

From: [MA Minister](#)
To: [Tyler Gandam](#)
Subject: FW: Letter from Alberta Municipalities
Date: December 7, 2023 9:48:31 AM
Attachments: [Ltr to Min MA re ABmunis 2023 Resolutions.pdf](#)
[Resolutions.pdf](#)

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AR112896

Dear Mr. Gandam:

Thank you for your letters of November 1 and 23, 2023 regarding the seven resolutions related to Municipal Affairs that were passed by Alberta Municipalities members at your fall convention.

I am pleased to provide the attached ministry responses to the resolutions, and I look forward to continuing to work with Alberta Municipalities to strengthen the province's communities.

Sincerely,

Ric McIver
Minister

Attachment: Ministry Responses to 2023 Alberta Municipalities Resolutions Related to Municipal Affairs

Classification: Protected A

From: Tyler Gandam <president@abmunis.ca>
Sent: November 1, 2023 4:52 PM
To: MA Minister <Minister.MunicipalAffairs@gov.ab.ca>
Subject: Letter from Alberta Municipalities

CAUTION: This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.

Good afternoon,

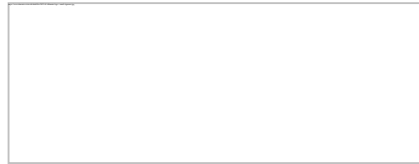
Please find attached letter.

Thank you,

Tyler Gandam | President

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We respectfully acknowledge that we live, work, and play on the traditional and ancestral territories of many Indigenous, First Nations, Métis, and Inuit peoples. We acknowledge that what we call Alberta is the traditional and ancestral territory of many peoples, presently subject to Treaties 4, 6, 7, 8 and 10 and Six Regions of the Métis Nation of Alberta.

Ministry Responses to 2023 Alberta Municipalities Resolutions Related to Municipal Affairs

B11: Maintaining Non-Partisan Municipal Elections

B12: Inclusion of Libraries in Intermunicipal Collaboration Frameworks

B13: Provincial Funding for Growing Municipalities

B17: Changes to the Clean Energy Improvement Program

C6: Capital Budget Disclosures Negatively Impacting Procurement Processes

E1: Enhancing Amusement Ride Safety

E2: Adequate Level of Provincial Funding for Community Infrastructure

B11: Maintaining Non-Partisan Municipal Elections

Moved by: City of Brooks

Seconded by: Village of Duchess

WHEREAS municipal elections in Alberta have been predominantly free from political party influence, affording local elected officials the autonomy to debate and vote on community issues based on the best interests of their community;

WHEREAS at the Provincial level there has been comment on opening the door to having political parties at the local level;

WHEREAS partisan politics would restrict individual elected officials from independently pursuing the best interests of the municipality but instead bind them by the ideology of the political party they represent; and

WHEREAS the current *Local Authorities Elections Act* (LAEA) does not explicitly restrict political party influence in local elections.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate to the Provincial Government to refrain from introducing partisan politics in local government elections;

AND IT IS FURTHERED RESOLVED THAT Alberta Municipalities advocate for the Government of Alberta to amend the LAEA to prohibit partisanship infiltrating local elections or politics in any way including political party endorsements of local candidates, donations directly or indirectly to local candidates, or by way of any other influence.

Municipal Affairs Response:

The *Local Authorities Elections Act* (LAEA) establishes the framework for local elections in the province, which includes municipalities, school boards, Metis Settlements and irrigations districts. In 2021, there were more than 3,700 candidates running in local elections provincewide. The LAEA governs processes for election workers, voters, and candidates and outlines procedures for the nomination period, the election, and the post-election period.

There are no LAEA provisions prohibiting a candidate or councillor from being a member of a political party. However, the LAEA provides strict parameters for the contents of local election ballots. The ballot must only contain the name of each candidate arranged alphabetically by surname or, if approved by bylaw, in a randomized order. Accordingly, the LAEA does not permit a political affiliation or endorsement to be included on a ballot. The Act also does not contain provisions addressing financial reporting and accountability measures for these organizations.

Following the 2021 municipal elections, Municipal Affairs engaged with stakeholders to examine changes to the LAEA to strengthen election integrity, fairness, and transparency. Municipal Affairs is continuing these conversations to bolster local election legislation and welcomes stakeholder feedback on this important topic.

B12: Inclusion of Libraries in Intermunicipal Collaboration Frameworks

Moved by: Town of Cardston

Seconded by: Town of Magrath

WHEREAS the purpose of Intermunicipal Collaboration Frameworks (ICFs) is to ensure municipalities contribute funding to services that benefit their residents (MGA s. 708.27 (c));

WHEREAS most libraries serve residents of more than one municipality and the financial sustainability of libraries is of great importance to all Alberta municipalities;

WHEREAS Library Boards are created by municipalities by bylaws, and many are primarily funded by a municipality, including many municipalities having responsibility for staffing and facility maintenance and replacement;

WHEREAS Library Boards are charged in the *Libraries Act* with the responsibility for funding, but have no effective leverage to secure funding for the provision of their services with neighbouring municipalities except within the ICF negotiation framework; and

WHEREAS many ICFs currently contain funding provisions for library services within many of the negotiated ICF agreements, which is of common knowledge to Municipal Affairs.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate for the clear articulation by the Government of Alberta in legislation that cost sharing for library services is within the scope of Intermunicipal Collaboration Frameworks.

Municipal Affairs Response:

Municipal Affairs intends to seek input from municipalities and municipal associations during a review of the Intermunicipal Collaboration Framework (ICF) legislation in 2024.

The intent of ICF agreements is that municipalities work together to determine which services are intermunicipal and how these services will be planned, operated, and funded. ICFs were not intended to replace the authority of library boards under the *Libraries Act*.

The *Libraries Act* sets out the governance framework for public library service delivery. Library boards are separate corporations per Section 3(4) of the *Libraries Act*. As such, the library board has full authority and discretion to secure its own funding from any source it sees fit, including the municipality. Library funding comes from many sources, not just the municipality. While it is true that municipalities contribute the most to public library service provincewide in aggregate, in many instances the municipality is not the primary funder. It is therefore inappropriate for the municipality to negotiate library funding in these circumstances.

B13: Provincial Funding for Growing Municipalities

Moved by: City of Airdrie

Seconded by: City of Leduc

WHEREAS Alberta's population increased by more than 347,000 people, or by 8.3%, since 2016;

WHEREAS the Province's *Alberta is Calling* campaign encourages people to relocate to Alberta to build their futures;

WHEREAS Government of Alberta projections indicate that more than 91% of newcomers are settling in urban centres;

WHEREAS urban municipalities support the development of whole communities to house newcomers and provide crucial quality of life amenities and services;

WHEREAS the Government of Alberta's transition from the Municipal Sustainability Initiative to the Local Government Fiscal Framework in 2024-25 will result in a 37% decrease in total dedicated capital funding to municipalities;

WHEREAS high growth rates require large infrastructure investments in transportation, recreation and cultural amenities, water/wastewater and in protective services to ensure that communities remain attractive and viable; and

WHEREAS municipalities are very limited in options, other than steep property tax increases, to raise necessary capital funds to support large infrastructure investments.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate to the Government of Alberta to actively partner with municipalities absorbing the population growth required to support a vibrant, diverse and thriving provincial economy through the creation of a dedicated funding program to support the capital investment pressures of growth.

Municipal Affairs Response:

The provincial government understands that investments in municipal infrastructure are vital to Alberta's economic development, and government provides significant supports to help ensure our growing municipalities are attractive places to live, work, and invest. Recognizing this, the government has fulfilled its commitment to providing predictable, long-term infrastructure funding for all municipalities through the *Local Government Fiscal Framework Act*.

The Local Government Fiscal Framework (LGFF) will be the new primary infrastructure grant program that will replace the existing Municipal Sustainability Initiative in 2024/25. The LGFF will start at a baseline funding level of \$722 million in 2024/25, with future funding reflective of the percentage change in provincial revenues. The LGFF will strengthen predictability for municipalities, while ensuring overall funding amounts remain sustainable for the province.

The Act links future municipal infrastructure funding to changes in provincial revenues, meaning municipalities will share in both the benefits and challenges of Alberta's economy. *Budget 2023* announced an increase in the Revenue Index Factor, meaning the LGFF program budget will increase and decrease at the same percentage rate as increases or decreases in provincial revenues. Previously, the rate of change was half of the percentage change in provincial revenues.

The government is in the process of developing an LGFF funding allocation formula that is equitable and balances the needs of all municipalities, including those experiencing population growth, while ensuring LGFF funding also supports communities whose populations may grow slower or even decline.

Municipal Affairs is committed to taking into account input gathered from the municipal associations when finalizing the LGFF allocation formula. Careful consideration will be given to a variety of factors that indicate local needs and capacity, in recognition of the different circumstances and opportunities faced by different types of municipalities.

B17 Changes to the Clean Energy Improvement Program

Moved by: City of Edmonton

Seconded by: City of Lethbridge and Town of Athabasca

WHEREAS existing buildings make up a large portion of greenhouse gas emissions that are created from urban settings, and energy retrofits to existing buildings have been identified as a strategy to reduce these emissions;

WHEREAS the Government of Alberta's Act to Enable Clean Energy Improvements, SA 2018, c 6 amended the Municipal Government Act, and an associated Clean Energy Improvements Regulation, AR 212/2018, to establish the Clean Energy Improvement Program (CEIP);

WHEREAS CEIP is an alternative financing tool for residential and non-residential property owners to fund energy efficiency and renewable energy upgrades that are repaid through property taxes;

WHEREAS initiatives similar to CEIP have proven successful in numerous jurisdictions and has the potential to result in significant retrofit investments, support the creation of a thriving retrofit industry, and create thousands of private sector jobs; and

WHEREAS changes to CEIP are required to scale up and expand the program so it can reach its full potential.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate to the Government of Alberta to make the following changes to the Clean Energy Improvement Program (CEIP):

1. Make borrowing for CEIP eligible under the *Local Authorities Capital Financing Act*;
2. Allow residential building financing for multi-unit buildings, including condominiums, to be equivalent to the non-residential investment limit;
3. Increase the maximum financing limit for residential properties, which is currently set at \$50,000 or no more than double the municipal property taxes, whichever is less;
4. Increase the maximum financing limit of \$1 million for non-residential properties; and,
5. Expand eligible items to include additional clean energy and adaptation upgrades such as, but not limited to, EV Chargers, while allowing municipalities to retain the ability to choose which elements of an expanded program to offer.

Municipal Affairs Response:

The provincial government values innovative approaches to reducing greenhouse gas emissions while generating jobs and economic development. Alberta is one of few provinces to enable municipalities to establish their own Clean Energy Improvement Program (CEIP). This provides Albertans with a financing tool for renewable energy projects such as rooftop solar panels. To date, 27 municipalities have passed CEIP bylaws.

The CEIP financing limits are intended to protect consumers from overleveraged borrowing on their property. The financing limits mitigate risks for both residential and non-residential property owners. The limits in place apply to the entire province and reflect the variety of property values across Alberta.

Multi-residential buildings are residential buildings under section 297(4)(c) of the *MGA*. Should multi-residential buildings be included in a municipality's CEIP, consideration would be needed regarding the type of building and the mechanism for repayment. With individual ownership in many condominium buildings, a unique repayment scheme may be necessary compared to an apartment building with a single owner.

The eligibility list was intended to be modified going forward. However, the overall intention of the program is that costs associated with the improvements result in energy savings, and these savings offset the costs associated with the energy efficiency improvement. Additions to CEIP eligibility should be carefully considered by the program administrator (Alberta Municipalities) to ensure that repayments are likely to be secured.

C6: Capital Budget Disclosures Negatively Impacting Procurement Processes

Moved by: Town of Okotoks

Seconded by: City of Airdrie

WHEREAS Part 8 of the Municipal Government Act (*MGA*) outlines the framework local councils and administrations must operate within when managing the finances of a municipality;

WHEREAS municipalities must follow specific requirements regarding budgets, borrowing, investing, corporate planning and financial reporting, and off-site levy requirements, and that same information and deliberations must be provided to the public;

WHEREAS the procurement and tendering process is a regimented and highly competitive process;

WHEREAS the costing and phasing of municipal project details provided as part of municipal budgets negatively impacts the results of open, competitive procurement processes; and

WHEREAS inflation, shortages of skilled trades and supplies have increased the pressures in budgeting and procurement processes.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate to the Government of Alberta for amendments to Part 8 of the *MGA* to provide that detailed phasing and costing of projects are protected information from disclosure in public budget documents and off-site levy bylaw requirements until after those projects have been awarded under the applicable procurement process.

Municipal Affairs Response:

The *Municipal Government Act (MGA)* supports a municipality's autonomy to create its own budgets and to structure these important policy decisions in the way it believes is best for its council and residents.

Concerns for excessive transparency likely stem from the interpretation of the level of detail required by section 246 of the Act, and the implicit requirement that capital budgets are made publicly available through their adoption (i.e., a council resolution must be passed at a council meeting held in public where quorum is present as per Section 180-181 of the *MGA*). The *MGA* does not prescribe the level of detail in budgets or plans (i.e., line-by-line project costs) but does set a minimum criterion. A municipality can make a decision to not proactively post or publish its approved capital budget online, or it can decide to publish a condensed version of the capital budget. However, a municipality must balance the availability of information and level of detail with the desire for transparency from its citizens.

If a municipality adopts the capital budget publicly with the required content, the requirements in the *MGA* would be deemed to be met.

E1: Enhancing Amusement Ride Safety

Moved by: Town of Stony Plain

Seconded by: Alberta Municipalities Board of Directors

WHEREAS Alberta municipalities provide safe and healthy community spaces, events, and programs for residents and visitors to gather and celebrate;

WHEREAS Amusement rides offer an exciting and fun feature to many permanent and temporary festivals and events throughout Alberta;

WHEREAS Alberta municipalities seek to mitigate residents' and visitors' exposure to harm and injury associated with the operation of amusement rides in their community;

WHEREAS the Government of Alberta administers the *Safety Codes Act*, which includes the development, interpretation, and enforcement of safety standards for amusement rides;

WHEREAS the Alberta Elevating Devices and Amusement Rides Safety Association provides independent oversight to the installation and ongoing safety compliance of elevating devices, amusement rides, and passenger ropeways throughout Alberta; and

WHEREAS recent incidents involving members of the public on amusement rides in Alberta warrant a review of the safety standards and industry compliance.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate for the Government of Alberta to conduct a review of the codes and standards that govern amusement rides to ensure members of the public can enjoy the safe operation of these experiences.

Municipal Affairs Response:

Public safety is a priority, and Municipal Affairs appreciates municipalities raising concerns and questions regarding the safety of portable amusement rides in the province. Alberta's *Safety Codes Act* and regulations detail the requirements for amusement ride permits, set up, operation, and inspection, and the Act is consistent with other jurisdiction across Canada.

Owners and operators of amusement rides are responsible for meeting the requirements of the *Safety Codes Act*, including requirements related to the rides under their control. The Alberta Elevating Devices and Amusement Rides Safety Association (AEDARSA) is the independent provincial body responsible for compliance monitoring and overseeing that all elevating devices, amusement rides, and passenger ropeways in Alberta comply with provincial safety codes and regulations. AEDARSA continues to engage with stakeholders, ride owners and operators, and Occupational Health and Safety to review the requirements for ride operators and to address safety concerns that may exist from on-site visits. A safety codes officer may take additional action as required, potentially including further inspections, if additional information is provided or uncovered as a condition of the permit.

Alberta Municipalities' concerns have also been shared with the Safety Codes Council Amusement Rides Sub-council. Sub-council members are dedicated volunteers who actively review, formulate, and recommend adoption of safety codes, standards, interpretations, and policies within their respective disciplines. They are well positioned and have the most relevant background to review these standards and codes. The sub-council regularly provides advice to the Safety Codes Council and Municipal Affairs.

E2: Adequate Level of Provincial Funding for Community Infrastructure

Moved by: Alberta Municipalities Board of Directors

Seconded by: N/A

WHEREAS Albertans rely on public infrastructure for a broad spectrum of daily uses including transportation, access to safe water, removal of wastewater, fire and emergency services, recreation facilities, public buildings, and other day-to-day public services provided by municipal governments across Alberta;

WHEREAS the Government of Alberta plans to replace the Municipal Sustainability Initiative (MSI) Capital with a new municipal infrastructure funding program in 2024 called the Local Government Fiscal Framework (LGFF) Capital program and LGFF Capital will represent the bulk of infrastructure funding that the Government of Alberta provides to municipalities;

WHEREAS the LGFF Capital program will meet ABmunis' principles for increased predictability and responsiveness; however, the program does not meet the principle of revenue adequacy because the starting amount of funding in 2024 is set to be \$722 million, which is 36 per cent lower than the historical funding average under the MSI program and does not compensate for changes in Alberta's population and inflationary changes in the cost of construction and materials;³

WHEREAS municipal governments have limited fiscal capacity to generate the revenue needed to maintain existing infrastructure as well as build new infrastructure to support community growth;

WHEREAS the Government of Alberta currently collects \$2.5 billion in property taxes, an amount that Budget 2023 signals will increase by a rate determined by combination of inflation and population, which further limits municipalities own revenue generation potential without unduly burdening Alberta homeowners and renters;⁴

WHEREAS Alberta's population has grown at an average of 1.8 per cent annually since 2011⁵, but provincial investment in community infrastructure has declined over that same period;

WHEREAS Alberta's population continues to grow with the province's "Alberta is Calling" campaign helping to contribute to a 3.5 per cent increase in Alberta's population between July 2022 and July 2023 and the Government of Alberta estimates that population growth will be up to 4.4 per cent in 2023;⁶

WHEREAS in 2011, the Government of Alberta delivered \$420 per capita across all municipal capital funding programs, but that level of investment has trended downward since that time to only \$151 per capita in 2023-24 and will only rise to a projected amount of \$180 per capita in 2024-25;⁷

WHEREAS over the last decade, the province has placed a lower priority on funding community infrastructure with total municipal capital funding dropping from 3.7 per cent of provincial spending in 2011-12 to only 1.0 per cent of budgeted spending in 2023-24;⁸

WHEREAS the quality of community infrastructure is a critical factor in the quality of life offered in Alberta's communities and is a key element to create a competitive advantage to attract and retain people, families, workers, and business investment in Alberta;

WHEREAS the Government of Alberta is making great efforts to encourage people to move to Alberta but there needs to be a corresponding increase in investment in community infrastructure to support new and existing residents;

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate for the Government of Alberta to restore municipal infrastructure funding to an adequate level by setting the new Local Government Fiscal Framework Capital funding program at a starting amount of \$1.75 billion when the program begins in 2024.

Municipal Affairs Response:

The provincial government understands that investments in municipal infrastructure are vital to Alberta's economic development, and government provides significant supports to help ensure our growing municipalities are attractive places to live, work, and invest. Recognizing this, the government has fulfilled its commitment to providing predictable, long-term infrastructure funding for all municipalities through the *Local Government Fiscal Framework Act*.

As noted in the Municipal Affairs response to Resolution B13 on provincial funding for growing municipalities, the Local Government Fiscal Framework (LGFF) will start at a baseline funding level of \$722 million in 2024/25, with future funding reflective of the percentage change in provincial revenues. The LGFF will strengthen predictability for municipalities, while ensuring overall funding amounts remain sustainable for the province.

The Act links future municipal infrastructure funding to changes in provincial revenues, meaning municipalities will share in both the benefits and challenges of Alberta's economy. *Budget 2023* announced an increase in the Revenue Index Factor, meaning the LGFF program budget will increase and decrease at the same percentage rate as increases or decreases in provincial revenues. Previously, the rate of change was half of the percentage change in provincial revenues.

However, the Alberta government must ensure that provincial spending remains reasonable to help protect affordability for Albertans, especially during this time of rapidly rising costs. This is reinforced by Alberta's new framework announced in *Budget 2023* that requires balanced budgets and limits year over year expense growth to population growth and inflation. Alberta will continue balancing all financial decisions to ensure these requirements are met.