

# Future of Municipal Government What We Learned Report

## Organizing Canadian Local Government



### Theme

“[Organizing Canadian Local Government](#)” by Zachary Spicer was the first paper released as part of the Future of Municipal Government (FOMG) project. It is foundational as it provides an overview of municipal government models and suggests principles and other considerations to assess those models. The goal of the paper is to provide decision makers with a comparative perspective on municipal governance arrangements from across Canada.

### Key Findings

- One size does not fit all. Each government structure has its pros and cons. Communities must determine the government model that works best for them.
- In general, top-down forced amalgamation by provincial governments has not resulted in the cost savings that were anticipated.
- Intermunicipal collaboration, also referred to as “self-organizing,” can provide efficiency and cost savings.
- Further research on Alberta’s local governments, particularly the governments of small and medium-sized communities, is required.

Government Types	Advantages	Disadvantages
<p><b>Single-Tier Government</b> A single local government has sole responsibility for providing complete municipal services within a set geographic boundary.</p> <p>Municipalities in Alberta are single-tier governments.</p>	<p>Larger tax capacity</p> <p>Greater ability to borrow</p> <p>Equity in servicing within the municipality</p>	<p>Weakened incentives for efficiency and responsiveness</p> <p>Boundaries rarely coincide with economic region</p>
<p><b>Two-Tier Government</b> Upper-tier government shares authority with a series of lower-tier governments. Together, the two-tiers deliver a full suite of services to residents.</p> <p>Ontario and British Columbia have two-tier governments.</p>	<p>Economies of scale</p> <p>Align service needs</p> <p>Drive efficiencies</p>	<p>Possibility for duplication</p> <p>Appear complex</p> <p>Tension between tiers</p>
<p><b>Self-organizing Mechanism</b> Intermunicipal cooperation usually in the form of service sharing, contracting joint delivery.</p> <p>Intermunicipal cooperation takes place throughout Canada.</p>	<p>No institutional changes</p> <p>Created without provincial mandate</p> <p>Service and term specific</p> <p>Can create financial benefits</p>	<p>May be unstable</p> <p>Difficult to form in some instances</p> <p>Difficult to achieve regional continuity</p>



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### Member Engagement

The May 26th webinar on “Organizing Canadian Local Government” offered an opportunity for participants to ask questions and share feedback on concepts presented in the paper. A follow-up survey focused on feedback related to the research paper was also sent to participants as an opportunity to share any additional thoughts. A summary of feedback from the webinar and research paper survey is outlined on the following pages and the word cloud to the below highlights the most common themes that emerged.



### Future Direction

As identified, “Organizing Canadian Local Government” is a foundational paper that points to the need for further research on Alberta municipalities. Based on the paper’s findings and feedback, further work will be done as part of the FOMG project and related Alberta Municipalities initiatives to examine Alberta based examples. For example:

- An upcoming FOMG paper, “Local Governance in Alberta: Principles, Options, and Recommendations” will explore the pros and cons of various government models within the Alberta context.
- Another upcoming FOMG paper, “Lonely at the Top”, will examine the changing dynamics of chief administrative officers in Alberta.
- Alberta Municipalities is also exploring the possibility of working with RMA, Municipal Affairs and researchers from the University of Albert to conduct a review of the almost 450 completed ICFs to assess their outcomes and recommend refinements to ICF requirements

In 2023, Alberta Municipalities will gather municipalities and stakeholders at a President’s Summit to develop recommendations based on the outcomes of the FOMG research and dialogue. Based on the discussion on this initial paper, some recommendations will likely focus on the province respecting municipal autonomy to determine local government structures, and on the importance of creating a policy, legislation and funding environment that enables municipalities to shift government structures when desirable and to collaborate with neighbouring municipalities more effectively.



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### Feedback Summary

#### General Feedback

- The success of any regional collaboration can be dependent on and affected by changes in municipal leadership, along with differing values and perspectives that can make effective collaboration difficult. There is a role for the provincial government to play in guiding the future of municipalities in Alberta by creating a fiscal and governance framework that encourages and establishes a model of cooperation. This must be designed to ensure that size/population does not matter.
- Municipal governments are inherently restricted in their ability to design, implement and deliver innovative and effective services. The narrative for successful future governance should focus on equality at the “table” for all municipalities.
- Any proposed governance model changes need to be thoroughly evaluated on their ability to deliver cost savings and service improvements specifically in the Alberta context before implementation.
- More research and case examples specifically targeting rural communities and rural drivers around municipal government structures would be useful.
- Many communities have a desire to grow without understanding total impacts associated with growth. There should be a focus on the future of community growth and whether it is beneficial rather than prioritizing evaluation of local government structures that can accommodate growth.
- Scarcity of qualified CAO candidates and lack of funds to pay qualified candidates should be considered in the evaluation of any governance models.

#### Model Specific Feedback

- Regional Districts/Two-Tier government benefits can include increased focus on resource management and rural growth while avoiding urban forms of development and the creation of economic hubs. Hazards of this approach can include downloading of fiscal responsibility from the province to municipalities related to health, education and social services.
- Ontario two-tier model is structured such that local and regional governments individually tax residents through one tax bill from upper-tier government, with a remittance to each of the lower tiers.
- Having an overarching 'county' government to supply services like recreation, water, and sewer, on a large scale with other decisions made at the community level may help eliminate conflict and increase efficiencies.
- The amalgamation model can be driven by threats to future municipal existence and broad-based arguments for cost reduction, which creates fear and distrust. Open dialogue, consultation, and evaluation of each municipality's unique cost structures at early stages of consideration around structural changes are essential.
- Annexation discussions can become defensive and prevent counties from competing or creating urban forms of development on municipal boundaries, which creates a 'leapfrog' approach to development that is not logical.
- Amalgamation and annexation should be pursued as they make sense in respective municipalities. However, the process, conflict and financial costs involved in doing so currently make it too prohibitive for many municipalities to take on.



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### Feedback Continued

- Research paper survey respondents indicated that their municipal ICFs delivered most benefits in the areas of improved land use and transportation planning, and improved management of shared resources (e.g., waterbodies). Other benefits noted were that the IDP component of the ICF was successful, and that ICFs can support good management of shared resources such as water and wastewater that fall under a separate corporation that municipalities have a share in and participate in through Board representation.
- Some areas may not be geographically conducive to sharing amenities or services but could be in a position to share skilled personnel (i.e. CAO, treasurers, legal team, bookkeepers, etc.) to help relieve financial and operational burden.
- Drawbacks of ICFs that were noted included differences in approach and priorities between urban municipalities and rural counties, lack of recognition around common infrastructure, not measurably increasing service quality in either jurisdiction, and the need for ICFs to be better governed provincially.
- ICFs should be publicly available documents with clauses making it possible for municipalities to terminate if initial agreements were not fulfilled, or if they stop meeting residents' preferences.

### Future of Municipal Government Project

The purpose of FOMG project is to explore and assess options for government structures that will enable municipalities to build thriving communities into the future. Alberta Municipalities has partnered with the School of Public Policy (SPP) to engage municipal experts from Alberta and across Canada to conduct research on a wide variety of topics that serves as the foundation for dialogue.

[Click here to visit the Future of Municipal Government webpage and learn more.](#)



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