



ALBERTA
MUNICIPAL AFFAIRS

*Office of the Minister
MLA, Edmonton - South West*



AR99230

DEC 18 2019

Mr. Barry Morishita
President
Alberta Urban Municipalities Association
300, 8616 - 51 Avenue
Edmonton AB T6E 6E6

Dear Mr. Morishita,

Thank you for your recent letters providing copies of resolutions passed by Alberta Urban Municipalities Association (AUMA) members at your 2019 convention that pertain to my ministry. As requested, please find attached responses from Municipal Affairs to the following resolutions:

- Resolution 2019.A5 – Outcomes-based Focus for Provincial Regulation of Municipal Infrastructure
- Resolution 2019.A12 – School Site Procurement
- Resolution 2019.E2 – Responsibility for Utility Infrastructure on Private Property

I appreciate the opportunity to respond to these resolutions, and I look forward to continuing to work together with the AUMA to strengthen Alberta's communities.

Yours very truly,

Kaycee Madu
Minister

Attachment: Alberta Municipal Affairs Responses to 2019 AUMA Resolutions

cc: Honourable Jason Nixon, Minister of Environment and Parks
Honourable Adriana LaGrange, Minister of Education
Honourable Ric McIver, Minister of Transportation
Honourable Prasad Panda, Minister of Infrastructure
Honourable Grant Hunter, Associate Minister of Red Tape Reduction

**Alberta Municipal Affairs Responses to 2019
Alberta Urban Municipalities Association Resolutions**

| | |
|----------------------------|---|
| RESOLUTION 2019.A5 | Outcomes-based Focus for Provincial Regulation of Municipal Infrastructure Town of Nanton |
| RESOLUTION 2019.A12 | School Site Procurement Town of Morinville |
| RESOLUTION 2019.E2 | Responsibility for Utility Infrastructure on Private Property City of Medicine Hat |

WHEREAS AUMA's vision is that Alberta's municipalities have an enduring partnership with the Government of Alberta that recognizes the shared responsibility to fund the infrastructure that Albertans rely on to maintain economically, environmentally and socially resilient communities;

WHEREAS small municipalities with limited property tax bases and borrowing capacity rely upon adequate and predictable infrastructure funding from the federal and provincial governments, particularly in the areas of water and sewer infrastructure;

WHEREAS provincial policies and processes implemented by Alberta Transportation, Infrastructure, and Environment and Parks can have the unintended consequence of municipalities building infrastructure that place an unviable financial burden on local rate payers;

WHEREAS community economic growth relies upon reasonable levels of municipal taxation and user fees combined with a high standard of public municipal infrastructure and services that meet the expectations of residents, investors and developers; and

WHEREAS municipalities rely on tools and resources developed by AUMA, the Government of Alberta and other partners, such as AUMA and RMA's current Asset Management Initiative, to support building and maintaining local infrastructure, but these programs are often oversubscribed.

IT IS THEREFORE RESOLVED THAT AUMA advocate for the Government of Alberta to engage AUMA and its members in reviewing and amending regulations and policies related to municipal infrastructure to shift the focus from prescriptive requirements to an outcomes-based system that considers economic, environmental and social factors.

FURTHER BE IT RESOLVED THAT AUMA, the Government of Alberta, and other partners develop further capacity building tools to help municipalities effectively build and maintain infrastructure.

Municipal Affairs Response:

The province strongly supports asset management as a means to ensure informed decision-making with respect to infrastructure investments. Municipal Affairs has worked with external partners to develop resources to help municipalities grow and mature their asset management practices, and the ministry is open to exploring further opportunities to do so.

Municipal Affairs undertakes an annual survey of municipalities to measure progress in applying asset management concepts, and the results indicate that municipalities see the value in asset management and are continuing to build their capacity. The Municipal Sustainability Initiative (MSI) and Federal Gas Tax Fund provide significant infrastructure funding to municipalities and allow them to choose projects based on local priorities and circumstances, which includes asset management-related projects.

The government committed to ensuring predictable, long-term infrastructure funding for municipalities, and upheld that commitment in Budget 2019 with the *Local Government Fiscal Framework Act*. This act includes a new infrastructure funding mechanism that will replace the MSI beginning in 2022/23. In the coming months, Municipal Affairs will engage in discussions with the Alberta Urban Municipalities Association and the Rural Municipalities of Alberta to inform the development of program parameters for the new funding framework.

WHEREAS the responsibility to provide school sites falls disproportionately to municipalities in accordance to the Alberta *Municipal Government Act* (Sections 661-677 specifically);

WHEREAS schools within an urban municipality not only serve the urban population, but also frequently serve rural populations. This places an inequitable burden on urban municipalities for the costs associated with not only providing the required school sites, but its associated infrastructure and related surrounding development uses;

WHEREAS urban municipalities face legislative constraints and market conditions that limit their authority/ability in terms of what can be required of developers in terms of future school sites and their development impacts and surrounding uses. It is often the case, that developers must provide the same;

WHEREAS the Province has both the ultimate responsibility and the resources to fund public education facilities, and not municipal tax payers; and

WHEREAS early engagement in the school site planning process would assist municipalities in preparing for what is required; for example, development planning, future development considerations, financial planning, and assisting with future school siting and surrounding use considerations in a manner that is timely and does not burden local taxpayers.

IT IS THEREFORE RESOLVED THAT the AUMA advocate for the relevant Government of Alberta departments (e.g. Municipal Affairs, Education and Infrastructure) to develop necessary legislation, policy, and procedures to ensure productive engagement with Alberta municipalities in the early stages of planning and announcing new school sites.

Municipal Affairs Response:

The *Municipal Government Act (MGA)* provides a series of tools to assist municipalities in working with neighbouring municipalities and school boards to help plan for and manage school sites and facilities. The *MGA* provides the ability for municipalities to enter into joint-use and planning agreements (JUPAs) with school boards. JUPAs provide a framework to ensure municipalities and school boards are working collaboratively in the planning, assembly, design, development, and maintenance of school sites and facilities.

The *MGA* also requires municipalities with a common boundary to enter into intermunicipal collaborative framework (ICF) agreements to provide for an integrated and strategic approach for the planning, delivery, and funding of intermunicipal services. Municipal Affairs will continue to work with municipalities, school boards, Alberta Education, and Alberta Infrastructure on providing a supportive framework for municipalities to implement JUPAs and ICFs.

WHEREAS on August 1, 2019, the Alberta Court of Appeal issued a decision which requires municipalities to operate and maintain utility infrastructure on private property which provides service to more than one parcel;

WHEREAS there are many municipalities where utility infrastructure on private property provides service to more than one parcel;

WHEREAS the impact of the decision may have significant impacts on municipalities throughout Alberta.

IT IS THEREFORE RESOLVED THAT AUMA advocate for the Government of Alberta to modify the *Municipal Government Act* to clarify that a municipality should not be responsible for the repair and maintenance of a portion of a “public utility” unless it is an owner of that portion of the “public utility” and to provide transitional provisions to address existing situations where infrastructure cross parcel boundaries.

Municipal Affairs Response:

Municipal Affairs understands that the Alberta Court of Appeal decision may have created uncertainty for municipalities. The decision provides an interpretation of the duty to provide a utility service, which may have unforeseen implications for municipalities.

Municipal Affairs will be reviewing this matter further.