

CHANGES TO ICF REQUIREMENTS

AN ICF WORKBOOK COMPANION DOCUMENT

WHAT IS AN ICF?

The *Municipal Government Act* (MGA) requires that all municipalities not part of a Growth Management Board and that share a common boundary adopt an Intermunicipal Collaboration Framework (ICF). An ICF is a tool that facilitates cooperation and cost-sharing between neighbouring municipalities in order to ensure municipal services are provided to residents efficiently. Two or more municipalities are required to develop an ICF in order to:

- provide for the integrated and strategic planning, delivery and funding of intermunicipal services,
- steward scarce resources efficiently in providing local services, and
- ensure municipalities contribute funding to services that benefit their residents.

WHAT AMENDMENTS WERE INCLUDED IN BILL 25?

Bill 25: the Red Tape Reduction Implementation Act, 2019 changed 11 pieces of legislation including the MGA. The intent of Bill 25 was to streamline overburdened processes and eliminate outdated rules. A high level overview of how the MGA amendments affect the ICF requirements can be found below. For further information please review Bill 25 and the **Summary of Changes to Intermunicipal Collaboration Framework (ICF) and Intermunicipal Development Plan (IDP) Requirements, and Q&A References** circulated to municipalities by Alberta Municipal Affairs. The **Rural Municipalities of Alberta** and the **Alberta Urban Municipalities Association** also have relevant resources, including the ICF Workbook, located on their websites.

SUMMARY OF IDP & ICF CHANGES (FROM BILL 25)

TOPIC	CHANGE
Requirement to adopt an IDP	<ul style="list-style-type: none"> ◆ An IDP between municipalities that share a border is still required unless the municipalities mutually agree it is not necessary.
Contents of an ICF	<ul style="list-style-type: none"> ◆ An ICF is only required to describe services that benefit residents of more than one municipality. ◆ An ICF must identify the lead service provider and how service will be delivered and funded. ◆ ICFs no longer have to list or inventory other services that do not benefit residents of more than one municipality. ◆ ICFs no longer need to categorize services by transportation, recreation, emergency services, water and wastewater, solid waste, and other.
Method of adoption	<ul style="list-style-type: none"> ◆ ICFs can be adopted either by bylaw or resolution.
ICFs & IDPs	<ul style="list-style-type: none"> ◆ The IDP process is now independent of the ICF process. ◆ Municipalities are no longer required to adopt an IDP for an ICF to be considered complete.
Notification to the Minister	<ul style="list-style-type: none"> ◆ There is no requirement for municipalities to file copies of their ICFs or IDPs with the Minister. ◆ The Minister must be notified that an ICF has been adopted.
Arbitration for ICFs	<ul style="list-style-type: none"> ◆ The <i>Arbitration Act</i>, except as modified by the MGA, applies to arbitration where municipalities are not able to create a framework or where a dispute is not resolved within one year.
Arbitration for IDPs	<ul style="list-style-type: none"> ◆ The Minister will refer matters to the Municipal Government Board where municipalities are not able to agree on an IDP by the due date.
Role of Arbitrator	<ul style="list-style-type: none"> ◆ The arbitrator no longer has the authority to order an entire ICF for the parties. ◆ The arbitrator must make an award that resolves the issues in dispute. ◆ The municipalities must create and adopt the ICF in accordance with the arbitrator's award.

This document is for information purposes only and does not constitute legal advice.

CRA: GST Tax Assessment

In light of recent Canada Revenue Agency (CRA) interpretations, which are currently under review, municipalities should be careful to word cost-sharing agreements in a way that makes it clear that they are based on benefit provided to the citizens of another municipality, as opposed to providing “access” to, or “supply” of, a service or right of entry. It is recommended that municipalities seek legal advice regarding appropriate wording in cost-sharing agreements in order to ensure the agreements are not assessed GST.

WHAT’S NOT CHANGING?

- **Deadline:** Bill 25 does not change the deadline for completion of ICFs. S. 708.28(1) still requires ICFs to be completed by April 1, 2020.
- **Purpose:** The amendments to the MGA have not resulted in changes to the overall purpose of an ICF which is to provide for services, enable effective cost-sharing arrangement, steward scarce resources, and ensure municipal funding contributions.
- **Recommended Approach:** As the overall ICF purpose has not changed, it is still recommended that municipalities follow the approach laid out in the ICF Workbook and tools. Municipalities are encouraged to review the ICF Workbook and tools to identify what may be relevant to them in the ICF process.

WHAT DOES THIS MEAN FOR MY MUNICIPALITY?

The new ICF requirements may require a different approach depending on where you are at in the ICF process. The information below is intended to help you determine the appropriate path forward depending on whether you have started or completed an ICF.

WHAT IF WE HAVEN’T STARTED?



- ICF requirements have been simplified so specific topics are not prescribed. This means that municipalities will first need to agree on what service areas will be included in their ICFs.
- Municipalities are encouraged to review the ICF Workbook and tools to identify if they would like to include any content previously required.
- It is recommended as a best practice that municipalities complete full inventories of the services they provide to inform the ICF process and note which services are of benefit to residents in more than one municipality. It is a helpful starting point to categorize services by the previously required municipal services areas.

WHAT IF WE’RE PART WAY THROUGH?



- ICF requirements have been simplified so there are no issues with continuing forward in adopting your ICF if it complies with the previous MGA requirements.
- If desired, municipalities can choose to simplify their ICF by omitting content on services that do not benefit residents in more than one municipality as long as it aligns with the new MGA requirements.
- Municipalities are encouraged to review the ICF Workbook and tools to identify if they would like to include any content previously required.
- Following the previous ICF requirements may help municipalities in identifying and achieving their shared ICF goals.

WHAT IF WE’VE FINISHED?



- ICF requirements have been simplified and no new ICF requirements have been added, therefore, your already adopted ICF should more than meet the current requirements.
- If desired, during the ICF review period set out within the document, municipalities can choose to simplify their ICF as long as it still aligns with the requirements of the MGA.