

Intermunicipal Collaboration Framework

WORKBOOK

Version 5 • 2026

A joint resource

Alberta Municipalities Strength In Members

RMA Rural Municipalities of Alberta

Alberta

CATALYST communications

Table of Contents

Purpose **4**

Bill 50 ICF Changes at a Glance **6**

1. Getting Started **8**

1.1 Updated ICF Legislation (2025) 9

1.2 Are ICFs Required? 11

1.3 Is Public Engagement Required? 11

2. Getting Ready (Before You Meet Your Neighbour) **12**

2.1 Municipal Services Inventory 13

2.2 Bilateral vs. Multilateral Considerations 14

2.3 Your ICF Negotiating Team 15

3. Collaboration **17**

3.1 Your Role in the Process 18

3.2 Agree on a Process to Move Forward 19

3.3 Acting in Good Faith 20

3.4 What Happens if You Need More Time? 21

4. Developing your ICF **23**

4.1 Summarize Your Services 23

4.2 Preparing an ICF Dispute Resolution Process 24

4.3 Reviewing the Case for Delivering a Service Differently 25

4.4 What Information or Outside Help Might You Need? 27

The ICF Process at a Glance **28**

5. Costs for Intermunicipal Services **30**

5.1 What the Legislation Says 30

5.2 Cost Components 31

5.3 Guiding Principles on Negotiating Cost Sharing 32

5.4 Examples of Cost-Sharing Approaches 32

5.5 Discussion Prompts for Negotiating Teams 34

6. What Happens if We Don't Agree? **38**

6.1 Facilitation 40

6.2 Mediation 40

6.3 Mediation-Arbitration (Med-Arb) 41
6.4 Arbitration 42
7. Finalizing the ICF Process 47
7.1 Prepare Your ICF 47
7.2 Approve Your ICF 47
7.3 Notify Alberta Municipal Affairs 48
8. The Minister's Authority 49
9. Resources and Supports 51
Acronyms and Abbreviations 52
Glossary of Terms 53
Appendix A — Frequently Asked Questions 57
Appendix B — First Meeting Agenda and Facilitator Guide 61
Appendix C — A Suggested ICF Dispute Process 64
Appendix D — Possible ICF Tables of Contents 66
Appendix E — Workbook Tools 69
Appendix F — MGA Section References 84
Appendix G — Council's Role in ICFs 88

Purpose

This Intermunicipal Collaboration Framework (ICF) Workbook is a joint resource of the Rural Municipalities of Alberta (RMA) and Alberta Municipalities (ABmunis), supported by Alberta Municipal Affairs, and prepared by Catalyst Communications Inc.

This workbook helps municipalities build, review, and update ICFs with their neighbours. It gives you tools, prompts, and templates for meeting what the *Municipal Government Act* (MGA) asks of you. Used well, the same material helps you build a working relationship that outlasts the paperwork.

The ICF process asks three things of you. Identify the services you share. Set out who does what. Plan for what comes next, together. This workbook walks through each step, from the first phone call to final approval.

Application

This workbook serves three audiences: elected officials, administrators, and the facilitators (and/or mediators) who support ICF work.

Municipalities across Alberta differ in size, capacity, and geography. Not every municipality will need every tool here. Use what fits your situation.

Your role	Start here
Elected Official	• Sections 1 and 3 explain the requirements and your role in the process. • Section 6 covers what happens if councils cannot agree. • Appendix G provides an overview of Council's role in an ICF process.
Administrator	• Sections 2, 4, and 5 cover preparation, drafting, and costs. • Appendix E holds the working tools. • Appendix F is a plain-language guide to the legislation.
Facilitator	• Section 6 and Appendix B support meeting design and dispute resolution. • Appendix C sets out a sample dispute process.

The workbook follows the stages of the ICF process:

- **Section 1: Getting Started.** The legislative requirements, including the 2025 changes.
- **Section 2: Getting Ready**. Preparation before you meet your neighbours.
- **Section 3: Collaboration**. Setting shared outcomes and an agreed process.
- **Section 4: Developing Your ICF.** Listing services, dispute resolution, and service reviews.

- **Section 5: Costs for Intermunicipal Services**. Principles and common cost-sharing approaches.
- **Section 6: What Happens if We Don't Agree?** Options from facilitation through arbitration.
- **Section 7: Finalizing the ICF Process.** Preparing, approving, and notifying Municipal Affairs.
- **Section 8: The Minister's Authority**. Oversight and compliance powers.
- **Section 9: Resources and Supports**. Where to find help.
- **Appendices:** FAQs, a first meeting agenda, a sample dispute process, sample ICF tables of contents, the workbook tools, and MGA references.

Disclaimer

This workbook was prepared by Catalyst Communications Inc. in collaboration with staff from Rural Municipalities of Alberta, Alberta Municipalities, and Alberta Municipal Affairs to assist municipalities in understanding and applying the Intermunicipal Collaboration Framework (ICF) legislative requirements. The information, definitions, interpretations, examples, and guidance contained in this workbook represent the best efforts of those involved in its creation to reflect the intent and requirements of the Municipal Government Act and related legislation at the time of publication. This workbook is provided for information purposes only and should not be considered, or taken or interpreted as legal advice. In the event of any inconsistency between this workbook and applicable legislation, the legislation takes precedence.

Bill 50 ICF Changes at a Glance

This summary covers 2025 changes to ICFs. Use it as a quick entry point before a new round of ICF talks, while recognizing this list may not prove exhaustive or cover every detail of legislative changes. The full legislation can be read here.

Change	What it means for you	MGA section
Mandatory services	Every ICF must address and describe five (5) mandatory services: transportation, water and wastewater, solid waste, emergency services, and recreation. You must discuss each one for inclusion in your ICF. You do not have to deliver them jointly or intermunicipally, nor are you required to change a current delivery method already in place if you choose not to.	*s.708.2;, s.708.29(1.1)*
Third Party	The MGA explicitly defines a Third Party, within the context of an ICF, as a corporation independent from the municipalities to whom the services are provided; and the only service provider authorized under an enactment to provide the relevant service(s) in or to one or more municipalities party to a framework. Examples include the RCMP and Libraries, as well as Municipally Controlled Corporations (MCCs) and Regional Services Commission (RSC). A service delivered by a Third Party cannot be included in an ICF.	*s.708.29(0.1)(b); s.708.29(1.2)*
Externally contracted services	A service where a municipality chooses to outsource execution to an independent commercial contractor or vendor. Because these decisions are local municipal choices rather than legislated monopolies, they do not fall under the MGA definition of a Third-Party service, for ICF purposes. While the service itself can be included in an ICF, any underlying operational contracts are administered independently by one or more municipalities outside of the ICF.	*s.708(0.1)(b); s.708.27(1); s.708.36(4)*
Other services by agreement	Services provided intermunicipally, of benefit to more than one municipality in an ICF, which are neither mandatory services or those provided by a Third Party (per MGA definition). These can voluntarily be included in an ICF.	*s.708.29(1.2)*
Costs defined	“Costs for intermunicipal services” now means operating, capital and other non-operating costs required to deliver the services.	*s.708.29(0.1)(a)*
Cost calculation models	You can build a cost calculation model into your ICF. It is optional. If you do, each party has to show the others what its proposal rests on: the facts, the numbers, and the assumptions.	*s.708.29(1.4), (1.5)*
Capital costs for new facilities	Capital costs for a new facility providing mandatory services can only go in an ICF if all parties agreed in advance and took part in the design and the decision to build. (This applies to all new facilities and ICFs after May 15, 2025.)	*s.708.29(1.7), (1.8)*

Change	What it means for you	MGA section
	The agreement must reflect the agreed-upon roles and responsibilities of each partner municipality in the decision to design and construct the facility.	
MD opt-out	Two municipal districts that share a boundary can agree they do not need an ICF. They have to review their agreements, pass resolutions, tell the Minister of Municipal Affairs, and post their reasons online; and must ensure that services continue to be provided.	*s.708.28(1.1), (1.3), (1.4)*
Good faith defined	To act in good faith now has a set meaning: • act honestly, respectfully and reasonably; • communicate appropriately; • share necessary information; • meet through authorized representatives; and • be ready to discuss all issues and explain all rationale.	*s.708.33(0.1)*
Arbitration narrowed	Arbitration now applies only to disputes regarding the five (5) mandatory services. The arbitrator cannot undo matters you already agreed on, or rule on matters you never discussed.	*s.708.34; s.708.36*
Arbitrator writes the ICF	After an award, the arbitrator must have an ICF prepared and sent to the parties within 30 days. You must adopt it within 60 days. The Minister gets a copy of both.	*s.708.4*
Stronger Ministerial powers	The Minister can order arbitration costs to be paid, impose a framework that matches an award, and take other steps to force compliance. There are new powers to make regulations, but no regulations are in force as this workbook goes to print.	*s.708.41; s.708.43; s.708.52–708.53*
Review deadlines	Review your ICF to be sure it covers the mandatory services. If your ICF sets a review deadline, you have to meet it. If it sets none, the review is due March 31, 2027 (Ministerial Order MSD:0024/23). The Ministerial Order does not replace a review date set in your existing ICF. Per Ministerial Order, former Edmonton and Calgary GMB members need ICFs and Intermunicipal Development Plans (IDPs) by November 30, 2027.	*s.708.32; MO MSD:0024/23; MO 24/25; MO 25/25*



1. Getting Started

An ICF is a tool that helps municipal neighbours work together and share costs, with a goal of collaborative, efficient service delivery. *Section 708.27* of the MGA gives ICFs three purposes:

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

There is direct alignment between the purposes of ICFs and the purposes of a municipality (*s.3)*:

(a) To provide good government.

(a.1) To foster the well-being of the environment.

(a.2) To foster the economic development of the municipality.

(b) To provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality.

(c) To develop and maintain safe and viable communities.

(d) To work collaboratively with neighbouring municipalities to plan, deliver and fund intermunicipal services.

An ICF sums up every shared service agreement that helps one or more of its members. The parties also have to agree how they will settle disputes that come up after the ICF is approved.

You can list your services at a high level, the way you would a line in your budget. Or you can go into more depth. Each municipality decides how much detail to give. For any mandatory service, or other service delivered intermunicipally and agreed upon by all municipal partners for inclusion in the ICF, the ICF must set out *(s.708.29(1))*:

- Description of the shared or mandatory service;
- Which municipality provides which services, and to whom;
- How services will be delivered and funded;

- Binding dispute resolution process (can be one clause for all services, or a separate clause for a specific service if the parties think one is needed); and
- Term of review, not to exceed five (5) years *(s.708.32)*. The ICF review must be started and completed by the end of Year 5, from the time of its creation.
- Where a change is made either to an isolated service area and/or to the ICF in full, a replacement ICF is created as a new bylaw, or via amendment to an existing bylaw.

Many topics suit regional work and are worth raising in ICF talks. Land use planning is one. So are growing the economy, protecting the environment, keeping farmland in use, and building climate-resilient infrastructure. You can also raise any other purpose of a municipality (*s.3*), any agreement made under natural persons powers (s.6), or any matter you can pass a bylaw on (*s.7*).

Something to Consider

When identifying services which benefit residents in more than one municipality, verify whether a service is provided by a Third Party as defined in the MGA (ie. corporation independent from the municipalities, and the only service provider authorized under enactment to provide the service in question). If yes, that Third Party-delivered service cannot appear in an ICF.

How ICFs Came About

2012: Municipal Affairs begin a full review of the MGA, incorporating that neighbouring municipalities should have to plan land use together, and deliver shared services together.

2016: ICFs arrive through Bill 21, the *Modernized Municipal Government Act*. The aim is to gather separate service agreements into one framework, with one process for keeping it current.

2018: The Intermunicipal Collaboration Framework Regulation is proclaimed. Every municipality with a shared boundary now needs an ICF, except where parties are on the same growth management board.

2021: The first round of ICFs is due.

2019: The *Red Tape Reduction Implementation Act* simplifies ICF and IDP rules, by repealing the regulation, while removing the list of mandatory services for framework inclusion. Municipalities can now decide for themselves which services are shared, what level to set, and how to split costs.

2025: Amendments bring back a mandatory list of services to include in an ICF, and add rules on costs and Third-Party services.

1.1 Updated ICF Legislation (2025)

Municipal Affairs reviewed the ICF rules in full in 2025. The changes to the MGA came into force in May 2025. The main ones are:

- Every ICF must address and describe five (5) mandatory service categories: transportation, water and wastewater, solid waste, emergency services, and recreation.

(s.708.26, s.708.29(1.1)) You must discuss each one. You do not have to deliver these services jointly.

- Other shared services that benefit residents in more than one participating municipality can be voluntarily included in an ICF. Third-party services authorized under enactment, such as RCMP or those provided through an RSC, are excluded.
- An ICF may include a cost calculation model. If one is developed, each municipality must disclose the information, data, and assumptions it relied on. *(s.708.29(1.4), (1.5))* See **Section 5** for an overview of different models.
- Capital costs for a new facility providing mandatory services can only go in an ICF if all parties agreed in advance, and took part in the design and the decision to build. This applies to new facilities and ICFs entered into after May 15, 2025. *(s.708.29(1.7), (1.8))*
- Two municipal districts (MDs) that share a boundary can agree to opt out of creating an ICF. *(s.708.28(1.1))*
- Arbitration related to ICFs legislatively applies only to matters relating to mandatory services *(s.708.34 to 708.4)*. For non-mandatory services being included in the ICF process, it is recommended that partners include whether those voluntary inclusions are to be referred to arbitration if agreement cannot be found on the non-mandatory service(s) through negotiations or other means identified in the dispute resolution process. *See Section 6 for more details on arbitration*.
- The Minister's oversight powers grew, including new regulation-making powers. *(s.708.43, s.708.52 to 708.53)* See **Section 8** for more information on Ministerial powers.

ICF Review Deadlines

Review your ICF with your neighbours and confirm it covers the mandatory services in s.708.29, within the timeframe set in your framework. Remember: Those deadlines are the point by which a review must be complete and the resulting ICF submitted to the Province; the deadline does not represent the time at which a new review should occur.

If your framework sets no deadline, complete the review by March 31, 2027 (*M.O. MSD:0024/23*); this does not override any existing ICF agreement review date established.

When the review is done, please follow the notification instructions outlined on the Alberta.ca website and direct questions to Municipal Affairs via email. Include the relevant council resolutions and associated bylaws of each member municipality. You do not need to send copies of the ICF.

The Edmonton and Calgary growth management board regulations ended on April 1, 2025. Former members must make ICFs with each other by November 30, 2027. If one is not in place by then, arbitration follows, and an ICF is due by November 30, 2028.

Municipal District Opt-Out

Under *s.708.28(1.1)*, two MDs that share a boundary can agree not to establish an ICF between them. To opt out, both MDs must:

- Review all their current agreements to confirm that services will continue by other means, prior to determining and agreeing that a framework is not required;
- Each adopt a resolution stating that the services have been, and will continue to be, provided by other means;
- Each send a copy of the relevant council resolution to the Minister; and
- Each post the reasons for not entering a framework on their website.

Opted-out MDs must still ensure that service delivery occurs. In an opt-out situation, any participating MD can later decide an ICF is needed. It must notify its partner(s) and revoke the opt-out. An ICF is then required within one (1) year of that notice.

Best Practice

If you've opted out of an ICF, you should review the opt-out decision at least every five (5) years. That includes reviewing the underlying agreements that provide shared services.

1.2 Are ICFs Required?

All municipalities that share a common boundary must have an ICF with each other. Exemptions only exist if obtained through a Ministerial exemption, or if adjacent MDs have opted out of the ICF process (see **Section 1.3**). A common boundary under *s.708.28(1)* means sharing a border along land.

- More than two municipalities can be party to one ICF. Municipalities that do not share a boundary can also join an ICF if they choose.
- The MGA opens the door to dialogue with neighbouring First Nations and Metis Settlements about shared service delivery, informally or through a voluntary framework. *(s.708.321)*

Rivers and Shared Boundaries

If a river runs between you and your neighbour, check your Formation Orders. If the Order puts the shared boundary in the river, you need an ICF. If it does not, you do not.

1.3 Is Public Engagement Required?

The MGA does not specify public engagement in an ICF process. All municipalities must act in accordance with their local public participation policy, and should work to align with guidelines

and best practices *(s.216.1)*. A guidebook on public engagement is available through Alberta Municipalities and Rural Municipalities of Alberta.



2. Getting Ready (Before You Meet Your Neighbour)

Before entering an ICF negotiation, start by working out what your municipality wants from the ICF process. Have these direction-setting talks with council early, whether creating an ICF or reviewing one. Council's direction becomes your municipality's ICF strategy.

Your desired outcome may simply be to keep the strong relationships you already have. Or one or more services may need review, and both sides know it. Some municipalities enter the process expecting contentious issues and want them resolved. There may also be savings that neither side has identified. Decide how much time your municipality wants to spend looking for them with your neighbour.

Before you meet your neighbours, work through these questions with your council and staff:

- ☐ What does your municipality hope to achieve through the ICF process?
- ☐ What do you need to talk to your neighbours about?
- ☐ Which parts of the ICF or IDP need review?
- ☐ What new services, changed services, or shifts in growth patterns belong in the conversation?
- ☐ What will you do if the ICF work, or a review, is not finished by the deadline?

TOOL

Tool A: Individual Municipal Preparation *expands these questions into a full worksheet.*

2.1 Municipal Services Inventory

A list of your services shows where working with a neighbour could help. Start with the five mandatory categories. For each one, note how it is run today, whether an agreement covers it, and whether it might work better shared:

Service category	Current provider model	Existing agreement?	Priority Ranking
Transportation	☐ Municipality ☐ Bilateral (2 municipalities) ☐ Multilateral (3+ municipalities) ☐ Third Party ☐ Unsure	☐ Yes ☐ No ☐ Unsure	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
Water / Wastewater	☐ Municipality ☐ Bilateral (2 municipalities) ☐ Multilateral (3+ municipalities) ☐ Third Party ☐ Unsure	☐ Yes ☐ No ☐ Unsure	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
Solid waste	☐ Municipality ☐ Bilateral (2 municipalities) ☐ Multilateral (3+ municipalities) ☐ Third Party ☐ Unsure	☐ Yes ☐ No ☐ Unsure	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
Emergency services	☐ Municipality ☐ Bilateral (2 municipalities) ☐ Multilateral (3+ municipalities) ☐ Third Party ☐ Unsure	☐ Yes ☐ No ☐ Unsure	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
Recreation	☐ Municipality ☐ Bilateral (2 municipalities) ☐ Multilateral (3+ municipalities) ☐ Third Party ☐ Unsure	☐ Yes ☐ No ☐ Unsure	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

Add the other services that matter to you. Pay special attention to the ones you may want to raise in the ICF talks. List any agreements that sit outside the ICF as well, such as mutual aid agreements.

List services at the same level of detail you use in your annual budget. For example, transportation might break down into transit, trails, roads, and maintenance. Once your list is complete, ask where a service could be provided to, in collaboration with, or by, another municipality.

TOOL

Tool B: Services Inventory Development *expands this into a full worksheet*

> **Best Practice**
>
> When your ICF references an existing agreement, check that the agreement's term lines up with the ICF's. If the agreement expires first, it may be unclear which document takes precedence. To avoid the gap, either align the agreement's term with the ICF, or add a clause saying what happens when the agreement expires, such as a review and update process.

2.2 Bilateral vs. Multilateral Considerations

Some municipalities, above all MDs and counties, border several others. It can save time to build ICFs with a few of them at once, such as all the summer villages inside a county. Some services also work better across a region than between two parties. An ICF is meant to fit the way services are actually delivered, whatever the number of municipalities.

Rural municipalities have to look at where things stand with their urban neighbours and with their rural ones. Two MDs next to each other may decide they do not need an ICF at all. If so, they can use the opt-out in **Section 1.1**. To do that they must review their agreements, post their reasons, and tell the Minister.

Where many municipalities could be involved, the first step is to decide how many *should* belong in one process. A multilateral ICF, meaning three or more parties, can make sense where several of you share services, growth pressures, or development issues.

Bilateral ICF	Multilateral ICF
Pros • Can mean a simpler, faster process. • Keeps the discussion focused. • The least complex option. • Suits two municipalities that already share a service. • Can still capture larger regional projects, outside of the two ICF parties.	**Pros** • May improve service delivery across a shared region. • Creates a forum for complex services that cross several borders. • Can set up future multi-party work plans. • May be quicker if you border many municipalities. • May result in increased economies of scale.

Bilateral ICF	Multilateral ICF
Cons • Constrains potential economies of scale. • If you border many neighbours, this route means managing multiple ICF processes and agreements. • May include larger regional collaboration projects that involve organizations beyond the two ICF parties.	**Cons** • Can take longer to negotiate and more work. • May be more administratively complex. • Any change needs every council to agree, and every ICF has to be updated to match.

Something to Consider

More parties means more complexity. Weigh that administrative load against the value a multilateral ICF could deliver.

You can ease the load by holding the service talks with everyone at once, then signing separate ICFs. That cuts the paperwork. It also gives up some of what a full multilateral ICF offers, because that route asks the parties to work together more closely.

Best Practice

Avoid locking into positions. Do not assume a neighbour will agree to a new service—talk to each other. Stay open to services that could benefit residents on both sides.

2.3 Your ICF Negotiating Team

Building, negotiating, reviewing, and approving an ICF takes a formal approach. To do that in good faith, and to build trust across the boundary, set up an Intermunicipal Negotiating Committee (INC). Some municipalities save time by giving the job to an Intermunicipal Committee (IMC) that already exists for another purpose but shares the same goal.

Before you set up the INC, work with your partners on three questions. Which services are likely to be covered (knowing the list may change)? How many municipalities will take part? How will the talks be run? After that first meeting (see **Section 3**), council can create the INC by resolution and give it the power to negotiate for your municipality on the ICF.

Think carefully about who sits on your INC, and what history they bring. Where members from different municipalities do not get along, or share a past that makes open talk hard, they are unlikely to move things forward in a productive way. The same goes for a member who arrives with the outcome already decided and no interest in a middle ground that works for every partner. That

approach rarely meets the good faith test, and it can set intermunicipal relations back. Ideally, INC members will be collaborative negotiators who are well informed of the issues, good communicators and creative problem solvers. They would also be able to see and work to understand the perspectives of all parties involved and look for opportunities to work together to create balanced agreements.

> **Best Practice**
>
> When composing your INC, look for members who:
>
> - negotiate collaboratively rather than positionally;
> - are well informed on the issues;
> - communicate clearly and listen well;
> - are open to, and work to understand, various perspectives;
> - understand the value of creative problem-solving; and
> - work towards agreements that are balanced across parties.

When every municipality follows the same ground rules, it shows they value the relationship. You can only set those rules after your first meeting.



SEE ALSO

Section 3.3 – Acting in Good Faith *provides additional detail.*



TOOL

Tool D: Sample ICF Terms of Reference *shows one way to do it.*

Do not treat the talks as a one-time job. The relationship the ICF builds should run like any other ongoing municipal work. Give the INC the job of putting the ICF into practice and finishing anything the ICF still calls for. At a minimum, the committee has to meet again to review the ICF before the legal deadline. That review, and any updates, must be finished within five (5) years of the day the ICF was made. The committee should also check on the agreements that sit under the ICF.

> **Best Practice**
>
> The INC should meet 1-2 times each year, ensuring the ICF still meets everyone's needs, and to plan for a review, as required. These consistent meetings will also help to strengthen relationships amongst INC members, and intermunicipal relations, as a result.



3. Collaboration

An ICF helps neighbouring municipalities cooperate and share costs, for efficient service delivery. How to get there depends on what you want to achieve, and how much you choose to explore in negotiations.

Once work from Section 2 is complete, it's time to start talking with your neighbours. Before negotiating any services, it's helpful to host a kickoff meeting, during which time members from different municipalities can meet (particularly valuable if no professional relationship exists already), and scope out how negotiations are to move forward. This process will allow all members to get to know each other to better understand what matters to each party.

Work through these questions together:

- How will we work together? (process, principles, terms of reference)
- What do we want to achieve together? (goals, outcomes)
- What do we want to talk about? (agenda, services, land use)
- How will we organize ourselves? (chair, co-chair, facilitator)
- Who should be on the negotiation teams? (elected officials, administration, subject matter experts)
- How will we handle disagreements? (dispute resolution process)
- If we cannot agree on some services by the deadline, what then?

You need a shared vision before you can share services. Each party will arrive with its own view of where things should go. The agreement has to be a compromise that leaves residents on every side better off. Shared goals and joint ambition is useful here. Keep it broad, though. A vision drawn too tightly gives a party something to dig in behind.

A shared vision does two jobs. It sets out what success looks like for the region and for the people who live in it, and it commits the parties to working in good faith. Once everyone has signed on to it, the negotiating committees tend to behave like one team rather than several. Some parties go further and define shared goals before negotiations begin. Whether that is worth the time depends on who is at the table.

TOOL

Tool C: Intermunicipal Preparation *helps municipalities work through these questions and land on shared outcomes. It also helps shape what to negotiate, and how to organize the work.*

3.1 Your Role in the Process

An elected official, an administrator, and a facilitator will each come at the negotiation differently. Some things hold true whatever your title.

Your Role In...	Expectation...
Municipal Leadership	• Establish trust. • Build relationships. • Support the project moving forward. • Bring your perspectives and subject matter expertise to negotiations. • Aim for results that are good for your residents and for the people next door.
Building Positive Relationships	• Act in good faith *(see Section 3.3)*. • Treat working together, and finding shared answers on services, as work that pays off for everyone. • Be clear on your needs and your wants (those are two different things). • Evaluate capacity and resources objectively. • Name the things that already work well between you, and the agreements worth keeping. • Agree how you will keep in touch and share what you know. • Review the agreements you have, on a schedule you both agree to.
Negotiating for Mutual Benefit	• Work together to set clear expectations and ground rules, then stick to them. • Be open and clear about what's working for you currently, what isn't, and why. • Where you share data or costs, ensure the numbers are shared openly and early. • Be ready to talk about, and negotiate over, things that do not match your own goals. Expect the others to do the same.

TOOL

Tool C: Intermunicipal Preparation *will form the foundation of your joint ICF process.*

TOOL

Tool G: ICF Completion Dispute Resolution Options *helps you work through the negotiation without damaging the relationship, and land on solutions all parties can live with.*

3.2 Agree on a Process to Move Forward

A few more items worth covering early:

- Discuss early whether to hire a facilitator or a mediator. A neutral party sets the structure of the meetings, keeps the discussion productive, and moves it along.
- Agree at the start who pays for the committee's work, and for anything that goes with it: background studies, outside help, public engagement.
- Set ground rules at your first meeting (e.g., negotiate as equals, extend courtesies, keep a respectful tone, etc.).
- Create a terms of reference for the ICF committee and process *(see Tool D)*.
- Send out agendas ahead of time, so staff in every municipality can prepare their briefings and material.
- Order the topics so each meeting builds toward a working agreement in principle.

Case Study #1: Formalizing a Relationship That Already Works

The Town of Lagolin and Jundland County have shared services for decades. Fire departments back each other up. Rural residents use the Town's arena and library. The Town uses the County's gravel pit and grader on some roads. With both councils pleased with the intent and direction of their ICF, a review was expected to be simple.

The two CAOs agreed on a short process, approved by each council, which included three joint meetings, no facilitator, and a timeline target of four months. They wrote this into a one-page terms of reference that both councils endorsed (**Tool D**).

In execution, however, discrepancies began to appear, resulting in a need for deeper negotiations. In developing a new Services Inventory (**Tool B**), staff identified inconsistencies between their existing ICF and current practice:

- 7 shared services were included in the ICF, but 11 were listed in the Services Inventory.
- 5 of the 7 existing shared services were inaccurate based on changes in delivery needs since the ICF's creation.
- An arena funded by both parties had no dedicated asset management plan, and there was no cost-sharing agreement for maintenance and upgrade expenses.

Of the 11 services, 7 fell into the list of mandatory categories; those were prioritized, and the others were included by service agreement.

Recognizing the process may not be as simple as initially thought, the CAOs and their teams identified the need for a new dispute resolution process. They recommended bringing in an external facilitator for negotiations to ensure everything moved forward appropriately. The revised approach was brought to both councils for approval.

Result

The ICF was adopted by both councils after 5 months, running 12 pages, plus an appended schedule that lists all 11 services, the agreement behind each, and a review date for each agreement that lines up with the next ICF review. Two open commitments remained in the arena's asset management review, and in undertaking a study related to fire services costing. Both were assigned commitments, and clear timelines to meet those commitments.

A written mutual aid agreement for fire was signed within six months, with a cost-sharing agreement put in place that considers capital and operating expenses, as well as amortization. A joint asset management review of the arena was completed in Year 2, revealing the need for a new ice plant within the next 6 years. The ice plant was added into both municipalities' capital plans, made easy by a draft cost split having been included in the ICF in advance, pending the asset management process.

The direct process cost was about $6,000 for legal review of the framework and the amending bylaw. The rest was staff time, which landed at roughly 120 hours across both municipalities.

Takeaways

- A review won't be "easy" just because there's a strong relationship or because the initial ICF worked in practice. There are lots of considerations when going back to the negotiating table. Completing the Services Inventory will help in identifying where there are gaps and where changes have occurred since the initial ICF process.
- The MGA requires the five mandatory categories to be in the framework, which helped to prioritize services to review in negotiations.
- Where there is still more work to be done, an ICF can be completed with specific areas in which work continues, accompanied by clear commitments, how they're being met, and the timeline on which they'll be completed.
- There's value in agreeing on how cost sharing will occur for costs before the bill is due. Since May 15, 2025, a municipality cannot be made to pay capital costs for a new facility unless it agreed to beforehand (s.708.29(1.7) and (1.8)). Settling this early keeps a future review simple.

3.3 Acting in Good Faith

Good faith used to be a general description of how people behaved at the table. Since 2025 it has a set meaning in the MGA. Under *s.708.33(0.1),* to act in good faith means to:

- act honestly, respectfully and reasonably;
- communicate appropriately;
- share necessary information;

- meet through authorized representatives; and
- be willing and prepared to discuss all issues and explain all rationale.

You have to negotiate in good faith when you make or review a framework *(s.708.33(3))*. That duty runs through the whole process.

In practice, good faith means three things:

1. You work to understand what matters to the other party.
2. You look for solutions that create benefits for both sides.
3. You share what you would like your neighbour to know about your so they can better understand you and where you're coming from.

Meeting all three is sometimes easier said than done, which is often based less on what's on the table and more on who's sitting around it. Consider the following to avoid bad-faith negotiations:

- Send people you trust to speak for council and who have appropriate authority to do so.
- Do not make demands you know cannot be met, and do not run a process built to stall.
- Do not walk into negotiations expecting them to fail.

Remember, municipalities are required by the MGA to negotiate in good faith when creating or reviewing an ICF. If partner municipalities cannot reach an agreement on matters subject to arbitration, an arbitrator may ultimately determine the disputed issue.

> **Something to Consider**
>
> A facilitator can run the meetings, which frees INC members to focus on sharing their municipality's interests and understanding those of their neighbours. Look for one who is also a trained mediator. If you need mediation later, the same person can step into that role without losing time. They can also explain what arbitration would involve, so the parties know what they are choosing between on the services still in dispute. Municipal Affairs keeps rosters of mediators and arbitrators (see Section 9).

3.4 What Happens if You Need More Time?

An extension of the current ICF may be required to ensure the continued provision of services and maintain compliance while municipalities complete negotiations on future service arrangements.

Municipalities are expected to have internal deadlines and to project manage negotiations to meet these legislative requirements as part of their responsibilities to maintain services to Albertans. Legislated deadlines are important to ensure consistent service delivery across the province.

As part of your ICF creation and review process, timelines should be included to allow for an appropriate amount of time to negotiate. If you anticipate major changes to a service category, that should be negotiated long before an ICF review deadline demands that it be formalized.

Municipalities are responsible for proactively managing negotiations and establishing internal milestones to meet legislated requirements. Maintaining legislative timelines helps ensure stable intermunicipal service arrangements and consistent service delivery across Alberta. During a dispute about a framework, the parties must continue to perform their obligations under it *(s.708.471)*.

Time extensions can be requested from the Minister, but there are no guarantees that one will be given.

Where an extension is anticipated, municipalities should communicate with Municipal Affairs and their municipal partners as early as possible, and submit extension requests well in advance of the applicable deadline. Early identification of potential delays provides greater opportunity to assess options, support collaborative problem-solving, and minimize impacts to service delivery.

Municipalities should not rely on extensions as a substitute for timely negotiations. Where there is a risk that legislated timelines will not be met, municipalities are expected to raise concerns early and seek assistance promptly. If municipalities are unable to reach agreement, the Minister may require the use of the MGA's arbitration provisions to resolve outstanding matters and support completion of the ICF.

It is also important to remember that there is no one right size for an ICF. A good process fits the number of services, how closely you want to work together, and the complexity of doing so. A deadline should not shut down a good idea. An approved ICF can name future work and studies, so the framework keeps growing after it is signed; and can be reopened for renegotiations and/or amendments, if all parties agree.

As an example, if there’s discussion around potentially moving from collaborative emergency services delivery to a regional service delivery model, you may require time for analysis, studies, and reporting, which would run past an ICF review deadline. The approved ICF can flag it as a future feasibility study, while still maintaining the existing collaborative service delivery approach or establishing an agreed-upon interim approach, until a decision is made on potential regional service delivery. **Section 6.3** covers this in more detail.



4. Developing your ICF

You've agreed on a process and can now build your framework. This section covers what goes in an ICF, how to set up the dispute resolution process it must contain, and how to weigh a change in the way a service is delivered.

4.1 Summarize Your Services

It is best practice to develop a list of services provided across your boundaries. Legislation sets the content an ICF must have (*s.708.29*), including the five mandatory categories: transportation, water and wastewater, solid waste, emergency services, and recreation.

The ICF must inventory all services shared between parties. It must also cover any other shared services that benefit residents of more than one member municipality, excluding any which is provided by a third party. Each municipality chooses how much detail to include in its list, but full transparency is encouraged.

Check your draft ICF against the required content:

- ☐ It describes the services that benefit residents in more than one member municipality.
- ☐ It lists and describes (at minimum) the five (5) mandatory service categories.
- ☐ It sets a dispute resolution process, either for the whole ICF or for each service.
- ☐ It sets a term of review of no more than five (5) years, with the complete review process completed prior to review deadline.

For each service in the ICF:

- ☐ Describe the shared service.
- ☐ Identify who provides the service currently, and to whom.
- ☐ Set out how the service will be managed and delivered.
- ☐ Set out how the service is funded.

You may also include:

- any other shared service that benefits residents and is not provided by a third party;
- capital costs for new facilities (where agreed in advance under *s.708.29(1.7)*, *(1.8)*);
- a cost calculation model; and
- the way you will share data to build that model, if you create one.

SEE ALSO

Section 5 – Costs for Intermunicipal Services *covers service delivery costing.*

TOOL

Tool E: ICF Services Summary Tool *expands this into a full worksheet.*

> **Best Practice**
>
> Write the ICF so it survives a change of council. Name the service, the lead municipality, and the funding basis in the framework itself. Keep the operating detail in the service agreement, so those details can be updated without reopening the overarching framework.

4.2 Preparing an ICF Dispute Resolution Process

Every ICF must include a dispute resolution mechanism *(s.708.29(3.1)*). Once the ICF is approved, any disagreement about matters in it has to be worked out using the process the ICF sets out.

Your process should cover disputes that come out of creating, reviewing, interpreting, applying, or breaching an ICF in effect. You can design your own binding process, as long as it meets the MGA and finishes within one (1) year of the dispute being raised. At a minimum, check that your process covers:

- ☐ How notice of a dispute is given, and to whom.
- ☐ The steps the parties will follow: negotiation, facilitation, and potentially mediation and/or arbitration.
- ☐ How a decision maker is chosen, and what powers and procedures they have.
- ☐ A binding mechanism, and how its costs are shared.
- ☐ A total timeline of one (1) year or less.

SEE ALSO

Appendix C: A Suggested ICF Dispute Process *sets out a full example process.*

TOOL

Tool F: Dispute Resolution Process Suggestions *and* ***Tool G: ICF Completion Dispute Resolution Options*** *expand this checklist.*

ICFs and IDPs

The ICF and the Intermunicipal Development Plan (IDP) are companion documents. The IDP maps where growth will go. The ICF sets out the services that growth will need. Read them together, and update them together where you can.

If content required in an IDP is already dealt with in the ICF, the IDP does not need to repeat it (s.631(9)).

If an IDP dispute cannot be settled through the plan's own process, it can go to the Land and Property Rights Tribunal under s.690. That is a different route from ICF arbitration.

 **TOOL**

Tool H: IDP Requirements Checklist *has more details.*

4.3 Reviewing the Case for Delivering a Service Differently

Sometimes the best way to deliver a service is obvious. Sometimes it takes background study and analysis. In either case, ICF parties should establish an agreed-upon approach that considers what is needed to come to a decision, including whether there's relevant data to review and incorporate, as well as how data will be gathered, and how it will be used in decision-making.

Better in Numbers, or Better in Experience?

As you build your inventory, you may spot chances to work together on other services. During a review, look at both kinds of improvement a change could bring. Some can be counted, such as how often a service goes down, how many buses run at peak hour, or what it costs per household. Others are a matter of experience, with considerations such as how comfortable the road is to drive, whether the bus stop has a shelter, or how satisfied users say they are.

Decide which measures you are trying to improve before you start comparing options. It helps to write down what's working, what's not, and what improvements are appropriate, if any. This is made even more helpful when suggested improvements are accompanied by real numbers.

- The local wastewater plant can process **xx** m^3 more wastewater per hour since the new design was implemented.
- The regional pool costs $**yy** less per attendee since the new regional registration program was introduced.
- Peace officers spend **zz** fewer hours on traffic reports since the new traffic signage was installed at the corner of Main and First Street.

Supporting statements may be less defined, particularly where anecdotes are used, such as resident complaints about a service. Even there, definition should be added where possible.

Instead of saying:	Say:
"Customer satisfaction has increased since the Regional Transit Services Commission was established, according to the most recent survey."	*"Customer satisfaction has increased **by xx points, from xx% to xx%**, since the Regional Transit Services Commission was established **in yyyy**, according to the most recent survey, **available here: [URL]**."*

Levels of Service

Levels of Service (LOS) matter when you weigh whether a service should cross a boundary. One municipality often provides a different standard than its neighbour, and any review of shared delivery has to allow for that. Define LOS from the user's point of view, in terms your user groups would recognize. Clear LOS measures keep delivery lined up with what the community expects.

Most municipalities already track their assets under Public Sector Accounting Board (PSAB) rule 3150, which covers tangible capital assets. That record is a good place to start an asset inventory. Once you know the level of service you give now, and the level you expect to give, you are ready to talk about the gaps with your neighbours.

Asset Management

Asset management matters in every community, whatever its size. It is the steady work of looking after assets so a service stays reliable and affordable. Assets that get heavy use wear out faster. That pushes up operating and maintenance costs and shortens the life of the asset, so it needs replacing sooner. Build asset management into your shared service talks so the price you agree covers the full cost of the service, including replacing the asset when its time comes.

The ICF process should not be left to politics alone. Bring in your asset manager, if you have one, along with your engineering staff and the people who run and maintain the buildings. When your team looks at a shared service agreement, look past the up-front price to what the asset will cost, and give back, over its whole life.

SEE ALSO

Section 9 – Resources and Supports *lists asset management resources.*

What Growth Does to Service Delivery

Grow where you can afford to grow. Growth decides where services are needed: the pipes, the roads, the buildings, and the other assets behind them. The cost of building looks large, but it is only about 20% of the total. The other 80% goes on running, keeping up, and one day replacing what was built. So, when you pick growth areas in an IDP, work out what it will cost to serve them. Development that looks like a money-maker today can become a burden once the service and

replacement bills arrive. Service plans and land use plans should show the whole-life cost of the infrastructure they call for. As a service area spreads out, it costs more to hold the same level of service. Growth on the edges can also put pressure on nearby communities, because those residents lean on their neighbours for rec centres, fire halls, schools, jobs, and utilities.

Land use decisions can cut costs, too. A fire hall running below capacity gets more efficient as development fills in around it. Infill downtown adds tax revenue where services already run. Keep the link between land use and service delivery in view through the ICF process, and think about how your land use decisions may impact your neighbours. Looking wider is what makes a fair split of the risks and costs of growth possible.

> **Something to Consider**
>
> A service review can turn up a shared cost nobody budgeted for. If your analysis is going to change what a service costs a partner, tell them while the work is underway. A surprise number near the end of the process costs more time than the analysis ever saved.

4.4 What Information or Outside Help Might You Need?

A service review may call for background study before you change how a service is run, including old agreements, checking infrastructure standards, running a financial review, or drafting a service agreement once a Regional Services Commission (RSC) is formed. When you find a gap in what you know, decide whether you can fill it with your own staff or need outside help. A facilitator or project manager can also keep the work on track. Working out what you need often takes longer than people expect, and any terms should be agreed to up front, potentially including what needs to be done, who pays for the work required to fill a gap, and who owns the finished work.

Based on those terms, estimate how long the process will take, and whether those timelines align appropriately with your existing review schedule and provincial deadlines (remember the review term includes the full review process; the review must be complete and documents filed with the Province by the deadline). If additional analysis is expected to run past ICF approval, the ICF should include a current agreed-upon service delivery model, with a clear overview of the work to be completed. If known, the description of future work should also include a list of deliverables, accountabilities, and timelines for completion. This helps to create predictability, and maintains agreement on additional work.

TOOL

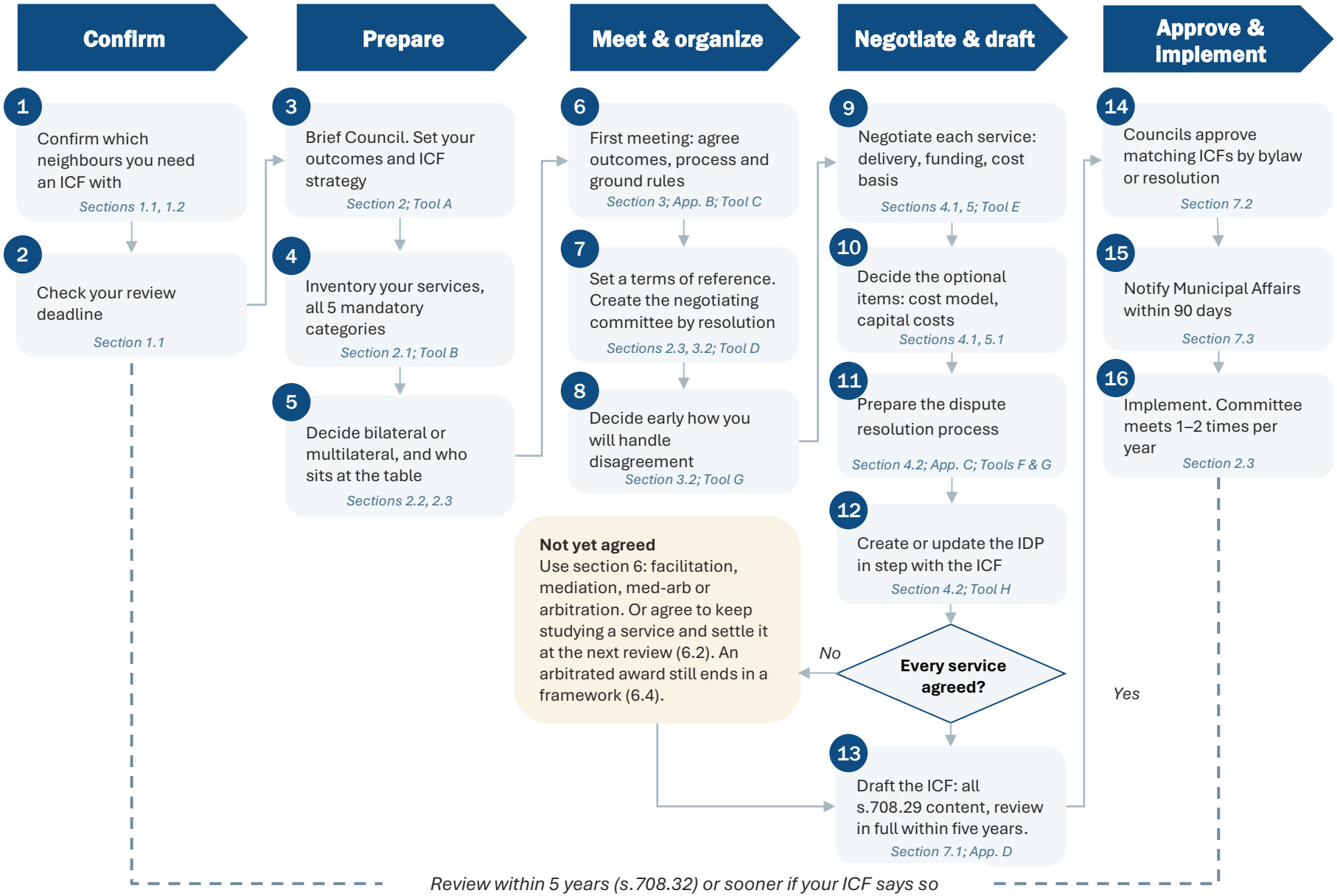
Tool C/Appendix E: Intermunicipal Preparation *includes a step for identifying the information and assistance you need.*

The ICF Process at a Glance

This checklist walks through the ICF process from start to finish. Each step points to the section or tool that covers it.

Step	What to do	Where to look
☐ 1	Confirm which neighbours you need an ICF with. Check boundaries, former growth management board status, exemptions, and the MD opt-out.	Sections 1.1, 1.2
☐ 2	Check your review deadline and determine an estimated scope of changes that may be required as part of the ICF review.	Section 1.1
☐ 3	Brief your council. Set your municipality's desired outcomes and its ICF strategy.	Section 2, Tool A
☐ 4	Inventory your services. Cover all five mandatory categories, plus other shared services and agreements.	Section 2.1, Tool B
☐ 5	Decide bilateral or multilateral, and who should be at the table.	Sections 2.2, 2.3
☐ 6	Hold a first meeting with your neighbours. Agree on outcomes, process, and ground rules.	Section 3, Appendix B, Tool C
☐ 7	Set a terms of reference and, by council resolution, create your Intermunicipal Negotiating Committee, selecting members who can negotiate in good faith and to the benefit of the region and all ICF parties; and agree upon and develop a communication plan for briefing council throughout the process.	Sections 2.3, 3.2, Tool D
☐ 8	Decide early how you will handle disagreement. Consider a facilitator who can also mediate.	Section 3.2, Tool G
☐ 9	Negotiate the services. Confirm delivery, funding, and any cost-sharing basis for each one.	Sections 4.1 and 5, Tool E
☐ 10	Decide whether to include the optional items: other services, a cost calculation model, capital cost provisions.	Sections 4.1, 5.1
☐ 11	Prepare the dispute resolution process. Every ICF needs one.	Section 4.2, Appendix C, Tools F & G
☐ 12	Create or update the IDP where needed, in step with the ICF.	Section 4.2, Tool H
☐ 13	Draft the ICF. Confirm all required content under s.708.29 and a term of review of five (5) years or less.	Section 7.1, Appendix D
☐ 14	Approve matching ICFs by bylaw or resolution. A joint council meeting works well.	Section 7.2
☐ 15	Notify Municipal Affairs within 90 days. For reviews, send the council resolutions.	Section 7.3
☐ 16	Implement. Have the committee meet once or twice a year and plan for the next review. This includes that parties can consider the option to extend an existing ICF, though extension would still require a review and renewed bylaw.	Section 2.3

The ICF Process At A Glance





5. Costs for Intermunicipal Services

2025 amendments gave the MGA its first definition of costs for intermunicipal services, along with rules for cost calculation models (CCMs), disclosure, and capital costs. This section gives negotiating teams a shared starting point for the money conversation.

> **Guidance Here Is General, Not Prescriptive**
>
> The MGA does not require a specific CCM or way of splitting costs. Neither does this workbook. Your decision depends on what works best for the service and relationship in question, as decided by the parties involved.

5.1 What the Legislation Says

Section *708.29(0.1)(a)* broadly defines costs for intermunicipal services as the operating, capital, and other costs required to deliver services, shaping how costs can be handled in a framework:

Provision	What it does
Cost calculation model *s.708.29(1.4)*	You may set a cost calculation model in your framework for the costs of shared services. The legislation does not require or endorse any model.
Disclosure of data and assumptions *s.708.29(1.5)*	If you build a cost calculation model, each municipality has to show the others what its proposal rests on: the facts, the numbers, and the assumptions.
Capital costs for new facilities *s.708.29(1.6),(1.7), (1.8)*	The cost of building a new facility for a mandatory service can only go in an ICF if all parties agreed beforehand, and took part in the design and decision to build. The framework must record each involvement. This applies to new facilities, and to ICFs made after May 15, 2025.
Third-party services *s.708.29(0.1)(b)*	Some services come from an outside entity that is the only one allowed to provide them, by MGA definition. Those sit outside the ICF.

Provision	What it does
Acting in good faith *s.708.33(0.1)*	Parties must act honestly, respectfully, and reasonably; communicate appropriately; share necessary information; meet through authorized representatives; and be ready to discuss issues and explain rationale.
Arbitration *s.708.34, s.708.35, s.708.36, s.708.38*	Where municipalities can't agree on a mandatory service, the matter goes to arbitration. The arbitrator cannot rule on something municipalities never discussed or undo something already agreed to.
Regulation-making power *s.708.29(1.91)*	The Minister can make regulations about including capital costs in a framework. None have been made at this time.

5.2 Cost Components

The statutory definition covers three components. A useful first step in any cost conversation is agreeing what falls into each one, service by service:

Component	What it captures	Examples
Operating costs	Recurring, day-to-day cost of running the service.	Pay and benefits; power, heat, and fuel; materials and supplies; repairs and routine upkeep; contracted work; running programs; insurance. Parties can agree to count a set share of office support.
Capital costs	Cost to build, upgrade, and maintain facilities and assets.	Building, expanding, upgrading, or overhauling a facility; buying land; buying equipment or vehicles; design and engineering work.
Other non-operating costs	Service costs that are neither operating nor capital costs.	Interest and principal on money borrowed for the service; money set aside in reserves.

Note: The MGA does not provide explicit definitions or examples for "other non-operating costs."

Gross or Net? Settle It First

Before you talk about how to split a cost, agree on what it is you are splitting. Are you sharing the gross cost of the service? Or the net cost, once you take off revenue such as user fees, program sign-ups, hall rentals, grants, and sponsorships? For a service run out of a building, the net figure is often called the operating deficit.

How you treat revenue can change contribution amounts a great deal, so it is worth settling before anyone brings a number to the table.

5.3 Guiding Principles on Negotiating Cost Sharing

Discussions should be had early in negotiations to determine how costs will be accounted for, including what data is required, how it will be gathered, and how it will be used. Test any proposed cost arrangement against a set of principles. The following reflect the benefit-based thinking common in cost-sharing work, and they sit comfortably with the MGA's good faith duty:

Principle	What it means
Benefit and equity	Those who benefit from a service help pay for it, in line with the benefit their residents receive.
Transparency	Cost figures, data sources, and assumptions are shared openly. This is required by law where a cost calculation model is being developed.
Simplicity	Pick the simplest model that all parties still see as fair.
Feasibility	A model is only as good as the parties' ability to keep it up.
Predictability	Every party can budget with confidence. Terms that run several years, a floor and a ceiling on payments, and set rules for changes all help.
Flexibility	Reviews are scheduled, with a clear way to adjust terms as things change.
Good faith	All parties act honestly, respectfully and reasonably. They share what others need to know, and they explain the thinking behind a position.

5.4 Examples of Cost-Sharing Approaches

The table below sets out CCMs that have been used in intermunicipal service delivery agreements in Alberta, including an overview of how each works, and what to consider for each approach. Municipalities are allowed to establish a CCM in a framework, but do not require one (*s.708.29*). The MGA does not prescribe a method for calculating cost sharing. Treat the examples provided below as a starting point; they do not represent an exhaustive list of CCMs, and can be adopted,

adapted, combined, or rejected; there may be options not listed here that better fit a service, region, and local context. If a municipality does propose a CCM, it must disclose the information, data, and assumptions behind that proposal *(s.708.29)*.

Approach	How it works	Points to weigh
Usage-based (percentage of use)	Tracks where the users of a service or facility come from, and prorates contributions to match.	• Grounded in the benefit residents actually receive. • Needs accurate user tracking system both parties trust. • Can be more complex to calculate and administer. • Dependent on the consistent collection and sharing of data.
Per capita (population-based)	Splits the cost by the number of people in a set area. That could be the census count, a school catchment, or a set distance from town.	• Easy to understand and explain. • Census data is readily available, but it does not always match service areas. • Facility use does not always track population. • Growth or decline between censuses is missed. • Makes no allowance for economic capacity. • Does not consider proximity to service or actual usage patterns.
Assessment-based (equalized assessment)	Sets each party's share by its equalized assessment.	• Simple to calculate. • Can produce high shares for assessment-rich municipalities. • May not reflect fiscal capacity or actual use of service. • Contributors may have little say in operations they largely fund.
Tax-rate based (mill rate)	Applies an agreed rate to property values to set the contribution, often fixed for a long term such as ten (10) years.	• Gives certainty and is easy to administer. • Captures assessment growth. • Can include a floor so contributions do not fall below an agreed level. • Takes politics out of the amount. • The starting base can be hard to agree on. • Does not respond to surprise costs mid-term. • May not be related to actual service demand and usage in a given municipality.
Fixed contribution (grant)	One municipality transfers a fixed amount: by facility type, as a lump sum, as a share of the operating deficit, or as a base grant plus population top-up.	• Simple, and common in Alberta. • Treats similar facilities the same way. • The recipient carries the risk if costs change. • Needs clear agreement on which facilities are covered, the level of service to be provided, and how amounts are set and updated. • Less suited to complex services.

Approach	How it works	Points to weigh
Fixed contribution (in-kind)	One municipality shares the cost of a service by providing a resource instead of money.	• Ability to share use of a capital asset. • Mutual aid and good will. • Does not account for variable costs or unanticipated expenses.
Hybrid or blended	Combines elements: a base grant plus a per-capita top-up, or usage-based operating shares with assessment-based capital shares.	• Let's parties balance fairness against simplicity. • Tailors the model to each service. • Every added element adds complexity. • Needs a precise formula and reliable data behind it.
No cost sharing	Municipalities choose not to cost share for a service.	• Easy to understand. • Municipality providing the service maintains decision making on the service.

Something to Consider: GST and Cost-Sharing Agreements

In 2019 the Canada Revenue Agency (CRA) assessed GST against the Town of Peace River, treating the Town's cost-sharing agreements as "a supply of a right to enter, to have access to, or to use property of the government, municipality, or other body," and billed close to $610,000 in GST. It had read three terms differently than in the past: "supply," "public purpose" and "third party benefit." In March 2022, after discussions and submissions, the Town's objection was allowed in full and the GST was refunded. The CRA accepted the money was a transfer payment for a public purpose, and not subject to GST.

Word your cost-sharing agreements with care. Make it clear that a payment is based on benefit to residents of another municipality, and not on providing "access" to, or the "supply" of, a service or a right of entry. Get legal advice on the wording if you need it.

5.5 Discussion Prompts for Negotiating Teams

These prompts can help you structure a first cost conversation for each shared service:

- Which intermunicipal services are we costing? Which are mandatory, and which are not?
- For each service, which cost components are in scope?
- Are we sharing gross or net costs? How do we treat user fees, grants, and other revenue?
- Is administrative overhead left out, set as a flat percentage, or itemized?
- Do we want a cost calculation model in the framework? If so, what data would each of us disclose, and can we keep collecting it year after year?
- Should the framework cover cost sharing for facilities not yet built? If so, how will we take part in the design and the decision to build?
- What contribution basis best matches the benefit received? Can we administer it?
- How much certainty do we want?

- Are there any capital assets and/or resources that can be used to offset costs?
- When and how will we look at the arrangement between formal ICF reviews?
- What happens if we disagree?

Case Study #2: Renegotiating a Recreation Agreement

The Town of Sunnydale runs an arena, an aquatic centre, and a fieldhouse. The County of Hill Woods pays the Town a flat fee of $180,000 for recreation, which was set in 2014 and hasn't changed since. The Town's recreation budget had grown by about 40% since the fee was set, and a growing County population has correlated to greater facility use by rural residents.

Town Council is asking that the flat-fee costing model be reviewed. County Council, however, has expressed that they like the predictability that comes with a consistent flat rate. Committee members have been given direction by each council to find a cost-sharing method that's fair based on local circumstances, including urban and rural growth. To do so, they agreed that costing would apply to:

- Current assets only, with any new recreation expenses requiring a separate agreement.
- Net operating deficit, accounting for the cost of running three facilities, less user fees, rentals, program revenue, and grants.
- Amortization of existing buildings and equipment.
- Share of use by municipal partner, measured by two years' worth of postal code collection for every membership and program registration, with usage determined by household count.

It was agreed that both parties would see the raw data prior to any cost adjustments.

Result

	Amount		Amount
Gross operating cost, three facilities	$2,620,000	Households using the facilities, two-year count	4,150
Less user fees, rentals, program revenue and grants	($1,510,000)	Households with a Hill Woods address	1,290 (31%)
Net operating deficit	**$1,110,000**	**Hill Woods share at 31%**	**$344,000**
Current flat fee			$180,000

The change resulted in a local solution both parties accepted, accounting for usage and predictability, with a phased-in transition over three years, after which time a new annual contribution floor would apply, with a percentage cap for contribution increase per year.

Takeaways

- Agree on what data to use in determining costs, before debating dollars and cents. The number you split matters less than whether both sides agree on how it was calculated.

- Finding a solution that works for all parties avoids arbitration and creates predictability even where there may be variation from one year to the next.
- There is no right or wrong cost-sharing model.

Case Study #3: Building Full Costs into a Fire Services Fee

The Municipal District of One Hill runs a volunteer fire department that also serves the Town of Low Level. For 15 years, the Town paid an annual flat fee, most recently set at $95,000, with operating costs in mind. The fee has not historically included asset management, such as the trucks or fire hall.

When the MD replaced a pumper ($680,000), council asked why the Town was not contributing a share of the cost, and the Town stated it had never been asked to help decide what to buy. The relationship cooled. Councils agreed fire services would be renegotiated inside the ICF, with a fee reflective of the full cost of service –shown using operating, capital, and other costs, based on the last audited year.

Cost Component	Items	Amount (CAD)
Operating	Honoraria and wages, training, fuel, repairs and maintenance, insurance, utilities, protective equipment, and the regional dispatch contract	$490,000
Capital (amortization)	Two pumpers ($680,000 and $620,000) over 20 years; tender ($450,000) over 20 years; rescue unit ($300,000) over 15 years; fire hall ($2,400,000) over 40 years	$167,500
Other non-operating	Annual contribution to the apparatus replacement reserve	$40,000
	Gross cost of service	***$697,500***
Less revenue	Motor vehicle collision billings and provincial wildfire cost recoveries	($57,000)
	Net cost of service	***$640,500***

Teams then compared three ways to split the net cost, with each producing different contribution levels:

Method	Basis	Town share	Town contribution
Volume-based	Incidents in the Town as a share of all incidents, over a three-year average.	38%	$243,400
Population-based	Residents in the Town's response area as a share of the whole area served.	35%	$224,200
Equalized assessment	Each party's equalized assessment within the response area.	52%	$333,100

Two things nearly derailed the talks:

1. The MD's first figure included $180,000 planned for a hall expansion that had not been approved. Under s.708.29, the Town cannot be made to pay capital costs for a new facility unless it agrees beforehand. So, the expansion came out of the calculation and became a separate decision.
2. Town Council would not accept any number until it had seen the audited statements, the asset register, and the incident log. The MD spent a month building a disclosure package with all three, after which time, negotiations moved forward.

Result

The councils adopted a five-year agreement within the ICF:

- The Town pays its share of the net cost of service, calculated each year from the audited actuals. The share is set by the three-year average of call volume, currently 38 per cent.
- The fee is phased in over three years, from $150,000 to $200,000 to the formula amount.
- Apparatus purchases over $100,000 need the Town's written agreement before they go into the amortization schedule.
- The Town holds a one-third share of seats on the MD's Fire Services Advisory Committee.
- The hall expansion is a separate decision. If the Town agrees to a hall expansion, its share of the capital cost will be negotiated at that time.

The process took 11 months. The MD estimated the cost build-up at about 80 hours of work.

Takeaways

- Decide the costing method before you argue about the dollars. Until you agree on what costs are going to be included, it will prove difficult to agree on spending.
- Transparent costing protects both sides, with clarity on local benefits and how funding was set.
- Clearly define which data will be used, and in what way.
- Cost mitigation measures (such as phasing in significant change, and creating predictability through change percentage caps) help to prevent unforeseen budget impacts.
- The MGA requires cost data and assumptions to be disclosed where a cost calculation model is developed *(s.708.29(1.4), (1.5))*. The full disclosure package went further than that, which supported trust-building between the two partners.



6. What Happens if We Don't Agree?

Sometimes, despite good intentions, municipalities can't come to an agreement when they are building or reviewing an ICF. Disagreements tend to come up over:

- which services are shared;
- how the costs of those services are split;
- levels of service;
- some other part of how a service is delivered;
- not being able to finalize an ICF (or an IDP) by a required date; or
- not being able to review an ICF by the date the ICF sets.

The Dispute Resolution Spectrum

Your options run along a scale. You can start at any point, and different services can sit at different points. At one end, parties run the process themselves; at the other, a decision is handed to them.

Option	Cost	Relationships and dialogue	Who decides
Negotiation	Lowest	Builds relationships and encourages dialogue	Parties
Facilitation	Low	Builds relationships and encourages dialogue	Parties
Mediation	Moderate	Supports dialogue with neutral help	Parties, with mediator support
Mediation-arbitration (med-arb)	Moderate to high	Starts collaboratively, ends with a binding decision if needed	Parties, then med-arb practitioner
Arbitration	High	Limited room for dialogue; may strain relationships	Arbitrator

Mediation and arbitration can get stalled talks moving. Early is best, but you can bring either one in at any point. Adding a facilitator early is a cheap way to make progress on the topics where you are already close.

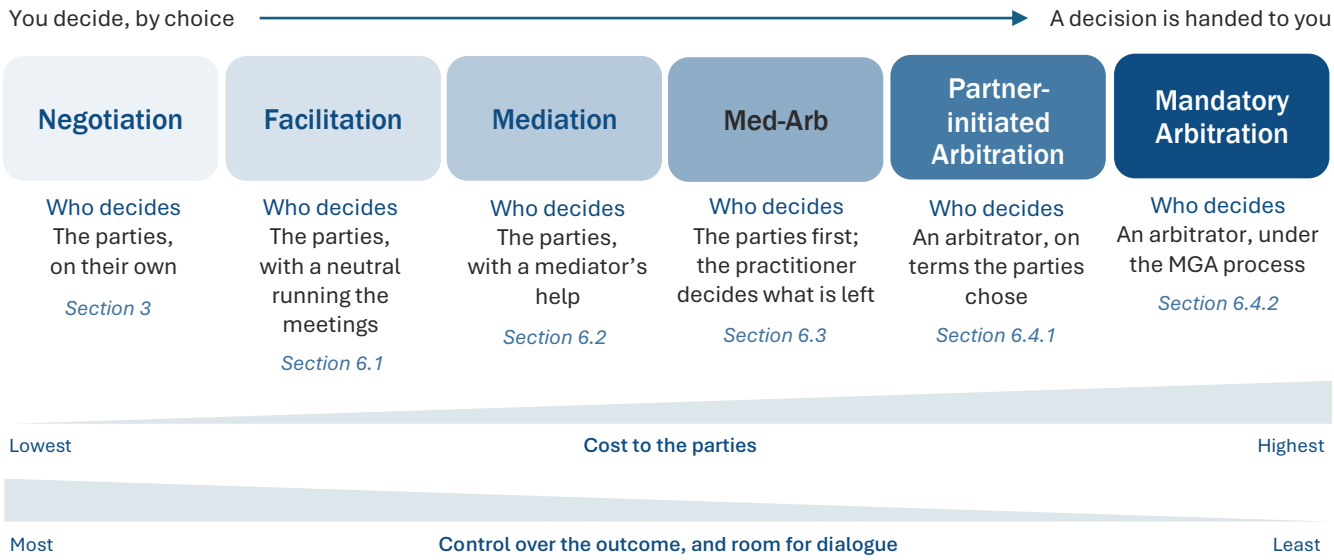
Something to Consider

If you are heading into arbitration, talk to the advocacy staff at ABmunis and RMA, and to the Municipal Collaboration team at Municipal Affairs.

Bringing in outside help early can go a long way in avoiding the need for arbitration later on, so bringing in a facilitator can help lock in the topics where you are close already, before moving to service positions that may require more complex negotiations. Remember: a mediator or arbitrator can still be added at any point.

Watch the timeline as you move along the scale. In collaborative processes (negotiation, facilitation, and mediation), parties control the pace. Once the process moves to arbitration, the timeline is generally stricter and moves faster, to ensure legislative timelines are met.

Dispute resolution options: a spectrum



Arbitration covers matters that relate to the 5 mandatory services only (s.708.34), though any services and agreements in an ICF for which resolution has not been found may be included in arbitration. It cannot undo what you agreed to, or rule on what you never discussed.

You can start at any point on the scale, and different services can sit at different points. Early help costs the least.

Where to Find Facilitation and Mediation Support

Outside help is often worth the cost on work like an ICF. Municipal Affairs can help through its Municipal Collaboration team, and it keeps lists of mediators and arbitrators. The Alberta Community Partnership grant can help pay for the work. Section 9 has the links and contacts.

6.1 Facilitation

Bringing in an external facilitator will help drive negotiations forward through a neutral and objective third party, regardless of the relationship held between ICF parties. That said, facilitators can prove particularly helpful when difficult negotiations are expected, or where there are complex challenges to work through. The facilitator will plan, guide, and run the process. That leaves INC members free to focus on the issues.

Facilitation is the least interventionist form of outside help. A mediator, a med-arb practitioner, or an arbitrator will move the parties towards agreement, or provides one. A facilitator does not. Their job is to ensure that talks move forward smoothly, while still being municipally led. This includes:

- maintaining process clarity (i.e., what the group is trying to achieve);
- ensuring every voice is heard, and that INC members are comfortable sharing their perspectives and ideas; and
- capturing what each party puts on the table.

The role can be large or small. A facilitator can design the process before talks begin, book and run the meetings, set the context and the ground rules, and write up the results. Or they can sit on standby and step in if talks drift or tempers flare. A facilitator can also tell you when the talks need more formal help: mediation, med-arb, or arbitration.

Facilitators do not need a licence or specific training for this role, but it's advisable to engage someone with facilitator experience and/or training. Experience in municipal or intermunicipal negotiations would be beneficial.

> **Best Practice**
>
> Engage a facilitator who's able to mediate. Section 708.35(3) allows a mediator who facilitated ICF negotiations to serve as an arbitrator, which can smooth the process between facilitation, mediation, and arbitration, without starting over with a new person each time.

6.2 Mediation

If you can't agree and no progress is being made, consider bringing in a mediator to run the talks and work towards bringing the parties to a deal. As noted, engaging a neutral facilitator or mediator early can help drive forward balanced conversation and debate, and there's value in bringing in a facilitator who is also a mediator for this reason. Another option is to engage two mediators, as they often work in pairs which is called co-mediation(Municipal Affairs recommends this model for work between municipalities).

Before starting mediation, confirm that:

- all councils agree mediation is needed;
- councils appoint an equal number of INC representatives, elected and administrative;
- all parties agree to act in good faith;
- all parties agree to share the cost of an impartial, independent mediator; and
- all parties agree on the schedule: meeting times, locations, and the deadline to finish.

A mediated deal goes to every council, though it only binds them upon council approval. If one or more council votes the agreement down, the INC takes its questions back to the table and keeps talking. If mediation ends in a deadlock, the mediator's report is still helpful, listing what was agreed upon, what wasn't, and which issues may need to move to arbitration.

If there is no mediated agreement, or councils don't approve one, consider arbitration (see **Tool G**). Under *s.708.35(3)*, a mediator who helped the municipalities through ICF negotiations can serve as the process' arbitrator. Settle that question at the start of mediation. Otherwise, the mediator can help the parties choose an arbitrator if one is needed.

> **Best Practice: Ask for the Mediator's Report**
>
> At the end of mediation, the mediator should set out which issues were settled and which weren't. Ask for that report at the start, so everyone knows to expect it. If mediation falls short, the report narrows what goes to arbitration, and clearly outlines what was already agreed upon (and is therefore not up for arbitration). If mediation works, the report is a useful outside record of the talks held and the decisions made.

6.3 Mediation-Arbitration (Med-Arb)

Med-arb works like mediation, with one difference. At the outset, the parties agree that the mediator, or the mediation team, can arbitrate any issues left unresolved. Make that decision at the start of your process. **Tool G** can help you work out whether med-arb fits your situation.

Med-arb helps when you expect some disagreement over certain services. Setting it up at the start smooths the path from direct talks, through a possible deadlock, to a binding decision. The ground rules for that shift get set at the beginning. They cover what information carries over into the arbitration stage, and whether a second person joins as arbitrator to keep things neutral.

A mediator who has been there from the start already knows the process and the issues, which eases the shift from mediation to arbitration, limits arguments over how negotiations are reported, and helps to identify outstanding issues for consideration by the arbitrator.

There are two common ways to run med-arb:

- **Sole practitioner:** one person mediates, and arbitrates if the parties cannot agree.

- **Team approach:** a mediator and arbitrator work together. The arbitrator joins meetings to help facilitate. The mediator handles the private caucus and preparation meetings.

Med-arb can be run in many ways. Not every mediator has arbitration experience. Ask about both when choosing a practitioner. It would also be helpful to speak with a mediator or municipal partners who have undergone med-arb to evaluate whether the process would help.

6.4 Arbitration

In arbitration, a neutral outsider makes a binding award on the dispute put to them. Relate specifically to ICFs, arbitration *(s.708.34)* legislatively applies to mandatory services where municipalities are:

- unable to create the ICF by a legislated deadline or one imposed by the Minister;
- unable to create an ICF within one year, after two or more MDs revoke their opt-out;
- unable to agree, at a review, that the framework still works for them, and unable to make a new one; and/or
- unable to resolve a framework dispute within one year of notice, using the ICF's own dispute resolution process.

Under arbitration, ICF partners may choose the arbitrator or the Minister chooses one if they can't agree. ICF partners must take part in the process, and pay the arbitrator's fee under an agreed-upon fee structure. An arbitrator may require a municipality to provide any materials or records they deem necessary to be able to execute their arbitration role appropriately *(s.708.36(4))*.

> **What Changed in 2025: The Scope of Arbitration**
>
> Arbitration legislatively applies only where agreement cannot be made on matters involving the five mandatory services (*s.708.29*). Where ICF parties choose to include non-mandatory services in their ICF, it is recommended that non-mandatory services be clearly and definitively addressed within the negotiation's formalized dispute resolution process. All services and agreements included in an ICF are subject to the agreed-upon dispute resolution process, unless arbitration is imposed based on the above-outlined factors.
>
> When entering arbitration, any ICF services which have already been agreed upon cannot be included for review within the arbitration process.

Key components of arbitration include that:

- The *Arbitration Act* is binding on the arbitrators and parties involved.
- The arbitrator cannot undo a matter the parties already agreed on, unless it was outside their power to agree; and can't rule on a matter the parties never discussed.

- The arbitrator must issue an award that resolves the dispute and, where needed, have the matching ICF prepared for adoption; and provide the Minister a copy of the award and ICF.
- The award is binding; municipalities must adopt the ICF prepared by the arbitrator, or it can be imposed upon them by Ministerial Order.
- The parties share the cost of arbitration. Include how cost sharing for arbitration will occur in your ICF's dispute resolution process; if it's not in the dispute resolution process, the arbitrator can set payment terms for the arbitration process in the award.
- Arbitration ends if the municipalities reach agreement and create an ICF at any point during arbitration, or if the Minister ends the arbitration and issues a Ministerial Order under *s.708.412*.

Something to Consider: Expert Opinion

Expert opinion, sometimes called neutral evaluation, sees parties jointly hire an outside expert to provide their view on the issue in dispute. This does not result in a binding outcome, but gives both sides an unbiased read that can help them settle a dispute, or helps them prepare for arbitration.

Quick Fact: The Arbitrator Now Prepares the Framework

Under s.708.4(1), when an arbitrator makes an award about a framework, the arbitrator must have a framework drawn up that matches the award. It goes to the municipalities within 30 days of the award. The municipalities are bound by the award, and must adopt that framework within 60 days of getting it. The arbitrator must also send the award and the framework to the Minister within 30 days.

An arbitrator brought in interpret or implement an existing ICF may not need to create a framework.

Case Study #4: Arbitration on a Single Item

Deercastle County and the Town of Silverspell have several joint service agreements. One is an emergency first call agreement: the Town's fire department responds first to calls in a part of Deercastle where it is closer than Deercastle's own station. The agreement was seven years old. A new subdivision and a highway-adjacent commercial area pushed call volume in that zone up by nearly 50%.

Both councils agreed the fee needed to change, but couldn't agree on how. The Town wanted the fee tied to call volume. Deercastle wanted it tied to assessment in the zone, which had grown more slowly. Two mediation sessions narrowed the gap but did not close it. The difference was about $40,000 a year.

Because emergency services are mandatory to include in an ICF, the parties could have waited on the deadline to force arbitration. However, they instead moved to arbitration (as outlined in their dispute resolution process) so that they could set the terms themselves, with a narrow arbitration scope focused on the fee alone.

The arbitration agreement both councils approved set out:

- the single-question scope, focused on what annual fee Deercastle should pay for first call response in the zone, and how it should adjust over the five-year term;
- documents-only, with no hearing, each side filing one written submission and one reply;
- the arbitrator, a lawyer with municipal experience, selected jointly by the CAOs;
- a 60-day deadline for the award, running from the last submission;
- the award would be final and binding; and
- the arbitrator's fees would be split equally.

Result

The arbitrator delivered the award in seven weeks, with a blended fee, with 60% of funding based on a three-year average of call volume, and the remaining 40% on equalized assessment in the zone. The award also required the fee to be recalculated each year on the same formula, and it added a review trigger if call volume changes by more than 25% in any year. The arbitration decision to award took four months. Arbitrator fees were $18,000, shared equally. Each party spent roughly $8,000 on preparation.

Takeaways

- Arbitration entered voluntarily, as outlined in a dispute resolution process, provides the opportunity for parties to set their own terms for the process, which can be limited to a narrow, well-defined question.
- Arbitration entered proactively (before statutorily mandated) requires that parties agree in advance on scope, process, timeline, cost and finality. Write all five down before you hire anyone.
- Keeping the rest of the ICF moving while one item goes to arbitration allows for negotiations to continue, and the intermunicipal relationship to be maintained.

Case Study #5: Med-Arb Where Only One Part of the Dispute Settled

The City of Warm Lake and Small Horn County were stuck on two items in their ICF negotiations:

1. The County wanted a new recreation cost-sharing agreement, as the City had approved a $38-million multiplex, now under construction, and was proposing a per-capita levy on County residents within 30 kilometres once it opened.
2. The City wanted to reopen a waste management agreement under which County residents used the City's transfer station for a per-tonne fee the City said no longer covered its costs.

After eight months of direct negotiation, the parties were further apart than when they started. Both recreation and solid waste are mandatory service categories, so the parties knew that if the review date passed with no agreement, the ICF would go to arbitration.

The two CAOs proposed mediation-arbitration (med-arb), and councils agreed. Terms were put in writing before the mediator was hired, with the med-arb agreement covering:

- who the mediator was, and that the same person would act as arbitrator for anything left unresolved (which the MGA allows under s.708.35(3));
- which issues were in scope, specifying arbitration for the recreation agreement and the waste management agreement, and nothing else;
- that mediation would run for no more than 90 days;
- what would carry over into arbitration, including joint cost data and written positions;
- that arbitration, if needed, would follow the MGA process and the *Arbitration Act*, so the result would bind both councils; and
- how costs would be shared, with mediator and arbitration fees split equally.

Mediation took four sessions over 10 weeks, resulting in the waste management issue being resolved. Once the City's transfer station costs were provided, the County accepted a per-tonne fee that supported cost recovery, with an annual adjustment tied to the City's audited costs. The existing agreement was kept and amended rather than replaced.

No agreement was struck on recreation.

Result

The mediator became the arbitrator, as the med-arb agreement provided. Arbitration covered only the recreation agreement, and included document disclosure by both parties, a report from an independent recreation consultant the arbitrator appointed, written submissions, and one day of hearing.

The arbitrator awarded a usage-based share of the operating deficit of the City's recreation facilities, including the multiplex once it opens, measured by membership and registration data, with a floor. On capital, the arbitrator found the County could not be required to contribute to the multiplex because it had not agreed to the project beforehand.

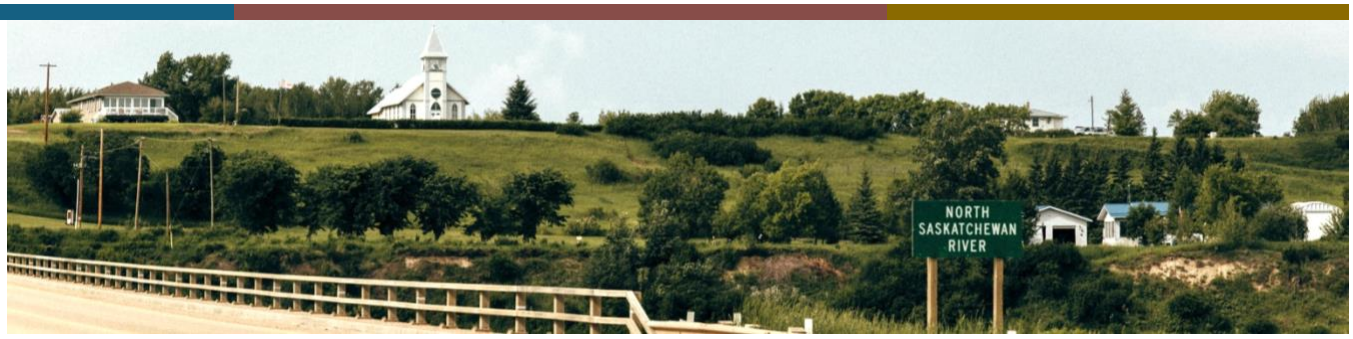
The award said nothing about the waste management agreement, because the parties had already settled it and an arbitrator cannot undo a matter the parties agreed on.

As the MGA requires, the arbitrator had a framework prepared to match their decision, and sent it to both municipalities within 30 days. Both councils adopted it within the 60-day limit (s.708.4).

Stage	Duration	Approximate cost
Direct negotiation	8 months	Staff time
Med-arb agreement and mediator selection	5 weeks	$4,000 legal review
Mediation, four sessions	10 weeks	$14,000 mediator fees, shared equally
Arbitration, disclosure through award	5 months	$62,000 arbitrator and consultant fees, shared by assessment; each party's own prep $25,000
Framework prepared and adopted	3 months	*Included above*
Total, first meeting to adopted ICF	**~20 months**	---

Takeaways

- Med-arb works when the ground rules are written down at the start, including scope, what carries over into arbitration, and how costs are split.
- Settling half the dispute in mediation is a success story, in this case. It resulted in arbitration being focused on one issue, and the arbitrator could not touch what the parties had agreed on already.
- Arbitration covers the five mandatory services and their costs.
- Capital costs for a facility one party did not agree to beforehand are off the table.
- If you are heading toward a deadline, talk to the Municipal Collaboration team at Municipal Affairs early, so that they can support you before the deadline hits.



7. Finalizing the ICF Process

Finalizing an ICF means that all parties adopt matching frameworks by bylaw or resolution, documentation of which is then sent to Municipal Affairs. In cases where an ICF bylaw exists already, the new ICF agreement can be confirmed through an amendment of the current ICF bylaw.

7.1 Prepare Your ICF

There is no set format for an ICF. It must include the content in s.708.29, but can include anything else the municipalities agree to add. The INC picks the shape and format that suit the parties. See Appendix D for sample tables of contents.

> **Best Practice**
>
> Point to your service agreements in the ICF. Do not attach them. If they formed part of the framework, every change of wording within an individual service agreement would force every municipality to amend its ICF.

7.2 Approve Your ICF

Once the INC is satisfied the ICF holds everything legislatively required, each municipality's council has to approve matching frameworks, by bylaw or by resolution. If one municipality later wants a change, every ICF partner has to be told, and every council has to approve the same change.

Before approval, confirm the ICF:

- ☐ meets s.708.29, including all five mandatory service categories;
- ☐ has a review term of five (5) years or less, with the term's end date marking the date by which a revised or extended ICF must be reviewed, completed, and submitted to the Province; and
- ☐ contains a dispute resolution process for disagreements that arise after approval.

> **Best Practice: Approving an ICF**
>
> Where it is practical, hold a joint council meeting. All councils hear the same questions and the same answers at the same time. Afterward, each municipality approves its own matching framework.

7.3 Notify Alberta Municipal Affairs

Once the ICF is approved, tell the Minister of Municipal Affairs within 90 days *(s.708.33(4))*. Each municipality needs to send the notice, and every partner must be copied on it. You do not have to send the framework itself.

- After an ICF review, email notice that the review is complete, with each council's resolution or bylaw.
- If a review leads to a replacement framework under *s.708.32(2),* notify the Minister of that as well.
- If two or more MDs pass opt-out resolutions, all partners must notify the Minister *(s.708.28(1.4)(b))*.



Photo: Saqib Ameen / Unsplash

8. The Minister's Authority

The ICF rules exist so that neighbours build full frameworks for the services their residents share. An ICF covers the planning, the cost sharing, and the delivery of the services tied to the land uses in each IDP and MDP. The dispute rules let the parties settle their own disagreements. The 2025 changes gave the Minister more power to see that frameworks get finished, adopted, and put to work.

The Minister can act in set cases. They include making regulations about capital costs in an ICF, stepping in when the parties cannot settle a matter, and putting right something unfair. Before an arbitrator is named, the Minister can make a framework or impose one. If one or more parties ask, the Minister can also change a framework and issue a Ministerial Order.

Measures to Ensure Compliance

Say a municipality does not follow a framework or an award, or does not adopt a framework that matches an award. The Minister can then take any step needed under *s.708.43(2)*. The steps listed in s.708.43(3) include:

- suspending council's power to make bylaws on matters named in the order, and making those bylaws instead;
- lifting a suspension, with or without conditions;
- holding back money the province would otherwise pay, grants included, until the municipality complies with the decision;
- imposing a framework that reflects the award;
- ending, changing, or writing policies for the municipality;
- suspending a development or subdivision authority, and naming someone to act in its place; and
- ordering any other step needed to bring the municipality into line, or barring one.

When the Minister takes any of these steps, *s.708.43(4)* says the municipality has to be given reasons.

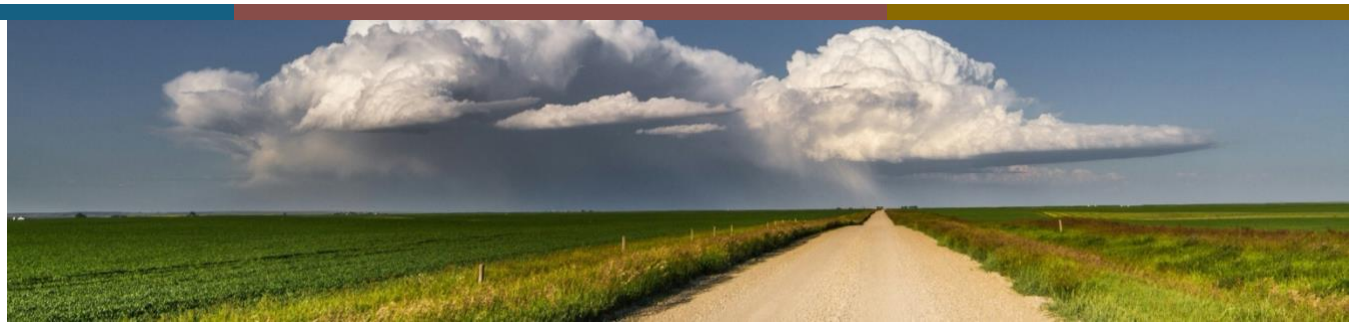
Regulation-Making Authority

The 2025 changes widened the power to make regulations. Under s.708.52(a.1), the Lieutenant Governor in Council can make regulations about putting in place a framework adopted through arbitration. Under *s.708.29(1.91)*, the Minister can make regulations about capital costs in a framework. Neither power has been used, so there is nothing to do today. If there are approved regulations in the future, this workbook will be updated accordingly.

Ministerial Orders to Ensure Implementation

Under *s.708.53(1)*, the Minister can make orders on anything needed to carry out the intent of the ICF rules, including putting a framework to work. Those orders are subject to the regulations. If a municipality does not follow an order, the Minister can use any step in s.708.43(3), with reasons given.

> **Something to Consider**
>
> These powers are a backstop. Every step listed above follows from a framework that was not finished, not adopted, or not kept. Meeting your own deadlines, and staying in touch with your neighbours between reviews, is how municipalities stay well clear of them.



9. Resources and Supports

Resource	Where to find it
Municipal Affairs Municipal Collaboration team Dispute resolution advice and support	*Email:* municipalcollaboration@gov.ab.ca *Phone:* 780-427-2225 (toll-free by first dialing 310-0000)
ICF notifications and advisory support	*Email:* icf@gov.ab.ca
Mediator and arbitrator rosters Alberta Municipal Affairs	*Website:* https://www.alberta.ca/mediator-and-arbitrator-rosters
Alberta Community Partnership grant Intermunicipal Collaboration, and Mediation and Cooperative Processes components	*Website:* https://www.alberta.ca/alberta-community-partnership
Alternative Dispute Resolution Institute of Alberta (ADRIA)	More mediator options, and guidance on choosing a dispute resolution specialist
Asset management: Municipal Affairs	*PDF:* Building Community Resilience Through Asset Management: A Handbook and Toolkit for Alberta Municipalities
Asset management: ABmunis	*Website:* https://www.abmunis.ca/advocacy-resources/infrastructure/asset-management
Asset management: RMA	*Website:* https://rmalberta.com (Asset Management resources)
Federation of Canadian Municipalities Municipal Asset Management Program funding	*Website:* https://fcm.ca/en/programs/municipal-asset-management-program
RMA and ABmunis advocacy staff	Contact your association for ICF advisory support and Bill 50 analysis

Acronyms and Abbreviations

Acronym/ Abbreviation	Definition	Acronym/ Abbreviation	Definition
ABmunis	Alberta Municipalities	**INC**	Intermunicipal Negotiating Committee
CAO	Chief Administrative Officer	**LOS**	Levels of Service
CCM	Cost calculation model	**LPRT**	Land and Property Rights Tribunal
CRA	Canada Revenue Agency	**LUB**	Land Use Bylaw
FAQ	Frequently Asked Question	**MA**	Municipal Affairs
GMB	Growth Management Board	**MDP**	Municipal Development Plan
GST	Goods and Services Tax	**Med-Arb**	Mediation-Arbitration
ICF	Intermunicipal Collaboration Framework	**MGA**	*Municipal Government Act*
IDP	Intermunicipal Development Plan	**MO**	Ministerial Order
IMC	Intermunicipal Committee	**MCC**	Municipally Controlled Corporation
INC	Intermunicipal Negotiating Committee	**MD**	Municipal District
LOS	Levels of Service	**RCMP**	Royal Canadian Mounted Police

Glossary of Terms

Term	Definition
Amortization	The allocation of the cost of a tangible capital asset over its estimated useful life.
Arbitration	A dispute resolution process in which an authorized arbitrator hears the parties' positions and makes a binding determination.
Arbitrator	An independent decision-maker appointed to resolve a dispute through arbitration.
Assessment-based cost sharing	A method of dividing service costs according to each participating municipality's share of an agreed assessment base.
Asset management	The steady work of looking after infrastructure so it can carry services now and later. It weighs what is needed, what could go wrong, and how best to spend.
Bilateral ICF	An ICF involving two municipalities.
Capital costs	What it costs to buy, build, replace, or heavily upgrade the assets behind a service.
Capital planning	The process of identifying, prioritizing and budgeting for the acquisition, improvement, renewal, or replacement of municipal assets.
Common boundary	A shared municipal border that may trigger the requirement to establish an ICF. The workbook distinguishes shared land boundaries from situations involving rivers.
Cost calculation model	An agreed way, set out in an ICF, of working out what a shared service costs. It says which costs count, how revenue is treated, and what data gets used. It is optional under *s.708.29(1.4)*. If you use one, each party must share its data and assumptions under *s.708.29(1.5)*.
Cost recovery	The extent to which the costs of providing a service are recovered through fees, contributions, or other revenues.
Cost-sharing method	The way the parties agree to split a cost. Common ways are by population, by assessment, by how much a service is used, or by a fixed amount. It is not the same as the cost calculation model, which works out the amount to be split.
Costs for intermunicipal services *(MGA)*	Operating, capital and other non-operating costs required to deliver the services. *(s.708.29(0.1)(a))*.
Council resolution	A formal decision made by a municipal council, used in the ICF process to authorize actions, establish negotiating direction, or document certain decisions.
Dispute resolution process	An agreed procedure for addressing and resolving disagreements between municipalities, potentially using negotiation, facilitation, mediation or arbitration.

Term	Definition
Economies of scale	Cost efficiencies that may come with size. A larger municipality may get better prices, hire specialists, or draw more staff. A smaller one may keep a closer eye on the work and a tighter team. By working together, through shared services or a commission, partners can gain the same advantage as a group.
Equalized assessment	A provincially standardized measure of municipal property assessment used to support comparisons and certain funding calculations between municipalities.
Externally contracted services	Services provided by an outside contractor that does not meet the MGA definition of a Third Party. These services may be considered within an ICF, but any contract agreement(s) and associated contractor details are held by a municipality outside of the ICF.
Facilitation	A process in which a neutral person helps organize and guide discussions so participants can work toward their own agreement.
Fixed contribution	A predetermined amount a municipality agrees to contribute toward a service, rather than an amount calculated solely from actual usage or proportional costs.
Good faith	Conduct that meets the MGA requirements to act honestly, respectfully and reasonably; communicate appropriately; share necessary information; meet through authorized representatives; and be prepared to discuss issues and explain rationale.
Gross cost	What a service costs to run, before you take off any revenue.
Growth Management Board	A regional body established to coordinate planning and growth management among participating municipalities.
ICF amendment	A formal change to an existing framework, approved through the applicable municipal process.
Intermunicipal Collaboration Framework	A formal, legally binding agreement between neighbouring municipalities that outlines how they will work together to plan, fund, and deliver shared services.
Intermunicipal Committee	A committee established by municipalities to coordinate ongoing intermunicipal matters and relationships.
Intermunicipal Development Plan	A high-level, statutory land-use planning document adopted jointly by neighbouring municipalities to coordinate future growth, infrastructure networks, and land development along shared borders.
In-kind contribution	Something of value given to a service instead of cash (e.g. land, equipment use, staff time), or a service traded for another.
Intermunicipal service	A service delivered collaboratively by two or more municipalities through a formal agreement, benefitting residents in more than one ICF-partnered municipality.

Term	Definition
Levels of Service	The service standards a community sets for itself. They can cover how safe, how good, how much, how reliable, how quick, how green, how costly, and how available a service is. Each municipality decides which measures matter to it.
Lifecycle costs	What an asset costs over its whole life. That means buying it, running it, keeping it up, fixing it, and replacing it. Most municipalities set money aside each year to cover them.
Land and Property Rights Tribunal	An independent, quasi-judicial administrative tribunal in Alberta that hears appeals and resolves disputes regarding land use planning, property assessments, expropriation, surface rights, and linear property.
Land Use Bylaw	A detailed regulatory document every municipality in Alberta is required to adopt under the MGA to control and guide the development of land and buildings within its boundaries.
Lifecycle costs	The total costs associated with an asset throughout its useful life, including acquisition, operation, maintenance, renewal, and replacement.
Mandatory service categories *(MGA)*	The five service categories every ICF must address and describe: transportation, water and wastewater, solid waste, emergency services, and recreation. (s.708.29(1.1))
Mediation	A voluntary or agreed dispute resolution process in which a neutral mediator helps parties explore issues and negotiate a mutually acceptable outcome.
Mediation-Arbitration	A process that begins with mediation and proceeds to arbitration for unresolved matters, according to rules agreed upon in advance.
Municipal Development Plan	A statutory planning document that establishes a long-term future vision, strategic goals, and comprehensive land-use policies to guide the physical growth, infrastructure, and economic development of an entire municipality.
Multilateral ICF	An ICF involving three or more municipalities.
Municipal Government Act	The primary legislative framework that governs how municipalities in Alberta are structured, funded, and managed, providing the legal authority for local governments to delivery services, collect property taxes, and pass bylaws.
Ministerial Exemption	An exemption granted by the Minister from an otherwise applicable legislative requirement.
Ministerial Order	A formal, legally binding directive or regulation issued by a government minister under the explicit authority granted to them by an Act of legislation to execute administrative duties or enforce specific legislation.
Municipally Controlled Corporation	A legally independent business entity majority-owned by one or more municipalities, under the MGA, to provide public benefits or commercial services. Because an MCC operates as a distinct corporate structure, it is legally defined as a Third Party under the MGA, for the purposes of an ICF, and therefore cannot be included within an ICF.

Term	Definition
Municipal District	A local government formed in rural areas of the province, often including farmlands, unincorporated communities such as hamlets, and rural residential subdivisions. There are 63 municipal districts in Alberta. This is a legislative term that also includes counties. *To use the ICF opt-out, a municipality has to be named a MD in its formation order (s. 77). You can check your type on the Municipal Profiles dashboard, under location and history profile.*
Negotiation	The process through which municipalities discuss their respective interests, needs and positions to reach an agreement.
Net cost	What a service costs once you take off the revenue it brings in: user fees, grants, rentals, sponsorships. For a service run out of a building, this is often called the operating deficit.
Non-operating costs	Costs required to deliver a service that are neither day-to-day nor capital spending.
Operating costs	Recurring costs of running a service day to day: staffing, utilities, maintenance, supplies, contracted services.
Operating deficit	The amount by which a service's operating expenses exceed its operating revenues.
Population-based cost sharing	A method of dividing service costs among municipalities according to their respective populations.
Regional services commission	An independent, not-for-profit legal entity established under Part 15.1 of the MGA by two or more municipal authorities to jointly manage, govern, and deliver public utilities or infrastructure services (such as water treatment, waste management, or emergency transit) across their regions on a full cost-recovery basis. These may include First Nations Reserves, Métis Settlements, and armed forces bases.
Revenue offsets	Money a service brings in against costs, such as user fees, program fees, and grants.
Review period	Period within which partner municipalities must review their framework, to a maximum of five years, within which all negotiations and ICF document creation must be complete.
Tangible capital asset	A physical asset, such as a building, road, vehicle, or utility system, used to provide municipal services over multiple years.
Terms of reference	A document establishing a committee's purpose, membership, authority, responsibilities, procedures and expectations.
Third-party services *(MGA)*	Services provided by a third party that is (i) a corporation independent from the municipalities to whom the services are provided, and (ii) the only services provider authorized under an enactment to provide those services. These services are outside ICF scope. *(s.708.29(0.1)(b))*
Usage-based cost sharing	A method of dividing service costs according to the extent to which each participating municipality or its residents use a service.

APPENDIX A

Frequently Asked Questions

Practical answers to common questions about developing, reviewing and negotiating an ICF.

Q1: What does “negotiating in good faith” mean, and why does it matter?

ICF talks bring disagreements to the surface, and you settle those by negotiating. That negotiating has to be in good faith. If issues are still open once the talks are spent, an arbitrator will look at how each party behaved.

The 2025 amendments added a legal definition. Under s.708.33(0.1), to act in good faith means to act honestly, respectfully and reasonably; communicate appropriately; share necessary information; meet through authorized representatives; and be willing and prepared to discuss all issues and explain all rationale.

In practice, parties making or changing a framework should also seek to understand and consider each other’s interests and look for gains on both sides. Hand over what the other side needs to understand your position and answer it. Send people with full power to act. Do not behave in ways that are random, unpredictable, or meant to do harm. Do not make demands you know are unfair, and do not run a process built to avoid a deal. Joining talks only to learn the other side’s case before an arbitration is bad faith. A municipality found to have acted in such a manner risks an unfavourable outcome in arbitration. See also **Section 3.3**.

Q2: Why not go straight to arbitration?

Arbitration is there under s.708.34, but treat it as a last resort, not a first step. It costs a lot. Unless the parties agree, or the arbitrator says otherwise, the arbitrator’s fees are split by equalized assessment. The decision is final, and it is out of your hands. Arbitration is also now limited to the five mandatory services, except where parties have agreed to include a non-mandatory service within their ICF; once included in an ICF, all services and agreements are subject to arbitration if agreement cannot be found. Any non-mandatory service included in the ICF should be referenced within the negotiating terms, including the dispute resolution approach specific to that item.

Where relations are badly strained, it is fair to look at the legal process early. Even then, try the other options in **Section 6** first.

Q3: Do we have to wait for a deadline to pass before we consider arbitration?

No. If you and your partners hit a disagreement you cannot negotiate past, arbitration can start at any time. Keep one thing in mind: an arbitrator's decision is binding. Only arbitrate once you are sure the talking is over for the services in question. Try mediation or another option first, to keep the door open if more talks turn out to be worth having. See **Section 6** and **Tool G**.

Q4: Is the ICF process a step toward amalgamation?

No. If a service review turns up a lot of overlap, or one municipality short of capacity while another has plenty, the fair question is whether sharing the work would beat what you do now. Amalgamation may come up along the way. Accept that it might, but do not let the process stall on it. As a reminder, amalgamation happens when the Minister of Municipal Affairs formally recommends it, and Provincial Cabinet makes an Order in Council. Contact Municipal Affairs to learn more.

Q5: When should we consider mediation?

Any time. Bringing a mediator in early helps stop conflict from escalating and raises the odds of agreement. See **Sections 3.2** and **6.2**.

Q6: What if my neighbour's desired level of service does not match mine?

Be clear on the outcomes you want, service levels included. Two municipalities can share a service and still hold different service levels on each side of the line. What matters is that both understand the details and agree to them.

Q7: What should I do if I have 12 ICFs to negotiate?

Consider a multilateral ICF. Or hold the service talks with all the municipalities together, then sign individual bilateral frameworks to carry out what was agreed (see **Section 2.2**). Note too that two adjacent municipal districts can now opt out of an ICF between them, which can cut the number of frameworks you need (see **Section 1.1**).

Q8: What if my neighbour wants to share a service and I do not?

Look at the service and at the people who use it. Work out how it runs, who pays, and who gains. The tools in this workbook can help. The answer will either show you why sharing could work, or give you solid ground for saying it would not. However, only the five mandatory services must be included in an ICF; any and all other services and agreements are voluntarily included, as part of negotiations between the ICF parties.

Q9: What if my neighbour and I already have agreements in place?

Many municipalities have arrangements that work well for everyone. The ICF is a chance to put them in writing, with terms that outlast a change of council or a change of policy. Where your agreements already cover the shared services s.708.29 asks about, building or reviewing the framework can go quickly. You can carry them forward as they stand, or use the moment to tidy them up and widen them. Check that the terms line up with the ICF's review term (see **Section 2.1**). Note s.708.31 as well: if a framework clashes with an agreement you already have, the framework has to deal with the clash and, if need be, change or end that agreement.

Q10: Should I complete my ICF or my IDP first?

The two are linked, so expect to move back and forth. You might sketch a joint land use plan first, then start ICF talks about the services that area will need. There is no set order. Remember, though, that the IDP sets the land use pattern, and that pattern drives what services you need. Once it is settled, those needs get clearer. Look at what your IDP says before you finish your ICF.

Q11: What financial support is there for hiring a mediator or facilitator, or for creating an ICF?

Grant money is available through the Alberta Community Partnership program. Two parts of it apply: Intermunicipal Collaboration, and Mediation and Cooperative Processes. See **Section 9**.

Q12: Which staff should be in the room during negotiations?

See **Section 2.3**. There is no required list of staff for your INC.

Q13: What kind of staff expertise do we need?

Staff at the table should know your services well. Where are your strengths and assets? Where do you fall short? Where could a service you already run grow? If a cost calculation model is on the table, bring finance staff who know your cost and revenue numbers (see **Section 5**).

Q14: How do we deal with conflicting personalities in the room?

Focus on shared goals and shared values, so the room works as one team and not two sides. A few opening questions help. What do we want out of this process? What does success look like? What do we gain by working together? An agreed terms of reference, and an agreed process, go a long way toward handling strong personalities. The tools in this workbook give you a place to start.

Q15: What do the five mandatory service categories mean for our ICF?

Every ICF has to address and describe how transportation, water and wastewater, solid waste, emergency services, and recreation are provided *(s.708.29(1.1))*. That does not mean you have to run them jointly. If the parties agree a service works fine on its own, the framework can simply say so. What the legislation requires is that all five get talked about and dealt with. Check your existing ICF to be sure they are covered, and check the deadlines in **Section 1.1**.

Q16: Do we have to build a cost calculation model?

No. Cost calculation models are optional *(s.708.29(1.4))*. If you build one, each municipality has to show the others what its proposal rests on: the facts, the numbers, and the assumptions *(s.708.29(1.5))*. The MGA does not require or back any model, and neither does this workbook. **Section 5** offers principles and common approaches to help the conversation along.

APPENDIX B

First Meeting Agenda and Facilitator Guide

Guidance, templates and tips to help plan and facilitate ICF discussions.

B.1 Sample First Meeting Agenda

Set up your first meeting so each party can share the prep work from **Section 2**. Here is one example of an agenda.

Before the Meeting

- Each municipality, with council and key staff, completes **Tool A: Individual Municipal Preparation and Tool B: Services Inventory Development.**
- Designated staff and elected officials meet to set the agenda and the logistics for the first meeting.

Draft kick-off agenda item	Detail
1. Introduction	Review the objectives and the agenda. Set out roles, ground rules, and protocols.
2. Review of Tool C: Intermunicipal Preparation	Work from each party's answers in Tools A and B. Cover the outcomes you want: what do we want to achieve together? Then cover the service list: which services do we want to negotiate over or look into, including each of the five mandatory ones?
3. Approach	What approaches would work well for negotiating and exploring the services you have identified?
4. Negotiations and discussions	How will we negotiate and discuss? Start the terms of reference using **Tool D: Sample ICF Terms of Reference**.
5. Negotiating the identified services	What help and what information do we need to negotiate the services identified?
6. Services still open at the deadline	How we will handle services that are still unresolved at the ICF process' deadline. See **Tool G: ICF Completion Dispute Resolution Options**.
7. Next steps and action items	Confirm the action items, who owns each one, the timing, and the date and place of the next meeting.

B.2 Process Notes for the Facilitator or Chair

1: Introduction

- **Objectives and agenda.** Set the ground rules. Share and agree the outcomes you want from the ICF. Name the work to be done. Settle how you will negotiate. Start the committee's terms of reference. Open the question of services that may not be agreed by the deadline. Set the next steps.
- **Roles.** Set out what the facilitator, the chair, elected officials, and staff each do.
- **Ground rules.** Ask the group what rules it needs for a good conversation. Two common ones: respect the other side's point of view, and listen to understand.
- **Protocols.** Cover how you talk to each other, to the media, and to your councils, and how you decide things. Ask the group: how will this committee talk to the public and the media? Who speaks for each municipality, and who speaks for the INC? How do members report back to their councils? How do we make decisions? Write the answers into the terms of reference later.

2: Review *Tool C: Intermunicipal Preparation* Using the Answers from Tools A and B

- Each municipality completes Tools A and B before the meeting, with full council and administration. Then compare notes with your neighbours.
- Desired outcomes: what do we want to achieve together? Listen to each municipality's view, then summarize the outcomes on a flip chart or a screen.
- Service list: which services do the municipalities want to talk about or look into, including each mandatory one? At this stage the aim is to find out why a party wants a service on the table. Understand first. Do not start negotiating.

3: Approach

- Given the answers so far, what approaches would work well for negotiating and exploring the services identified?

4: How Will You Negotiate and Discuss?

- Develop the committee's terms of reference and its negotiation protocols using **Tool D: Sample ICF Terms of Reference**.

5: Work Out What Help and Information You Need

- Should we engage a mediator right away? What would we gain by engaging one early?
- What information do we need to negotiate the services identified? Include cost and usage data (see **Section 5**).

6: If You Cannot Reach Agreement on Some Services

- How will the municipalities deal with those services? The aim is to understand each party's thinking, not to agree. Do not start negotiating. Write the answers on a flip chart or a screen.

7: Next Steps and Action Items

- What are the action items? Who owns each one, and by when?
- What carries over to the next meeting? Confirm when and where you meet next.

APPENDIX C

Suggested ICF Dispute Process

A step-by-step process to help municipalities work through disputes.

This example covers disputes that come up after the ICF has been approved. You can design your own binding process, as long as it meets *s.708.29(3.1)* and can finish within one (1) year. Here is one way to set it out:

Stage	Process
Notice of dispute	A party that thinks there is a dispute under the framework, and wants it settled, gives the other parties written notice of what is in dispute.
Negotiation	Within 14 days of the notice, each party appoints a representative. The representatives meet, in person or electronically, and try to negotiate a resolution.
Mediation	If that fails, the representatives name a mediator. The party that raised the dispute gives the mediator an outline of it, and any statement of facts the parties agree on. The parties give the mediator the records and information they've requested, meet as required, and negotiate in good faith through the mediator. What is said in mediation is without prejudice. Unless the parties agree otherwise, they split the mediator's cost evenly.
Report	If the dispute is not settled within six months of the notice, the party that raised it has 21 days to write a report for the others. The report lists what was agreed and what was not. It can come sooner if the parties agree, or if they cannot settle on a mediator.
Appointment of arbitrator	Within 14 days of the report, the representatives name an arbitrator, and the party that raised the dispute hands over the report. If they cannot agree on a name, that party sends the report to the Minister and asks the Minister to pick one. Arbitration applies to matters that relate to mandatory services (see **Section 6.4**).
Arbitration process	The arbitration follows Division 2 of Part 17.2 of the MGA and the *Arbitration Act*. So do the arbitrator's powers, duties, and procedures. The arbitrator can require a change to a framework. They can order a party to stop doing something that goes against it. They can set out how a party's bylaws must change to match it. And they can award the costs and fees of the dispute process, and say who pays.

Deadline for resolving the dispute	The arbitrator must settle the dispute within one (1) year of the notice. If that does not happen, the Minister can extend the time, or name a new arbitrator on whatever terms the Minister thinks fit.
Arbitrator award	Unless the parties settle during arbitration, the arbitrator makes an award as soon as they can after the hearing ends. The award must follow the *Arbitration Act*, must be in writing, signed and dated *(s.708.41)*. The arbitrator must have a framework drawn up to match the award and sent to the municipalities within 30 days. The award and the framework go to the Minister within 30 days as well. The municipalities must adopt the framework within 60 days of getting it. If the award says nothing about costs, a party has 30 days to ask for a separate costs award.
Costs of the arbitrator	The member municipalities split the arbitrator's costs in shares, unless they agree otherwise or the arbitrator awards otherwise. Each share is that municipality's equalized assessment divided by the total for all members, using the latest figures. If a municipality does not pay its share, the Minister can order it to. If it still does not pay, the Minister can act under *s.708.43(3)*.

APPENDIX D

Possible ICF Tables of Contents

Examples of tables of contents for different types of intermunicipal collaboration frameworks.

The samples below show ways you could lay out your matching frameworks. There is no one correct format, as long as everything *s.708.29* asks for is there. Each sample covers the 2025 rule on the five mandatory service categories, and shows where the optional cost terms could sit.

D.1 Sample 1: Basic

Section	Content
1. Term and review	Set out how the ICF can be changed, and how often it gets reviewed: five (5) years or less. The review period can cover the whole ICF, or each service on its own.
2. Governance body	If a committee, such as an Intermunicipal Committee, will be the place where ICF talks, changes, and reviews happen, say so here.
3. Services	Address and describe the five mandatory categories: transportation, water and wastewater, solid waste, emergency services, and recreation. List any other service that helps residents on both sides. For each one, name the lead municipality, and say how it is run and how it is paid for.
4. Dispute resolution	Set out the process you and your neighbours will use to settle differences about the listed services.

D.2 Sample 2: Expanded

Section	Content
1. Definitions	Define the terms you use. Think about including the two the MGA sets out: costs for intermunicipal services, and third-party services. Both are in the Glossary of this workbook.
2. Term and review	The amendment process and the review period, five (5) years or less, for the whole ICF or for each service.
3. Intermunicipal cooperation	How the parties will manage ICF discussions going forward, and who does what.
4. Services	The mandatory categories and any other included services. Name the lead for each, and describe delivery and funding.
5. Cost provisions (optional)	If you use them: the agreed cost calculation model, showing which costs count and how revenue is treated; how each party will share its data; how costs are split for each service; and anything agreed in advance about the cost of building new facilities (s.708.29(1.4) to (1.8)).
6. Future projects and agreements	How a new service brought in by any party will be handled and shared under the framework.
7. Indemnity	Any indemnities the parties choose to include.
8. Dispute resolution	The process for settling differences about the listed services.

D.3 Sample 3: Alternative

Section	Content
1. Term and review	The amendment process and the review period, five (5) years or less.
2. Governance body	The committee that will serve as the forum for ICF discussions, amendments, and reviews.
3. Services	The mandatory categories and other included services. Name the lead for each, and describe delivery and funding.
4. Future projects and agreements	How new services will be handled and shared within the framework.
5. Indemnity	Any indemnities the parties choose to include.
6. Dispute resolution	The process for settling differences about the listed services.

APPENDIX E

Workbook Tools

Templates, checklists and exercises to support each stage of the ICF process.

Councils and staff fill these tools in. Do **Tools A** and **B** on your own. Do **Tools C** to **H** with your neighbours.

TOOL A

Individual Municipal Preparation

Purpose: to get your municipality ready for the ICF process, whether you are making a framework or reviewing one, and to start thinking about what you want out of it.

#	Question
1	Which municipalities share a common boundary with you, requiring an ICF and, where applicable, an IDP? Please list them.
2	Which other municipal partners do your neighbours have to establish an ICF with? Please list them. It shows how much work the region faces in total.

3	Which other municipalities do you currently share services with?
4	Are there First Nations or Metis Settlements you share services with now, or could in the future?
5	What do you want out of an ICF and an IDP? For example: better relations with your neighbours; better services for residents; drawing in business and new residents; growth you can manage; something else.
6	Service list: fill in **Tool B**. List the services you provide that help the other municipalities, and the ones they provide that help you. Check that all five mandatory categories are covered. List the services you want to talk about, and say why.

7	IDP check: what work does your IDP need? Do you have one with the neighbours listed above? If you do, does it meet what the MGA asks (see **Tool H**), and does it match how the area is growing now? If you do not, is an IDP needed? If both parties agree it is not, both must pass a resolution saying they talked it over and reached that view.
8	Focus areas: where is your region growing, and what does that mean for services? Does your IDP show it, if you have one?
9	If you cannot reach agreement on some shared services, how will the municipalities handle them? See **Section 6**.
10	If you are reviewing an ICF you already have: which parts of it, and of the agreements under it, need a look? Are the mandatory categories covered? What has changed since it was approved, in growth, in costs, in service levels, or in new buildings?

TOOL B

Services Inventory Development

Purpose: to list the services to be discussed. Include what each municipality gives, and what it gets. In this tool, intermunicipal means a service given to two or more municipalities.

For each service, assess the current state and choose a path forward:

- Keep the current agreement or arrangement.
- Slight adjustments needed, so put it up for discussion.
- Needs negotiation or further discussion.
- Major issues or disagreement: note the next steps for this service.

Mandatory service	Current state	Looking forward and next steps
Transportation		
Water		
Wastewater		
Solid waste		
Emergency services		

Recreation	
Other shared services (list)	

List any new shared services your municipality would like to see, and why sharing them would make sense:

Service	Rationale

Something to Consider

Services vary from place to place. Transportation might cover transit, snow clearing, and road upkeep. Emergency services might cover fire, enforcement, and emergency management planning. Say why each service is worth sharing. Add sheets as you need them. You may want your own version of **Tool B** for the services that are specific to your area.

TOOL C

Intermunicipal Preparation

Purpose: for two or more municipalities to decide how to approach the ICF process. Once the services are negotiated, use **Tool E** to summarize them in your ICF.

#	Step
1	Compare notes with your neighbours. Cover three things. What do you want to achieve together? Which services will you negotiate over, including each mandatory one? And where does the IDP stand: does one need to be written or updated, or do you agree you do not need one?
2	Given those answers, how should you negotiate over the services on the list? You could hold separate talks with each municipality. You could ask named municipalities to lead on services that would serve everyone. Or you could build one framework for several parties, such as a county and four summer villages around the same lake. These are starting points, not a full list.
3	How will you negotiate? Build the committee's terms of reference and ground rules using **Tool D**. Who sits on the committee? When and where will they meet? How will councils stay in the loop and have their say? How will you talk to the public and the media?

#	Step
4	What help, and what facts, do you need to negotiate the services and the IDP? Should you bring in a mediator now, and what would you gain by doing it early? What do you need to decide on each service, including costs, revenue, and how much it gets used (see **Section 5**)? Can your own staff pull that together, or do you need to hire out? Asset management resources may help here too.
5	If you cannot agree on some services by the applicable deadline, how will the municipalities handle them?

TOOL D

Sample ICF Terms of Reference

Purpose: for two or more municipalities to prepare a terms of reference for an Intermunicipal Negotiating Committee.

Element	Questions to address
1. **Project objectives**	What outcomes do you collectively want from the ICF process?
2. **Roles and responsibilities**	Who sits on the negotiating committee, and what does each member do? List the INC membership.
3. **Frequency and location of meetings**	Where, when, and how often will you meet?
4. **Communication strategy**	How will councils stay in the loop and have their say? How will the public and the media hear how things are going? Each municipality has to work within its own public participation policy (MGA Part 7).
5. **Information sharing**	What will you share: service costs, how much a service gets used, assessment figures? In what form? How will you check it? If you are building a cost calculation model, each municipality has to show the facts, numbers, and assumptions it relies on *(s.708.29(1.5))*.
6. **Risk mitigation**	What could go wrong in the ICF process, and how will you handle it? Who keeps track, and who speaks up when a risk turns into a problem?
7. **Decision-making protocols**	How will you make decisions as you go? What power does the INC, or the IMC, hold? Do you need a facilitator or a mediator?
8. **Metrics of success**	What does success look like for each municipality?

TOOL E

ICF Services Summary Tool (Bilateral or Multilateral ICF)

Purpose: to help two or more municipalities develop the content and structure of their frameworks. In this tool, intermunicipal means a service provided to two or more municipalities.

Services Summary

#	Item
1	List the services that each ICF partner currently provides to the other partner(s). Go through each mandatory category first, then list the other shared services.
2	*Optional:* list the services each municipality runs only for its own residents, such as street sweeping or animal control. You do not have to, but it is useful background.
3	*Optional:* does one municipality run a service that *could* be shared? List anything worth raising beyond this round, and when you might raise it.
4	List the services to be shared. Do this for each pairing or grouping, such as mutual aid or recreation. Add sheets as you need them. You may want your own version of this tool.

Shared Intermunicipal Services

For each service to be shared:

- Who is the lead municipality?
- How is the service provided?
- How is it paid for? Where you share the cost, note which parts of the cost count, whether you are splitting gross or net, and what each party's share is based on. See Section 5.
- What is the timeline for implementation, if the service is newly joint?
- What is the transition plan, if the service is newly joint? Describe how the current arrangement will be wound down.

The ICF must also include the term of review, five (5) years or less, and the binding dispute resolution process (see **Tool F**).

TOOL F

Dispute Resolution Process Suggestions

Purpose: to help you build your dispute resolution process.

Does your dispute resolution process cover:

- ☐ How notice of a dispute is given, and to whom.
- ☐ How often the parties meet, and the steps they follow: negotiation, facilitation, mediation.
- ☐ How a decision maker is chosen, and what powers and duties they have.
- ☐ The decision maker's practices and procedures.
- ☐ A binding dispute resolution mechanism.
- ☐ How the costs are split, arbitration costs included (see **Section 6.4**).
- ☐ How records of the process are kept, and by whom.
- ☐ How the parties, the public, or both are identified.
- ☐ When the parties, the public, or both are told about the dispute.
- ☐ Whether and how the parties or the public take part in the process.
- ☐ The total time to complete the process? It must not exceed one (1) year from the time at which a dispute is filed, if it contains an arbitration clause.

Something to consider

Under *s.708.34*, if a dispute about a mandatory service is not settled within one (1) year of the notice, it goes to statutory arbitration. If the parties cannot agree on an arbitrator, any of them can ask the Minister to name one.

TOOL G

ICF Completion Dispute Resolution Options

Purpose: to help two or more municipalities pick the way, or ways, of settling disputes that best suit the work of building or reviewing a framework. You have six broad options:

- Negotiation without third-party assistance
- Facilitation
- Mediation
- Mediation-arbitration (med-arb)
- Arbitration

The questions below help you judge which option fits your negotiation. Use your answers to complete the checklist that follows.

#	Assessment questions
1	How well you get along now is the best guide to how much outside help you will need. Has there been friction over land use and services in the region? Have you worked well together before? Are the people involved likely to work with each other or against each other?
2	How hard the services are to sort out also shapes the help you need. Have you shared services well before? Are these services complicated? Do service levels and costs differ a lot between the parties?
3	What information do you need for the services still open? How will you get it? Do you have the expertise in-house, or will you need contractors or experts?
4	If you cannot agree on some services by the deadline, how will those services be handled?

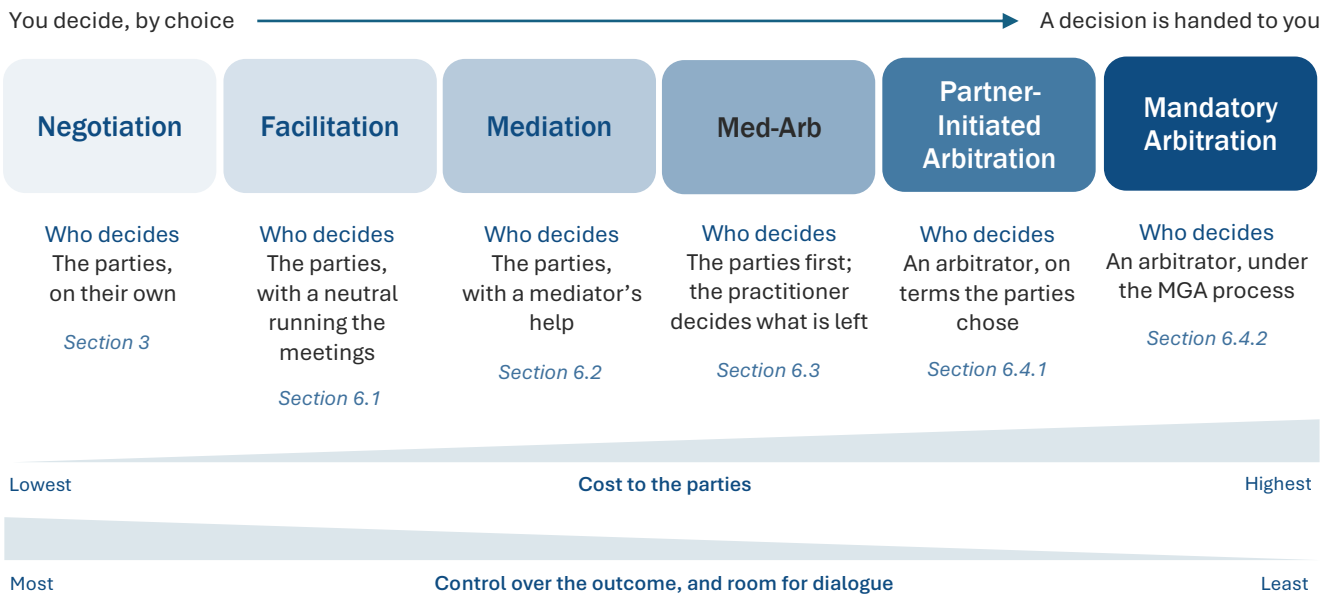
> **Something to consider**
>
> Settle on your dispute process together, at the start of the ICF work. It is the best use of everyone's time and money.

Dispute Resolution Options and Considerations

On your own, read the options and consider the conditions that match your ICF talks. Then agree with the other municipalities on the option, or options, that fit.

Option	Consider this option when…
1. Negotiation without third-party assistance	All of the following apply. The services are simple. Trust is high. You have agreed and worked together before. There are no old disputes over land use, annexation, or services, and no clashes between people.
2. Negotiation with a third-party facilitator	Some or all of the following apply. The services are complicated, or take real skill and staff time to work through. Trust is high, you have worked together before, there are no old disputes, and no clashes between people.  *Tip: a facilitator who can also mediate helps settle issues before they escalate, and makes any move to mediation quick.*
3. Reach agreement through mediation	Some or all of the following apply. The services are complicated or hard to work through. Trust is middling or low. You have clashed over these services before, or over something else between you.  *Tip: engaging a mediator early helps prevent escalation and raises the odds of agreement. Intermunicipal mediation has been used in Alberta for more than 20 years, with a strong record of settlements. Ask for a mediator's report at the outset (see Section 6.2).*
4. Reach agreement through med-arb	The conditions look like mediation, and three more things are true. You expect a service, or part of one, to stay unsettled and need a decision. You are content to let the people who mediated also arbitrate. And you want a quick shift to arbitration if it comes to that.  Tip: interest-based or transformative mediation suits med-arb, because it leaves the evidence to the arbitration stage, which is fairer. Avoid evaluative mediation where one person will fill both roles. Once a mediator has given a view on each side's case, the parties find it hard to see that person as neutral.
5. Reach agreement through partner-initiated arbitration	Any of these apply. You want full control of the arbitration. You want to change the terms the MGA sets. You want to finish before a deadline in law or one you agreed. You need a decision so a service can start before a deadline. Or you do not expect mediation to settle a service.
6. Arbitration required by the MGA	You cannot make or replace an ICF by the deadline that applies, or you have used up your dispute process without settling within one (1) year. The s.708.34 process covers matters that relate to mandatory services. The parties pick the arbitrator, or the Minister does. Arbitration ends if the parties reach agreement at any point.

Spectrum of Dispute Resolution Options



Arbitration covers matters that relate to the 5 mandatory services only (s.708.34), though all services and agreements included in an ICF may be subject to arbitration if agreement is not found. It cannot undo what you agreed to, or rule on what you never discussed.

You can start at any point on the scale, and different services can sit at different points. Early help costs the least.

TOOL H

IDP Requirements Checklist

Purpose: to help municipalities cover every requirement in their IDPs. Does your IDP address:

- ☐ Future land use within the area.
- ☐ The manner of, and proposals for, future development in the area.
- ☐ Transportation systems for the area, generally or specifically.
- ☐ Coordination of intermunicipal programs for the physical, social, and economic development of the area.
- ☐ Environmental matters within the area, generally or specifically.
- ☐ Any other matter of physical, social, or economic development the councils consider necessary.
- ☐ A procedure to resolve, or try to resolve, conflicts between the municipalities that adopted the plan.
- ☐ A procedure to amend or repeal the plan.
- ☐ Provisions for administering the plan.

Something to consider

Check that every required area is covered. Under *s.631(9),* anything already dealt with in the ICF need not be repeated in the IDP.

APPENDIX F

MGA Section References

Key sections of Alberta's *Municipal Government Act* related to intermunicipal collaboration frameworks.

This table sums up the MGA sections that matter most for ICFs and IDPs, as changed by the *Municipal Affairs Statutes Amendment Act*, 2025. It is a plain-language guide, not a copy of the Act. For the exact wording, read the current MGA online or order through Alberta King's Printer. Where this table and the law differ, the law takes precedence.

MGA section	Subject	Plain-language summary
s.216.1	**Public participation policy**	Every council must have a public participation policy. When you write an IDP, you have to follow what that policy says about consulting. Keep it in mind in ICF work too.
s.631	**Intermunicipal development plans**	Municipalities that share a boundary, outside the same growth region, must adopt an IDP unless they agree they do not need one. Either can pull out of that agreement in writing, and the IDP is then due within one (1) year. The section also sets out what an IDP has to contain *(s.631(8))*. Anything already dealt with in the ICF need not be repeated *(s.631(9))*. The parties must negotiate in good faith.
s.631.1	**Order for an IDP**	The Minister can make regulations about what goes in an IDP. If the Land and Property Rights Tribunal recommends it, the Minister can order municipalities to put an IDP in place, and can impose one if they do not.
s.632	**Municipal development plans**	Every council must adopt an MDP by bylaw. It has to line up with any IDP that covers the same land.
s.636	**Statutory plan preparation**	People affected by a plan must have a way to give input while it is being written. Where they apply, school boards, neighbouring municipalities, and neighbouring Indian bands and Metis settlements must be told.
s.690	**IDP disputes**	The route for appealing a dispute between municipalities over a statutory plan. Those now go to the Land and Property Rights Tribunal.

s.692	**Planning bylaws**	You have to hold a public hearing before second reading of a bylaw that adopts an IDP, an MDP, another statutory plan, or a land use bylaw.
s.708.26	**Definitions (Part 17.2)**	The meanings used in the ICF part of the Act. New in 2025 is mandatory service, which means a service named in *s.708.29(1.1)*.
s.708.27	**Purpose of ICFs**	Frameworks provide for integrated and strategic planning, delivery and funding of intermunicipal services; steward scarce resources efficiently; and ensure municipalities contribute funding to services that benefit their residents.
s.708.28	**Requirement for a framework**	Municipalities that share a boundary must have a framework, unless they belong to the same growth management board. New in 2025: two municipal districts next to each other can agree they do not need one *(s.708.28(1.1))*. To opt out they have to review their agreements, pass resolutions and send them to the Minister, and publish their reasons. Either can pull out in writing, and the framework is then due within one (1) year. Municipalities that do not share a boundary can still join a framework. The Minister can grant exemptions.
s.708.29	**Contents of a framework**	The framework has to describe the services that help residents in more than one municipality, name who provides each one, and say how it is run and paid for. New in 2025: set meanings for costs for intermunicipal services and third-party services *(s.708.29(0.1));* five mandatory service categories *(s.708.29(1.1));* non-mandatory services voluntarily included by the parties, other never third-party services *(s.708.29(1.2));* an optional cost calculation model *(s.708.29(1.4)),* where each party has to show its facts, numbers, and assumptions *(s.708.29(1.5));* the cost of building new facilities for mandatory services, only where the parties agreed in advance to take part in the design and the decision to build *(s.708.29(1.7), (1.8))*; and a power for the Minister to make regulations about capital costs *(s.708.29(1.91))*. Every framework must set out a way to settle disputes *(s.708.29(3.1))*.
s.708.291	**Court order to comply**	Say a municipality will not take part in the framework's dispute process, or ignores a deal that comes out of it. Another party can then ask the Court to order it to comply.
s.708.31	**Conflict with existing agreements**	If a framework clashes with an agreement you already have, the framework has to deal with the clash. Where it must, it can change that agreement or end it.

s.708.32	**Term and review**	The parties must review the framework at least every five (5) years, or sooner if it says so. If the review finds it no longer works for them, they have to make a new one. For first reviews, see the Ministerial Order deadline in Section 1.1 *(relevant until March 31, 2027)*.
s.708.321	**Indian bands and Metis settlements**	The parties can invite an Indian band or a Metis settlement to help run and pay for services under the framework.
s.708.33	**Method of creating a framework**	Each municipality adopts the framework by matching bylaw or resolution. The parties must negotiate, and review, in good faith. Act in good faith now has a set meaning *(s.708.33(0.1))*. The Minister must be told within 90 days of the framework being made.
s.708.34	**Application of arbitration**	Sets out when arbitration applies. The framework was not made in time. The parties cannot agree on a new one at a review. Or a dispute was not settled within one (1) year through the dispute process. New in 2025: arbitration covers only matters that relate to mandatory services.
s.708.35	**Arbitration**	The parties pick the arbitrator. If they cannot agree, the Minister picks. A mediator who helped them can serve as arbitrator. The *Arbitration Act* applies, except where it clashes with this Division.
s.708.36	**Role of the arbitrator**	The arbitrator must make an award within one (1) year. They can try mediation, order documents to be handed over, bring in experts, and ask the public for input. Once included in an ICF, all services and agreements are subject to the dispute resolution process, including for non-mandatory services.
s.708.38	**Matters the arbitrator considers**	The arbitrator can weigh several things. What other frameworks say about services and infrastructure. Whether residents get much the same service. Whether costs are split fairly. The effect on the environment. The public interest. And anything else that bears on the case.
s.708.4	**Adoption of the award**	New in 2025: the arbitrator must have a framework drawn up to match the award and sent to the municipalities within 30 days. The award and the framework go to the Minister within 30 days too. The municipalities must adopt the framework within 60 days of getting it. Within two (2) years they must bring their bylaws into line with it, apart from the land use bylaw.

s.708.41	**Costs of the arbitrator**	The arbitrator's costs are split by equalized assessment, unless the parties agree otherwise or the arbitrator awards otherwise. New in 2025: the Minister can order a municipality to pay its share, and can enforce that through *s.708.43(3)*.
s.708.411, s.708.412	**Experts; the Minister's orders**	Experts named by an arbitrator are paid in shares, the same way. The Minister can make any order at any time to help a framework along, and that includes an order putting a binding framework in place.
s.708.43	**Measures to ensure compliance**	If a municipality does not adopt or follow a framework or an award, the Minister can act. The steps include taking over or suspending its power to pass bylaws, holding back provincial money, imposing a framework that matches the award, changing its policies, and suspending its development or subdivision authorities. The Minister can also order other things done, or stopped. Reasons must be given.
s.708.52, s.708.53	**Regulations and Ministerial Orders**	New in 2025: the Lieutenant Governor in Council can make regulations about putting in place a framework adopted through arbitration. The Minister can make orders on anything needed to carry out what the ICF rules intend, backed by *s.708.43(3)*.
s.570	**Minister's General Power Over Intermunicipal Disagreements**	If a council refers a disagreement between municipalities to the Minister, or if the Minister otherwise sees intermunicipal disagreement they believe would benefit from their involvement, the Minister may investigate or inquire on the issue, appoint a mediator to help reach a resolution, or make a decision that municipalities must carry out. This power is not specific to ICFs or service agreements.

APPENDIX G

Council's Role in Intermunicipal Collaboration Frameworks

Governance guidance for elected officials participating in the ICF process.

An Intermunicipal Collaboration Framework (ICF) is an agreement between neighbouring municipalities, either as a bilateral (two parties) or multilateral (three or more parties) agreement. It sets out which services you share, who delivers them, and how you split the cost. Every municipality that shares a boundary must have one. The *Municipal Government Act* (MGA) notes working with your neighbours to plan, deliver, and fund intermunicipal services as one of the purposes of municipal government in Alberta *(s.3(d))*. For ICFs specifically, Council holds a distinct role in moving this process forward.

- A negotiating committee works out the details of the ICF.
- Administration prepares it.
- Council approves the framework.

The MGA lists five mandatory services that must be incorporated in all ICFs (transportation, water and wastewater, solid waste, emergency services, and recreation); defines good faith as a legislative requirement; adds clarity to the role of arbitration; and gives the Minister stronger powers to step in if a framework is unfinished or not being adhered to.

This resource covers four things: what council decides, how to work well with your neighbours, how to build trust that lasts, and what other councils have learned. The ICF Workbook holds the detail. Section references point you there.

Best Practices for Working with Your Neighbours

Councils that reach good agreements tend to do the same few things. These practices draw on the Elected Officials Education Program course on regional partnerships and collaboration, and on the experience of municipalities across Alberta. Separately, remember that after ICF negotiations are complete, you still live next to and work in collaboration with the same municipal neighbour. Positive relationships are important.

- **Start with a shared purpose.** Agree on what success looks like for the region before you talk about any service. Keep the vision focused enough to drive direction, but broad enough that it is not prescriptive. *(Section 3)*
- **Know your needs from your wants.** Go in with a clear understanding of what your residents must have and what you would like to have. Expect your neighbour to have both, too.

- **Start small and build.** If the relationship is new or strained, begin negotiations with the services where agreement is easiest. Early wins can help make hard conversations easier later.
- **Settle process before substance.** The first committee meeting should cover ground rules, a terms of reference, who chairs, who pays for the committee's work, and how disagreement will be handled. *(Section 3.2, Appendix B)*
- **Share the numbers early.** Where costs are on the table, bring the data and the assumptions behind it. The MGA requires this if you use a cost-sharing model. *(Section 5)*
- **Use a neutral facilitator.** An appropriate, qualified, and objective facilitator runs the meetings so committee members can focus on their municipality's interests. *(Section 3.3)*
- **Put it in writing.** A written process and agreed-upon rules take the politics out of the room.
- **Keep the committee alive.** Treat the ICF as ongoing work, not a one-time job. The committee should meet once or twice a year after an ICF is complete, checking whether the framework still fits partner municipalities' needs, and to plan the next review. An ICF can be reopened ahead of the set review date, if deemed necessary and agreed upon by all partner municipalities. *(Section 2.3)*

> **Negotiating in Good Faith**
>
> Per the MGA, every municipality must operate in **good faith** in ICF negotiations:
>
> - act honestly, respectfully and reasonably;
> - communicate appropriately;
> - share necessary information;
> - meet through authorized representatives; and
> - be willing and prepared to discuss all issues and explain all rationale.
>
> The duty to negotiate in good faith applies whether you're creating a new ICF or reviewing an existing one. A council that sent people with no authority, made demands it knew could not be met, was not transparent in its data sharing, or ran a process built to stall, for example, may not get the result it wants. *(Workbook Section 3.3)*

Building Trust

Trust is earned by behaviour, over time. In most of Alberta, neighbouring councils already share a history. If it's a good history, that sets you up well for shared success in ICF negotiations. If the intermunicipal relationship is complicated however, it's important to address any challenges head-on, and to work past them to the greatest extent possible so that ICF negotiations can be undertaken in good faith.

- **Deal with the past directly.** If this is not the first ICF process with municipal partners, take the time to have an open (but facilitated) conversation about what worked during earlier

ICF negotiations, and where there were challenges. Aim to clear up old misunderstandings, not to reopen them.

- **Connect as people.** Get to know neighbouring council members and staff beyond the meeting room. Build time into agendas to talk, and share a meal where you can.
- **Learn your partner's reality.** Tour their facilities. Follow the work they're doing, their strategic priorities, and any major decisions being brought before council. The more you understand their pressures, the easier it is to find answers that work for everyone involved.
- **Be open about your own situation.** If information isn't shared transparently, or if anyone carries the perception that information is being held back, trust erodes quickly. Be open about where your municipality stands, and where applicable, about specific data and costs.
- **Speak with one voice.** It's natural that disagreements will arise in negotiations, and that's where they belong. Public comments that challenge the committee's work, or which make details of private negotiations public, will damage trust.
- **Watch for the pitfalls.** Hidden agendas, personality clashes, a sense of lost control, and decisions made behind closed doors all wear trust down. If these are happening (or perceived to be happening), address them openly within negotiations, while maintaining decorum and a commitment to negotiating in good faith.

Between reviews, keep in touch. Share information, communicate often, and look for small acts of goodwill. Trust built between reviews makes the next review easier.

Council's Role

Your job as an elected official comes down to three things: establish trust, build relationships, and support the process moving forward.

Decision	Council's Role	Workbook
Start the process	Pass a resolution to create an Intermunicipal Negotiating Committee (INC), name its members, and give it authority to negotiate for your municipality.	Section 2.3
Set the mandate	Decide what the committee may agree to on its own and what must come back to council. Approve the ground rules and terms of reference. Establish expectations for progress reporting.	Section 3.2, Tool D
Choose your people	Appoint members who can build a working relationship across the boundary. History with the other side matters. So does the authority to speak for council.	Section 2.3
Approve the framework	Adopt the framework by bylaw or resolution to approve the finalized ICF. Each municipal partner involved in an ICF must adopt an identical framework; if one council changes a word, every council must approve the same word change.	Section 7.2

Decide on disputes	Council decides whether to seek mediation, to continue studying an issue, or to go to arbitration. If you cannot agree on a mandatory service, arbitration follows.	Section 6
Review on time	Finish the review by the date in your ICF, or within five years. Notify the Minister within 90 days of ICF approval.	Sections 1.1, 7.3

Council sets direction, stays informed, and makes the final call; council representation on the negotiating committee maintains a governance focus throughout the process. Prior to negotiations, Administration builds your municipality's service inventory, and gathers relevant costing data; they also draft the ICF. A council that reopens the deal line by line at the council table undoes the committee's work, and Administration's collaborative drafting of the set agreement. It also tells your neighbour that the people at the table could not speak for you.

> **Something to Consider**
>
> 1. Arbitration is a last resort, not a strategy. Don't walk in with arbitration in mind. The arbitrator rules on the five mandatory services, but their work can incorporate any non-mandatory services you've agreed to include. Arbitration cannot undo what has already been agreed upon by the municipal partners, and cannot rule on matters that were not included in negotiations. (*Workbook Section 6*)
> 2. Your ICF review date is the date by which the framework must be reviewed, completed, and submitted to the Province. It is not the date on which your ICF review process begins.

Questions to Ask Before ICF Completion

Before council approves an ICF, or a reviewed one, confirm you can check the following boxes:

- ☐ The framework addresses all five mandatory services: transportation, water and wastewater, solid waste, emergency services, and recreation.
- ☐ We know who delivers each shared service, to whom, and how it is funded.
- ☐ If the ICF uses a cost model, each party must share relevant data with their ICF partner(s), transparently and proactively.
- ☐ The framework includes a process for settling disputes after approval.
- ☐ The term of review is clearly set, with a known process for the next review.
- ☐ Our wording is identical to what our neighbour is approving.
- ☐ Our committee acted in good faith.
- ☐ We know who will notify the Minister, and by when.
- ☐ Plans are in place to keep the relationship going between now and the next review.

Where to Go Next

More information is available in the complete ICF Workbook.

If you want to…	Open the ICF Workbook and read…
Understand 2025 legislative changes (Bill 50)	Section 1.1
Know what is expected of you at the table	Section 3.1
Understand good faith	Section 3.3
See what happens if councils cannot agree	Section 6; Appendix C
Prepare for the first ICF negotiation meeting	Appendix B
Approve the framework and notify the Minister	Section 7
Find help	Section 9