



ALBERTA

MUNICIPAL AFFAIRS

*Office of the Minister  
MLA, Calgary-Shaw*

DEC 02 2022

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November 22, 2022

Cathy Heron  
President  
Alberta Municipalities  
300, 8616 - 51 Avenue NW  
Edmonton AB T6E 6E6

Dear Cathy Heron:

Thank you for your letter of November 1, 2022, providing a copy of two resolutions related to Municipal Affairs passed by members at the 2022 Alberta Municipalities convention.

It was a pleasure to meet with you on November 8. In followup to our meeting, I am pleased to provide the attached ministry responses to the resolutions.

I look forward to continuing to work with Alberta Municipalities to strengthen the province's communities.

Thank you again for writing.

Sincerely,

Rebecca Schulz  
Minister

Attachment: Municipal Affairs Responses to Resolutions

## **B4: Grant Alignment with Provincial Regulatory Requirements**

Moved by: Town of Okotoks

Seconded by: Town of High River

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**WHEREAS** the Province of Alberta provides public funding through grant programs for municipal government initiatives of importance to all Albertans;

**WHEREAS** the Province of Alberta sets out rules that municipalities must follow through legislation and regulations;

**WHEREAS** the provisions for grant programs and regulations may not align and/or the decision making authority for the awarding of funding and regulatory requirements conflict or hinder the completion of either projects and/or regulatory compliance or grant funding of same;

**WHEREAS** the misalignment of grants and regulatory requirements can restrict growth of initiatives or programs and unnecessarily create barriers for municipalities.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to align grant funding and regulatory provisions through creating a one window approach for municipalities to remove barriers, reduce red tape, and improve the delivery of government services at the municipal level across the province for all municipalities.

### **Municipal Affairs Response:**

Municipal Affairs recognizes the importance of streamlined grant funding processes and is committed to continuing efforts to reduce red tape for businesses, municipalities, and other entities. Reducing red tape ensures that Alberta attracts investment and that municipalities and other entities do not need to spend time and money meeting unnecessary requirements.

The department is developing administrative requirements for the Local Government Fiscal Framework (LGFF) – the new primary infrastructure grant program to replace the Municipal Sustainability Initiative in 2024/25. As part of the LGFF development, the government is engaging with municipalities and municipal associations on the program design. This includes considerations for further streamlining the new program and reducing red tape, while maintaining accountability to the province and Albertans.

## **B7: Intermunicipal Collaboration Frameworks**

Moved by: Town of Mayerthorpe

Seconded by: City of St. Albert

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**WHEREAS** Intermunicipal Collaboration Frameworks (ICFs) were introduced through Bill 21, Modernized Municipal Government Act, 2016, and the Intermunicipal Collaboration Framework Regulation, which were proclaimed on October 26, 2017. In 2019, Bill 25, the Red Tape Reduction Implementation Act made additional changes to the Intermunicipal Collaboration Framework legislation;

**WHEREAS** Intermunicipal Collaboration Frameworks have the following 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;

**WHEREAS** municipalities that share a common boundary must have created an Intermunicipal Collaboration Framework with each other by April 1, 2022 with a minimum five year renewal term;

**WHEREAS** Growth Management Board members were initially mandated to complete Intermunicipal Collaboration Frameworks, but Bill 25, 2019 removed this, and inadvertently introduced additional red tape for the completion of intermunicipal agreements;

**WHEREAS** the Government of Alberta and municipalities expended substantial taxpayer money through the Alberta Municipal Affairs Municipal Dispute Resolution Service and the Alberta Community Partnership Program funding facilitators and mediators to deal with Intermunicipal Collaboration Framework conflicts, through countless municipal meetings, through many hours of municipal administrative time, and through costs of arbitration processes;

**WHEREAS** 344 municipalities completed Intermunicipal Collaboration Frameworks, including 257 urban municipalities (19 cities, 106 towns, 81 villages and 51 summer villages), 6 specialized municipalities, 73 rural municipalities (63 municipal districts, 7 improvement districts and 3 special areas) and 8 Metis Settlements. 442 ICFs were required in total across Alberta; 7 of these proceeded to arbitration. All of these municipalities could benefit from clearer legislation guiding the content of Intermunicipal Collaboration Frameworks; and

**WHEREAS** findings and decisions of arbitrators based on expert reports have established precedents in defining core funding formulas, establishing eligible costs, and determining eligible services.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities (ABmunis) advocate on behalf of its member municipalities, including those who belong to a Growth Management Board, that the Government of Alberta enact legislation, and develop best practices, that provide clear guidance for Intermunicipal Collaboration Frameworks (ICFs), and ensure reduced red tape and costs during the process to renew ICFs. This guidance should:

- Provide minimum core funding formulas to support fair and equitable frameworks;
- Define core minimum eligible costs, thereby reducing red tape and costs in facilitation, mediation and arbitration processes; and
- Define eligible services within transportation, water and wastewater, solid waste, emergency services, recreation, libraries and other services that benefit residents in more than one of the municipalities that are party to an ICF.

**FURTHER IT BE RESOLVED THAT** ABmunis request the Government of Alberta amend the Municipal Government Act to mandate ICFs for municipalities that share a common boundary within Growth Management Boards, to foster intermunicipal and sub-regional collaboration and reduce red tape with respect to intermunicipal collaboration that is currently voluntary.

**Municipal Affairs Response:**

Municipal Affairs believes implementing Intermunicipal Collaboration Framework (ICF) requirements has been successful overall, as evidenced by 99 per cent of municipalities finalizing agreements on ICFs. As of November 1, 2022, only four municipalities (0.5 per cent) had not yet adopted ICFs (representing two outstanding ICFs).

That being said, Municipal Affairs recognizes that this was new and untested legislation, and that municipalities had varying experiences in developing ICFs, including a few parties that entered into mandatory dispute resolution through arbitration and some that are in judicial review.

Municipal Affairs intends to conduct a lessons-learned review of the ICF process to better understand what has worked well and where there may be areas for improvement. The process will start with conversations with arbitrators in the coming weeks, to hear their perspectives on the arbitration process in particular. Later in 2023, after the judicial review processes are complete, municipalities and their associations will be engaged so we can learn from their experiences and perspectives. Ultimately, the intent is to make any needed changes to legislation and processes early enough to support the next round of ICF conversations.