



ALBERTA
MUNICIPAL AFFAIRS

*Office of the Minister
MLA, Calgary-Hays*

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AR117102

Mr. Tyler Gandam
President
Alberta Municipalities
300, 8616 - 51 Avenue NW
Edmonton AB T6E 6E6

Dear Mr. Gandam:

Thank you for your correspondence of October 29 and 30, 2024, requesting my review and response to six resolutions related to Municipal Affairs that were adopted by your members at the Alberta Municipalities fall convention. I also appreciated meeting with you on November 19, 2024. I am pleased to provide the attached responses from Municipal Affairs to those resolutions.

I will defer the other resolutions in which I was copied to the responsible ministers.

I look forward to continuing our shared work to support and enable economic prosperity in Alberta communities.

Sincerely,

Ric McIver
Minister

Attachment: Municipal Affairs Responses to 2024 Fall Alberta Municipalities Resolutions

cc: Honourable Danielle Smith, Premier of Alberta
Honourable Mike Ellis, Deputy Premier and Minister of Public Safety and Emergency Services
Honourable Nate Horner, President of Treasury Board and Minister of Finance
Honourable Matt Jones, Minister of Jobs, Economy and Trade
Honourable Adriana LaGrange, Minister of Health
Honourable Demetrios Nicolaides, Minister of Education

Ministry Responses to 2024 Alberta Municipalities Resolutions Related to Municipal Affairs

B1: Independent Office of Integrity for Local Government.....	1
B2: Allowance of Automated Vote Counting Systems in Municipal Elections.....	2
B3: Provincial Education Property Tax Reform	4
B4: Restoring Provincial Grants in Place of Taxes (GIPOT) Funding.....	6
B9: Preventative Psychological Services Support for Municipal First Responders and Emergency Dispatchers	7
C1: Financial Disclosure of Asset Retirement Obligations	9

B1: Independent Office of Integrity for Local Government

Moved by: Town of Rocky Mountain House

Seconded by: Town of Sylvan Lake, Town of Legal

WHEREAS the *Municipal Government Act* requires that municipalities must establish a code of conduct bylaw which governs the conduct of councillors with the intent to build and inspire public trust and confidence in local government by upholding high standards.

WHEREAS there is an inherent conflict in that fellow council members must determine and enforce the actions of their peers in a structure that needs to be cooperative and collaborative for effective governance.

WHEREAS responsible conduct of elected officials, both individually and collectively as a council, is essential to sound, fair and effective governance.

WHEREAS the current structure of code of conduct legislation places the chief administrative officer and other municipal administration in a difficult position as they are tasked with hiring an investigator and coordinating the investigation of individuals who oversee their compensation and employment.

WHEREAS it would be fairer and more impartial if a third party assessed and determined if a code of conduct complaint was valid and if so, conducted the investigation and recommended appropriate actions warranted by any breach; and

WHEREAS local governments are best served by resources and tools that reflect the legislative framework for local government in Alberta, which is based on democracy, transparency, and accountability.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate for the provincial government to establish an Independent Office of Integrity to serve the public, elected officials, and local government officials in an advisory, educational, and investigative role in the application and enforcement of council code of conducts.

Municipal Affairs Response:

Code of conduct requirements were introduced with the intent of strengthening local elected official accountability and ensuring appropriate enforcement of conduct violations. Most municipalities operate without significant issues or concerns relating to code of conduct bylaws.

However, in some cases, the code of conduct has been used to exacerbate divisions, strain relationships, and inflict excessive sanctions on councillors, severely limiting the ability of a council to govern fairly and effectively. Municipal Affairs engaged with key stakeholders in summer and fall 2024 on the role, scope, and funding of a provincial integrity commissioner. The feedback received is informing the development of options expected to be presented to the Legislature for consideration as early as spring 2025.

B2: Allowance of Automated Vote Counting Systems in Municipal Elections

Moved by: City of St. Albert

Seconded by: Town of Rocky Mountain House

WHEREAS the timely, accurate and efficient operation of municipal elections is essential to uphold the principles of democratic integrity and effective local government.

WHEREAS municipalities across Alberta have historically employed a variety of vote counting methods, ranging from manual counting of ballots to the use of automated vote counting systems that count paper ballots, that best enable them to facilitate local elections based on the unique demographics and structure of their municipality.

WHEREAS the Government of Alberta's *Municipal Affairs Statutes Amendment Act, 2024* repeals the section of the *Local Authorities Election Act* that enables the use of automated vote counting systems, necessitating that municipalities solely employ the manual counting of ballots in future local elections, thereby running counter to the core principle of enabling local decision-making.

WHEREAS a municipal electoral ballot can contain many different votes, including a vote for mayor, multiple councillors, school board trustees, senate candidate nominations, and referendum or plebiscite questions, the complexity of which can both increase the risk of human error and the time required to complete a manual count.

WHEREAS municipalities have utilized automated vote counting systems at their discretion to effectively mitigate the complexity and time required to count ballots to produce accurate, reliable and timely election results.

WHEREAS the previous *Local Authorities Election Act* and current municipal bylaws include stringent, effective, and tested regulations for the use of automated vote counting systems, in addition to the allowance of manual re-counts, which have ensured fair, accurate and authentic local elections for many election cycles.

WHEREAS the requirement of manual ballot counting will impose a financial burden on municipalities that have previously relied on automated vote counting systems, limit the ability to provide accurate, timely and reliable results, and increase the risk of delayed results and errors; and

WHEREAS some municipalities have not utilized manual vote counting in years or decades and would therefore incur significant risk in adapting alternative vote counting processes without precedent or corporate expertise, thereby increasing the likelihood of delayed results, errors, and cost escalation.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate to the Government of Alberta to permit municipalities to utilize the vote counting system of their choice in the operation of their local elections, including automated vote counting systems, to ensure accurate, cost-effective, and timely results for Albertan voters.

Municipal Affairs Response:

Eliminating the use of electronic tabulators will give confidence to Albertans that their votes are being counted correctly. Municipal Affairs has a mandate from the Premier to strengthen public trust in local elections. Protecting the integrity of election processes and reassuring Albertans that our system is safe from mistakes or corruption are part of that mandate. Having returning officers hand count and verify paper ballots is intended to build public trust.

Elections Canada does not use electronic methods, such as tabulators, for casting or counting ballots in federal elections. The elimination of tabulators in local authority elections will align with rules for federal elections. In the 2023 provincial elections, hand counting was used for special ballots and at mobile voting places, as well as for ballots cast on election day. Elections Canada has poll workers count ballots by hand, and we intend to do the same for local elections.

B3: Provincial Education Property Tax Reform

Moved by: City of St. Albert

Seconded by: Town of Penhold

WHEREAS local public infrastructure such as transportation, water/wastewater utilities, stormwater management, and other local priorities are vital to the sustainability of municipalities and the quality of life for Albertans such as recreation and community facilities.

WHEREAS municipalities across Alberta have highlighted the need for increased municipal infrastructure funding and alternative financing mechanisms and policies to maintain existing infrastructure, build new infrastructure, and support community growth, through the adoption of several associated resolutions at the 2023 Alberta Municipalities Convention.

WHEREAS provincial revenue-sharing with municipalities does not meet the need for local public infrastructure investment, as it has decreased from \$420 per Albertan in 2011 to \$186 in 2024, while municipalities face increasing fiscal pressures related to population growth and high inflation-driven construction costs.

WHEREAS the Government of Alberta's 2024-27 Fiscal Plan expects that municipalities will collect over \$2.7 billion in provincial education property tax in 2024 on behalf of the province and predicts this figure will grow by 4.3 per cent a year to \$3 billion in 2026-27.

WHEREAS on behalf of the Government of Alberta, municipalities collect \$1 billion more for provincial revenue via the provincial education property tax than what they receive in total provincial funding for municipal infrastructure via the Local Government Fiscal Framework (LGFF), competitive grant programs, and other one-time capital investments; and

WHEREAS the 2023 mandate letter for the Minister of Municipal Affairs directs the ministry to review the feasibility of amending the provincial education property tax to assist municipalities with retaining more funding for local priorities.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate to the Government of Alberta to action the Minister of Municipal Affairs' mandate letter from the Premier, to review the provincial education property tax to assist municipalities with retaining more funding for local priorities, with the outcome being that municipalities receive provincial funding for municipal infrastructure equal to or greater than what is collectively requisitioned in provincial education property tax on an annual basis for the Government of Alberta.

Municipal Affairs Response:

Municipal Affairs has acted on the Premier's 2023 mandate letter by working with the ministers of Education, and Treasury Board and Finance to review the feasibility of amending the education property tax (EPT) to assist municipalities with retaining more funding for local priorities.

In response to this mandate, Alberta is providing full exemption of non-profit affordable housing from property taxation, including EPT, and expanding the Community Revitalization Levy program criteria to support the capital costs of privately owned affordable and/or attainable housing. These changes align with the Premier's mandate letter while furthering our commitment to addressing housing challenges at the local level.

The EPT provides vital support to Alberta's K-12 education system, and revenues that follow assessment growth help mitigate the cost pressures of rising school enrollment levels. Accordingly, no further changes to EPT are currently anticipated..

B4: Restoring Provincial Grants in Place of Taxes (GIPOT) Funding

Moved by: Town of High Prairie

Seconded by: Town of Mayerthorpe

WHEREAS properties owned by the Government of Alberta are exempt from municipal property taxes, but the province provides a Grants in Place of Taxes (GIPOT) program to fund municipalities for the municipal services provided to provincial properties.

WHEREAS the Provincial budgets since 2019-2020 have made significant reductions in GIPOT funding to all municipalities across Alberta.

WHEREAS *Budget 2024-25* has provided an increase of \$2.1 million in the GIPOT funding to reflect the rising assessment and construction of new provincial government infrastructure.

WHEREAS despite increases in *Budget 2023* and *Budget 2024*, GIPOT's 2024 budget of \$38.1 million is still well below past funding levels of \$60 million before the province cut the program budget in 2019-20; and

WHEREAS these reductions have placed an unfair and disproportionate burden on municipal ratepayers.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate for the reinstatement of full funding, at a minimum to the 2019/20 funding level of \$60 million, for all properties that are eligible for GIPOT.

Municipal Affairs Response:

Municipal Affairs acknowledges that since 2019, Grants in Place of Taxes (GIPOT) payments for most properties were reduced by 50 per cent. GIPOT is a discretionary grant program intended to recognize the benefits of municipal services, such as roadwork, snow clearing, transit, and emergency services, provided to property tax-exempt Government of Alberta properties.

The decision to continue to fund GIPOT at the 50 per cent level was made in context of other grant funding decisions, including increasing the Municipal Sustainability Initiative Operating program funding level from \$30 million to \$60 million, which has been maintained under the LGFF operating program.

As part of the development of *Budget 2025*, we are committed to reviewing GIPOT funding for 2025 and future years.

B9: Preventative Psychological Services Support for Municipal First Responders and Emergency Dispatchers

Moved by: City of St. Albert

Seconded by: Town of Mayerthorpe

WHEREAS the Government of Alberta has stated that improving emergency medical services response times is a priority.

WHEREAS municipalities support emergency medical service response through their provision of first responder services (firefighters, police officers, peace officers, and in some instances, paramedics) and emergency dispatcher services, with these services often working in coordination with Alberta Health Services' emergency medical response.

WHEREAS in supporting emergency medical response, municipal first responders and emergency dispatcher services can be exposed to traumatic incidents that cause psychological injury, including post-traumatic stress disorder (PTSD), which may require treatment and extended medical leave, reducing municipal capacity to support emergency medical service response.

WHEREAS the *Workers Compensation Act* permits for the presumptive coverage of traumatic psychological injuries for first responders and emergency dispatchers, resulting in municipal taxpayers funding both the coverage required for recovery and return to service through increased premiums, in addition to the overtime required by active duty personnel to cover such absences.

WHEREAS the provision of preventative psychological services reduces the frequency and severity of psychological injuries for first responders and emergency dispatchers, enabling fewer associated medical leaves and a more consistent and reliable roster of personnel on active duty.

WHEREAS the provision of preventative psychological services improves the mental health, well-being, and resiliency of first responders and emergency dispatchers, strengthening their ability to perform their emergency medical response duties; and

WHEREAS a more consistent and resilient roster of first responders and emergency dispatchers would both strengthen emergency medical service response times while also reducing the burden on taxpayers to cover associated *Workers Compensation Act* claims and overtime coverage for absences.

THEREFORE, BE IT RESOLVED THAT Alberta Municipalities advocate to the Government of Alberta to provide a grant or funding mechanism to municipalities to provide preventative psychological services to municipal first responders and emergency dispatchers to reduce the risk of psychological injury and the associated burden on taxpayers to treat such injuries, in addition to bolstering emergency medical response services in Alberta.

Municipal Affairs Response:

As part of the commitment to supporting the mental health needs of first responders and emergency workers, the Government of Alberta launched the Supporting Psychological Health in First Responders Grant Program in 2020/21. The program provides grants to improve services, including early intervention and resilience-building, for first responders and emergency workers living with or at risk of developing post-traumatic stress injuries (PTSI). Since the program's launch, several municipalities have received grant funding for services dedicated to Alberta first responders and emergency workers living with or at risk for PTSI.

Information on the grant program, including a list of funded projects, eligibility information, and instructions on how to apply, is available at <https://www.alberta.ca/first-responders-mental-health-grants>.

Municipal Affairs also offers other grant funding that local governments can use to support fire services.

- Under the LGFF Operating program, expenditures for activities that increase the efficiency and effectiveness of overall municipal operations, including fire services, are eligible expenditures. In addition, local governments can contribute LGFF Operating funding to non-profit organizations that provide a municipal service or benefit, including fire services.
- The annual \$500,000-Fire Services Training Program (FSTP) grant helps communities ensure their local fire services are properly trained to respond safely and effectively to identified community risks.
 - While this program does not cover psychological hazards, it can support fire services with other training requirements.
 - Information on the grant program is available at <https://www.alberta.ca/fire-services-training-grant>.

In addition, Municipal Affairs is undertaking a Fire Service Review and engaging with stakeholders to better understand what changes could be made to best support fire services and the communities they serve.

C1: Financial Disclosure of Asset Retirement Obligations

Moved by: Town of Coronation

Seconded by: Town of Hinton

WHEREAS the addition of accounting standard PS 3280, Asset Retirement Obligations (ARO), increases the transparency of a municipality's environmental liabilities through a municipality's audited financial statements.

WHEREAS the new ARO accounting standard requires municipalities and regional service commissions to report the estimated cost to retire, decommission, remediate, or monitor specific tangible capital assets that present an environmental liability at the end of its useful life.

WHEREAS many municipalities, particularly smaller municipalities, lack the administrative capacity to efficiently and accurately assess the estimated cost to retire their relevant tangible capital assets when those assets are deemed to no longer be needed to serve the community; and

WHEREAS municipalities facing the need for abatement assessments lack adequate financial support to comply with these requirements.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate to the Government of Alberta for financial support and tools to support municipalities to comply with PS 3280 in the most cost-efficient manner possible.

Municipal Affairs Response:

Municipal Affairs believes asset management plans would allow local governments to identify assets that are close to retirement or decommissioning. Funding is available under ministry programs to support asset management planning.

- Capital expenditures related to the development of an asset management plan are eligible under the LGFF Capital program and the federal Canada Community-Building Fund.
- Expenditures for activities that increase the efficiency and effectiveness of overall municipal operations, including the costs of data gathering for asset retirement obligations and contracted planning services, are eligible expenditures under the LGFF Operating program.

In terms of the Asset Retirement Obligation (ARO) requirements, they were developed by the Public Sector Accounting Board (PSAB), and Municipal Affairs had no role in their development or adoption. Public Standard 3280 (AROs) found online at www.frascanada.ca/en/psab, defines which asset retirement activities are included in the cost of a tangible capital asset.

To supplement PSAB's new requirements, Municipal Affairs has resources and offers training to support municipalities to better understand this new accounting standard. For

example, during the fall 2023 Municipal Affairs Administrator's Training Initiative, two ARO training sessions were provided. In addition, a fact sheet and decision tree were developed to further support municipalities. Municipalities can access the ARO fact sheet at [Asset Retirement Obligations \(ARO\) Fact Sheet - August 2022 | Alberta.ca](#); the recordings of the webinars conducted last fall are accessible at [Training for municipal officials | Alberta.ca](#).

Since this initiative is driven by the PSAB, municipalities are encouraged to contact the PSAB directly to discuss any concerns with their requirements. Municipal staff are also welcome to contact Municipal Affairs financial advisors at 780-427-2225 for further information on how to access the resources and to provide context on the process.