additional year allowed for third party arbitration in the case of disputes

- Dispute resolution costs will be paid by municipalities

- Mandatory review every 5 years

AUMA Perspectives

- Submit proactive input on regulations that will outline scope of ICFs
- Push for service area approach

Questions: Intermunicipal Collaboration Framework Agreements

- What scope of services and infrastructure should be **required** for cost-sharing under an ICF? What should be specifically **excluded**?
- How should ICFs treat municipalities that share services but do not share a municipal boundary?
- How should the governance model be structured (e.g., advisory committee, municipally controlled corporation, Regional Services Commission, etc.)?

Questions: Intermunicipal Collaboration Framework Agreements

- How should municipalities calculate shared cost or benefit (e.g., usage, assessment base, consumption rates, etc.)?
- How should operating, capital, and debt-servicing be treated?
- Can cooperation be addressed through individual bilateral ICFs? Or is a more regional approach required (i.e., ICFs for multiple municipalities)?
- How should arbitration be handled?

Intermunicipal Collaboration

IDPS - Mandatory IDPS in 5 years
(error – should be 3 years)

and

- Mandatory Municipal
Development Plans in 3 years

MDPs

- Capacity and resource
concerns for small municipalities

Intermunicipal Collaboration

Growth Management Boards

- Mandate expanded to address land use planning and result in planning, delivery, and funding of regional services
 - All regions enabled to create Boards under approval from Lieutenant Governor in Council
 - Dispute resolution process required
 - Areas with a Growth Management Board do not need to complete ICFs or IDPs
-

Intermunicipal Agreements

Growth Management Boards

OR

Intermunicipal Collaboration Frameworks

New requirement to create an ICF which requires Intermunicipal Development Plans for neighbours sharing boundaries.

NEW

Statutory Plans

ALSA Regional Plans & MGA Land Use Policies

Sub-Regional Plans

Intermunicipal Development Plans

Municipal Development Plans

Now mandatory for all municipalities.

Area Structure & Redevelopment Plans

NEW

Non-Statutory Plans

Non-Statutory Plans

New requirement to publish non-statutory plans and describe how they relate to each other and to the municipality's statutory plans

NEW

AUMA Perspectives

- Fix timeframes between ICFs, IDPs and MDPs
- Support a dispute resolution process with binding arbitration

Questions: Timeframe for IDP and MDP

- What are the practical considerations around how these multiple plans should be developed in alignment (particularly around timelines)?
- What is the best sequence for doing the ICF, IDP and MDP?

Questions: Growth Management Boards

- How should municipalities that are within the boundaries of a Growth Management Board treat their existing IDPs?
- Do you have any concerns about the requirements for growth management boards and have any examples to provide?

New Directions for Growth Management Boards



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MGA Working Session: Planning Tools

Offsite Levies; Reserves; Inclusionary
Zoning

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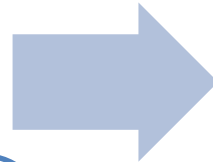


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Offsite Levies

Current State

- Offsite levies can be used for sanitary sewers, storm sewers, roads, and water infrastructure in new developments



Amendments

- Offsite levies enabled for community recreation facilities, fire halls, police stations and libraries
- Requirement for minimum 30% of the benefit of the facility to accrue to the new development

Offsite Levies

- No change to the process for existing offsite levy types

- No changes to redevelopment levies

Offsite Levies

- Minimum of 30 per cent of the benefit of the facility must accrue to the new development

- Amount levied will be proportional to the benefit accrued to the new development (*not stated in Act, but mentioned by Municipal Affairs*)

- It is unclear how the benefit area will be defined, and how the benefit will be measured

Offsite Levies: AUMA Perspectives

- AUMA supports broadening the scope of offsite levies
- The 30 per cent benefit clause will restrict offsite levies, and should be removed
- Municipalities should be able to re-collect levies following redevelopment

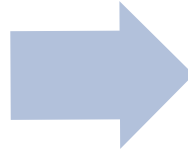
Questions: Offsite Levies

- Will the 30% clause for new offsite levies work in your municipality?
 - What are some challenges with it?
- What changes would you suggest to make this clause effective in your municipality?
- How should the land area be defined?
- How should the benefit of the facility be defined?

Reserves

Current State

- Environmental reserves interpreted as being confined to areas unsuitable for development
- Municipalities are confined to 10 per cent municipal reserve lands



Amendments

- Environmental Reserve definition confirmed to previous interpretation
- Environmental reserves can be taken earlier in planning process
- Conservation Reserves enabled with market value compensation
- No changes to other reserves (e.g., to municipal reserves or school sites)

Reserves

- Conservation reserves to be treated the same as ER when calculating municipal reserves – subtracted from total land before formula applied
 - Municipal reserves and school site issues have been referred to the Education Minister
-

Reserves: AUMA Perspectives

- Support the clarification of environmental reserves and creation of conservation reserves

Reserves: AUMA Perspectives

- The compensation requirement for CR could be problematic
- A clear process for working with landowners will be necessary to use the CR tool

Regarding other reserves

- Municipal reserve percentage should be increased
- There should be more flexibility in determining how their percentage of reserves is applied

Questions: Reserves

- Will the conservation reserve be a tool that your municipality would likely use?
Why/why not?
 - What would make the conservation reserves most useful in planning and developing your municipality?
- What other issues relating to reserves do you think needs to be changed?
 - How would these changes benefit your municipality?

Inclusionary Zoning

- Inclusionary zoning is enabled
- Offsets to developer required to reduce impact on builders and housing prices
 - Details to be included in regulations
- Will not affect 10 per cent municipal reserve amount
- May be linked to GMBs and ICFs

Questions: Inclusionary Zoning

- Is inclusionary zoning a power that you can use in your community?
- Should offsets be set at market value, or should developers contribute to the costs of the inclusionary zoning?
- What barriers do you see in using this new tool?
 - Are there ways to enhance this provision to make it more useful for your municipality?

MGA Working Session: Property Assessment and Taxation

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Areas of change

- Linking the residential and non-residential tax rates
- Splitting the non-residential property classes
- Changes to assessment appeal processes
- Centralization of industrial assessment

Linking Residential and Non-Residential Tax Rates

What's changed?

- New capped 5:1 ratio between residential and non-residential rates
- Municipalities with ratios above 5:1 cap will be grandfathered
 - Of the 18 municipalities above the cap, most are rural or specialized

Splitting Non-Residential Property Classes

What's changed?

- Non-residential class may now be split into subclasses and taxed at different rates
- All rates must comply with 5:1 ratio
- Specific details on sub-classes will be developed in regulations

Centralized Industrial Assessment

What's changed?

- All designated industrial property assessment will be centralized within Municipal Affairs in 3 years
- This change will increase consistency of industrial assessment across the province
- Municipal oversight is necessary to ensure the system is properly executed

Assessment Complaints

What's changed?

- Composite Assessment Review Boards will hear additional types of complaints
- Assessment Review Board decisions will be able to be appealed at the Court of Queens Bench by judicial review only
- Removes the step of “leave to appeal”

John Lindsay, President Alberta Assessors' Association



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Questions

Non-residential Sub-classes:

- Should municipalities be able to determine sub-classes of non-residential property, or should the province define?
- What sub-classes are required?

5 to 1 Maximum Ratio:

- What, if any, concerns do you have with the new 5:1 maximum ratio?
- Should there be any exemptions (e.g., brownfields)?

Questions

Appeals Process

- What is problematic about the appeal process and how should these issues be addressed?

Municipal Oversight on Centralized Assessment

- What kinds of municipal oversight are required and what processes should be put in place for transparent reporting of results?

Open Mic on Additional MGA Issues

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Climate Leadership and Impact on Utility Industry

Mayors Caucus June 2016

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Components of Climate Leadership Plan

- Phase out coal-fired generation through replacing one-third with natural gas and two-thirds with renewable energy
- Carbon levy of \$30 per tonne that will be phased in and will also include a new fuel levy
- 100 megatonne (Mt) limit on Alberta's emissions (currently 70 Mt).



Accelerated Phase-out of Coal-fired Generation



Coal power
must be at zero
emissions by
2030
(affects 6
plants)

Renewable Electricity Program

Alberta Electric System Operator to develop and implement a program to bring on new renewable generation capacity (2019 to 2030)



Carbon Levy

Fuel	January 1, 2017 (\$20/tonne)	January 1, 2018 (\$30/tonne)
Diesel	5.35 cents/L	8.03 cents/L
Gasoline	4.49 cents/L	6.73 cents/L
Natural Gas	1.011 \$/GJ	1.517 \$/GJ
Propane	3.08 cents/L	4.62 cents/L

Impact on Utility Industry

Climate Leadership Plan has implications for Alberta's utility industry



Climate Leadership Plan

The Climate Leadership Plan is public but the impact cannot be fully assessed until policies and regulations are finalized and understood.



	2015 Q1	2106 Q2
Average Pool Price \$MWh	\$29.03	\$18.11
Demand MW	9640	9538
Average Gas Price \$/GJ	\$2.62	\$1.74
Installed Generation	16, 242 MW	

Industry Says Not Economically Viable to Produce Energy



- Costs higher due to carbon ley
- Lots of uncertainty
- Producers are returning their capacity to the balancing pool

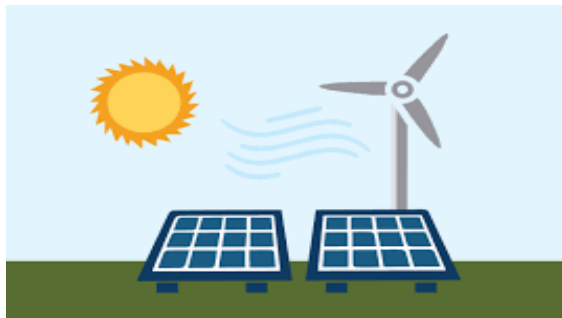
Utility Consumer Advocate

- Advisory Board recently disbanded and will be replaced with a Consumer Panel. AUMA offered a seat on the new panel.
- Panel's responsibilities and scope currently unclear
- Ability to act as intervener?



Micro-Generation Regulation

- Expect consultation on regulation that expires December 2016
 - While regulatory changes could enable more generation, the current infrastructure is not conducive



Questions?



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Improving Rural Health Services

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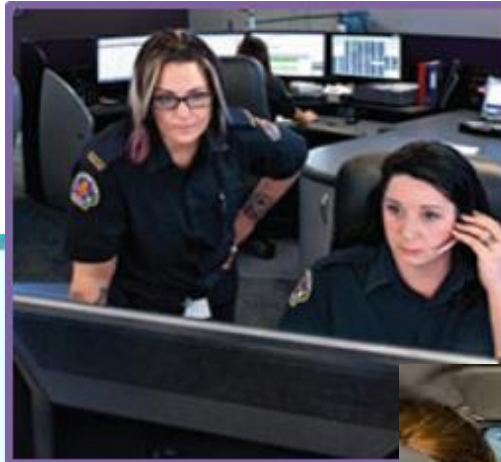
Recruitment of Medical Professionals



First Responders



Ambulance Dispatch



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Improving Rural Health Services

Update from Alberta Health Services and Alberta Health

Questions?



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Member Request for Decision

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Freedom of Information and Protection of Privacy Act exemption for whistleblower programs

That AUMA urge the Government of Alberta to amend the Freedom of Information and Protection of Privacy (FOIP) Act to exclude the disclosure of information collected under a municipal whistleblower program, as is presently the case with the provincial program.

Upcoming Events – Elected Officials Education Program (EOEP)

2016 Course Calendar

Municipal Finance	September 15-16	AUMA Office
Effective Planning & Strategy	October 4	AUMA Convention - Shaw
Regional Partnerships & Collaboration	October 4	AUMA Convention - Shaw
Municipal Leadership	November 14	AAMDC Convention - Shaw
Regional Partnerships & Collaboration	November 14	AAMDC Convention - Shaw

Convention October 5 to 7 in Edmonton

PreCon session on October 4 on Preparing for 2017 election



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