

## Changes to the Viability Review Process Announced

In January, the Government of Alberta approved changes to the **Viability Review Process** within the **Municipal Sustainability Strategy**. The Viability Review Process is the process which a municipality goes through to determine whether it should remain an incorporated entity, or whether it should be dissolved into a neighboring municipality. Members of the AAMDC Board of Directors often participate on Viability Review Teams in areas within their districts, providing their municipality is not directly involved in the viability review.

The changes are intended to streamline the viability review process and ensure a more consistent process for viability review team members as well as the municipalities undergoing review. The key changes include:

- Incorporation of the viability determination into the Viability Plan phase;
- The requirement that review municipalities initiate an infrastructure study as soon as the Minister initiates a viability review to avoid delays in obtaining critical information on infrastructure condition, and future capital and maintenance needs;
- The delay of the formation of the Viability Review Team (VRTs) until the infrastructure study has been completed;
- The standardization of terms of reference for all VRTs to improve governance and administration of the VRTs; and
- The change to the decision point at the end of the viability review to include a 30-day public comment period to provide an opportunity for councils and the public to indicate their preference for the review municipality to remain as a municipality or to dissolve. The Minister will make a decision on the issuance of directives or to hold a vote of electors based on the Viability Plan and the comments received.

The changes are outlined below:

Key Issue	New Viability Review Process	Previous Viability Review Process
1. High-Level Process (Phases)	<ul style="list-style-type: none"> <li>▪ Request for viability review</li> <li>▪ Viability Screening</li> <li>▪ Initiation and Notifications</li> <li>▪ Infrastructure Study</li> <li>▪ Information Collection and Analysis</li> <li>▪ Viability Plan</li> <li>▪ Public Comment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Request for viability review</li> <li>▪ Viability Screening</li> <li>▪ Initiation, Notifications and VRT Formed</li> <li>▪ Information Collection and Analysis</li> <li>▪ Viability Determination</li> </ul>

Key Issue	New Viability Review Process	Previous Viability Review Process
	<ul style="list-style-type: none"> <li>▪ Minister's Decision</li> <li>▪ Vote of Electors (if applicable)</li> <li>▪ Implementation and Enforcement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Viability Plan</li> <li>▪ Council Vote</li> <li>▪ Vote of Electors (if applicable)</li> <li>▪ Minister's Decision</li> <li>▪ Implementation and Enforcement</li> </ul>
2. Infrastructure Audit/Study	<ul style="list-style-type: none"> <li>▪ An infrastructure study is initiated by the review municipality as soon as possible following the Minister's initiation of the viability review.</li> <li>▪ The results of the infrastructure study will inform the development of the Viability Plan.</li> </ul>	<ul style="list-style-type: none"> <li>▪ An infrastructure study is initiated by the review municipality as soon as possible following the Minister's initiation of the viability review.</li> <li>▪ The results of the infrastructure study will inform the VRT in reaching a Viability Determination.</li> </ul>
3. Role of Viability Review Teams (VRT)	<ul style="list-style-type: none"> <li>▪ Guide the viability review process</li> <li>▪ Engage stakeholders</li> <li>▪ Provide updates to member organizations</li> <li>▪ Provide feedback to the Minister</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lead the viability review process</li> <li>▪ Engage stakeholders</li> <li>▪ Liaise between the VRT and member organizations</li> <li>▪ Provide advice and recommendations to the Minister</li> </ul>
4. Appointment of VRTs	<ul style="list-style-type: none"> <li>▪ Requests for VRT members will be made by the Assistant Deputy Minister, Municipal Services and Legislation, following the Information Collection and Analysis phase and prior to the completion of the Infrastructure Study.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Requests for VRT members are made by the Minister at the beginning of the viability review, as part of the notice of the viability review to the affected parties.</li> </ul>
5. Advisory supports for review or potential receiving municipalities	<ul style="list-style-type: none"> <li>▪ Workbooks are provided to both the review and potential receiving municipalities to solicit responses.</li> <li>▪ Facilitated discussions with each municipality will be mandatory.</li> <li>▪ Additional advisory support will be provided to municipalities including more comprehensive discussions on possibilities under the MGA, assistance with financial analysis/ projections, and sharing of leading practices from other jurisdictions.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Workbooks are provided to both the review and potential receiving municipalities to solicit responses.</li> <li>▪ Facilitated discussions with each municipality are held only when mutually agreed to.</li> </ul>

<b>Key Issue</b>	<b>New Viability Review Process</b>	<b>Previous Viability Review Process</b>
<p>6. What happens following the completion of the Viability Plan</p>	<ul style="list-style-type: none"> <li>▪ The Viability Plan is sent to residents and is presented at a public meeting by ministry staff.</li> <li>▪ The public (including the councils of the review and potential receiving municipalities) will be provided with 30 days following the public meeting to provide written comments for the Minister's consideration.</li> <li>▪ Following the public comment period, the Minister may decide to issue directives to the review municipality or hold a vote of electors on the question of dissolution in accordance with Section 130.1 of the MGA.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Viability Plan is sent to residents and is presented at council meeting by ministry staff.</li> <li>▪ The council of the review municipality passes a resolution (votes) in favour of one of the two options found in the Viability Plan.</li> <li>▪ If council's decision is to remain as a municipality, the Minister will issue directives to the review municipality. No vote of electors will be held.</li> <li>▪ If council's decision is to dissolve the municipality, the Minister will conduct a vote of electors to gauge public support for that option.</li> <li>▪ The Minister will then be bound to the outcome of the vote and will issue directives to the review municipality if the majority votes for that option or recommend dissolution of that municipality to Cabinet if the majority votes for that option.</li> </ul>

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