



Partners in Advocacy & Business

Ensuring Alberta's Future: A Framework for Municipal Viability through Community Sustainability

Position Paper

August 2009

Executive Summary

Introduction

With the recent changes in the economy, some municipalities in the province are struggling to continue to offer basic services to their citizens. In order for Alberta to prosper, action needs to be taken to discover new ways to ensure the long term success of our municipalities.

This paper provides a discussion on what it means for a municipality to be viable and offers some guidelines on how to assess viability. Through an assessment using various indicators, municipalities will be able to understand where their specific areas of challenge may lie and think about the different options available that will improve viability in the future.

Definitions

The terms sustainability and viability are related and often interchanged. This paper uses the following terms to guide the discussion:

Community Sustainability – refers to strategies/actions developed by the people of a community to ensure its long-term success. The goal is to create ways in which people can live within their means, financial or otherwise, today while providing for the future. It does not focus on local government or address if a municipality should be in existence. Instead, the focus is on how people with a shared sense of identity, regardless of municipal boundaries, can plan a prosperous future while limiting any negative impacts on the community.

Municipal Viability – refers to the ability or capacity of a municipality to meet its legislative requirements and deliver services in the near-term. It is an assessment of whether or not a municipality should exist based on satisfying a number of criteria. A basic test for viability considers both financial and non-financial indicators. Potential factors include the municipality's ability to meet the financial requirements of infrastructure, maintenance and operating expenses, form a council and attract and retain qualified employees.

The Six-Part Test

The following six areas are ***suggested*** as possible guidelines to assess ***municipal viability***:

1. Ability to Operate
2. Ability to Govern
3. Provision of Services
4. Citizen Involvement
5. Financial Stability
6. Management of Risks

It is recognized that municipalities may not always meet the measures of these indicators. It is important that they are provided an opportunity to rationally explain any short term variances and their ability to rectify them in the long term.

Recommendations

The following recommendations are offered as ways for the province to assess the viability of our municipalities:

- Define Indicators of Municipal Viability using the Six Part Test
- Test Draft Indicators with Municipalities to Ensure Validity
- Require Reporting to Municipal Affairs on Viability Indicators
- Require Community Exploration of Viability Options by Municipalities that Fall Short of Baseline Standards
- Develop an Option Evaluation Tool

Recommended Process for Assessing Viability

Annually, each municipality would report to Municipal Affairs on the determined indicators of viability. If they achieve the baseline standards, no further action by the municipality would be required. If they fail to meet the standards, they would be required to provide an explanation of the unusual nature of the result and the temporary nature of the variance.

If they are unable to provide such an explanation, the municipality would be required to explore longer term options in a community context. This context would bring neighbouring municipalities and community organizations together, led by the municipality, to explore and implement options that would ensure; not only the current *municipal viability* of the entities involved, but more importantly would lay a path for *community sustainability* in the long term.

Potential Implementation Issues

There are a number of issues that must be considered before any dramatic movement in restructuring is pursued:

- Infrastructure Debts
- Transitional Costs
- Transition Disputes
- Dramatic Property Tax Increases and Decreased Service Levels
- Perceived Loss of Identity
- Administrative Burden

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1.0 Introduction

After enjoying a time of great prosperity in recent years, Alberta is now experiencing a province-wide recession. With the downturn in the global economy, commodity prices in the energy sector have fallen dramatically from where they were a year or two years ago. Unemployment has risen and municipalities across the province are feeling the effects of the recession. Some municipalities are struggling to raise enough property tax revenue to continue to offer basic services to their citizens. This does not even begin to address many of the well publicized infrastructure needs of municipalities.

What can be done to assist residents of municipalities that do not have the industrial or commercial base to support even the most basic civic services? Currently, the transfers from other governments (federal, provincial and other municipalities) aid these jurisdictions through various operating grants. Capital grant dollars are available as well, but are difficult to apply for, manage and report on due to limited staff resources. In the current economic climate, continuing to operate as we have in the past may not be an effective means to ensure citizens throughout the province have the essential services needed for everyday living.

There are lessons that can be learned from the initiatives and actions taken by municipalities to improve their viability in the past, such as increased inter-municipal cooperation or sound planning processes. We can also look to other provinces to identify similar work being conducted across the country and learn from the options that have been developed.

As a province, we must address these issues and look for ways to ensure the long term success of our municipalities. This paper provides a discussion on what it means for a municipality to be viable and offers some guidelines on how to assess viability. Through an assessment using various indicators, municipalities will be able to understand where their specific areas of challenge may lie and think about the different options available that will improve viability in the future.

2.0 Defining *Municipal Viability*

2.1 Guiding Principles

In preparation of this discussion paper, the following guiding principles were established. These principles were used to guide our analysis and ensure that any recommendations developed are in alignment with these core set of values.

Identity – Communities are not defined by legal incorporation. Several communities exist and thrive inside of a single municipal entity. Moreover, one community may be comprised of several municipalities. Sensitivity to community identity must be considered.

Self Determination – Where possible, Alberta municipalities should be provided a framework or tools necessary to explore options to improve their viability.

Service Level Continuity – Where possible, improving viability should not result in a decrease in service delivery to ratepayers.

Cost Equity – Where possible, improving viability should try to eliminate disparity in mill rates and avoid dramatic escalation of property taxes to ratepayers.

Fairness – Restructuring of municipalities should only occur if the Province helps mitigate any negative financial impacts.

2.2 Differentiating Viability and Sustainability

Viability and sustainability are concepts that are often used interchangeably but sometimes hold distinct meanings depending on the context in which they are used.

The term *sustainability* is often used to describe how actions undertaken in the present will be maintainable, prevent negative impacts and/or provide benefits for the future. For example, environmental sustainability often focuses on how governments or other stakeholders should operate to ensure minimal disruption to natural ecosystems.

When using the term in a community context, sustainability commonly refers to planning or initiatives undertaken by a group of people with a shared identity to ensure the long-term success of their community. Recent tool sets introduced by AAMDC and AUMA, such as the Integrated Community Sustainability Plan Toolkit and the Municipal Sustainability Planning Toolkit are excellent examples.

Viability, on the other hand, is often used to describe the ability of an organization to maintain its operations based on a number of factors (e.g. financial, social, or political). In most cases it is an assessment of the current state rather than forward looking. When using the term in a municipal context, viability commonly refers to a municipality's ability to deliver on its legislative requirements (e.g. provision of services) in the present or short-term future.

The Association of Manitoba Municipalities (AMM) talk about municipal viability as one part of their Tools for Change Program, titled *Municipal Restructuring: An Approach to Managing Change*. In this paper, they discuss viability as the financial, administrative and political capacity of a municipality.

However, the definition and usage of viability and sustainability is not always consistent. For example, Municipalities Newfoundland and Labrador (MNL) discuss municipal sustainability in their *Municipal Sustainability Self Assessment Toolkit*. In general, they refer to sustainability as “the ability of a municipality to deliver an acceptable level of service at a cost affordable to the service user or as effectively and efficiently as it can be.” From the overviews provided above, some may refer to this as municipal viability.

To be clear on what is meant when the terms *municipal viability* and *community sustainability* are used throughout this paper (as the concepts are related and often interchanged), the following definitions are proposed to distinguish between the two and form the basis of the discussion.

Community Sustainability – refers to strategies/actions developed by the people of a community to ensure its long-term success. The goal is to create ways in which people can live within their means, financial or otherwise, today while providing for the future. It does not focus on local government or address if a municipality should be in existence. Instead, the focus is on how people with a shared sense of identity, regardless of municipal boundaries, can plan a prosperous future while limiting negative impacts on the community.

Municipal Viability – refers to the ability or capacity of a municipality to meet its legislative requirements and deliver services in the near-term. It is an assessment of whether or not a legal municipal entity should exist based on satisfying a number of criteria. A basic test for *municipal viability* considers both financial and non-financial indicators. Potential factors include the municipality’s ability to meet the financial requirements of infrastructure, maintenance and operating expenses, form a council and attract and retain qualified employees.

Planning for Change

How the County of Wetaskiwin has ensured its viability

The County of Wetaskiwin knows that things change, but how you adapt to changes is what counts. To ensure that they are ready to take on all challenges, they have embedded a culture of long term strategic planning to guide the County in its activities.

Through sensible planning, the County has been able to prepare for lost industrial assessment, build reserves for the future, and have matching funds when required for provincial and federal grant programs. Their planning efforts have helped the County remain well below the debt limit requirements as well as ensure they are able to provide core infrastructure and services to their residents.

2.3 Findings from Other Municipal Associations

The AUMA has authored two discussion papers related to the topic presented in this paper. The most recent is a discussion paper entitled “Future of Local Governance” that fosters conversation regarding municipal governance in Alberta. This paper is the association’s first step in a longer project to provide models and recommendations on how to assess municipal governance sustainability and how to assist municipal governments that may wish to consider a change in their governance structure.

While the AUMA process will explore some of the similar issues described in this paper, their focus will be placed on the related governance structures that may best serve residents. We feel that these efforts will be complementary with this discussion paper as this paper focuses on the identification of potentially unviable municipalities and the provision of a broad array of options to support community discussions toward *municipal viability*.

As the AUMA process unfolds it will be important that the distinctions regarding the use of the words ‘viability’ and ‘sustainability’ are noted to ensure consistency and avoid confusion.

Further, in 2004 the AUMA prepared the Formation, Fundamental Changes and Dissolution Discussion Paper that provides 8 recommendations to enhance the dissolution process in Alberta:

- *Consultation* – full consultation with Alberta’s municipal associations
- *Information Brochure* - made available to the public
- *Alternative Processes* – consideration of other appropriate means to address issues
- *Vote on Dissolution* – require a vote on dissolution
- *Cultural and Community Issues* – taken into consideration
- *Dissolution Study Process* - undertaken by persons other than Ministry staff
- *Developing Principles* – Section 76 of MGA principles be developed in full consultation and widely published
- *Proposed Principles* - amendments to Ministerial Order L:077/71

This paper is consistent with seven of the eight recommendations in the above mentioned AUMA paper. Only the recommendation to make dissolution votes mandatory is not addressed in this discussion.

2.4 Findings from Other Jurisdictions

Other jurisdictions across Canada face similar challenges in ensuring effective structures are in place to meet changing municipal landscapes and citizen needs. The following are overviews of other initiatives developed to reassess or improve municipal governance in the respective provinces.

Saskatchewan – A Guide to Voluntary Municipal Restructuring

A number of partner organizations worked together to create *A Guide to Voluntary Municipal Restructuring*. The guide is intended to assist municipal leaders address the new opportunities and challenges within the province. Split into two main parts, it first addresses how to manage change through planning, and then provides municipalities with a process to follow if restructuring is in the best interest of their community. Five main indicators are used to gain a greater understanding of one's municipality:

- Indicator 1: Population Stability
- Indicator 2: Tax Base Stability
- Indicator 3: Financial Stability
- Indicator 4: Opportunities to Work with Other Communities
- Indicator 5: Local Interest and Support in the Community

Using these indicators, municipalities can conduct a self-evaluation to determine if a voluntary restructuring through a merger with other municipalities would help them remain viable.

Manitoba – Municipal Health Checklist

Like Alberta, municipalities in Manitoba are experiencing significant change, both positive and negative. The Association of Manitoba Municipalities (AMM) has developed a resource for its members called *Tools for Change*, to help municipalities identify or adopt new approaches to governance and service delivery.

Part of this program is the Municipal Health Checklist, a self analysis tool to assess the strength of one's municipality, understand its challenges, and is the first step in determining if a new approach is appropriate. It provides a set of indicators designed to provide a better understanding of various aspects of a municipality. These indicators are focused around five core areas:

- Population and Demographics
- Assessment and Taxation
- Finances
- Inter-municipal Involvement
- Community Interest and Support

Newfoundland and Labrador – Municipal Sustainability Self-Assessment Toolkit

Acting on the recommendations of a Task Force on Municipal Governance, members of the Community Cooperation Resource Center (CCRC) under Municipalities Newfoundland & Labrador (MNL) developed a *Municipal Sustainability Self-Assessment Toolkit*.

The goal of the toolkit is to provide municipalities with a method to evaluate the status of their financial and operational positions and determine for themselves their ability to effectively and efficiently delivery municipal services. Municipalities are provided with

a step by step process to undertake the self-assessment. The questionnaire is divided into seven main categories:

- Governance
- Administration
- Finance and Financial Management
- Service Delivery
- Equipment and Infrastructure
- Community Well-being
- Regional Cooperation

Through the completion of the questionnaire, municipalities gain a better appreciation for issues affecting the viability of their municipal status as well as their community and the surrounding region.

2.5 Conclusion from Findings

Changes to the municipal landscape are inevitable; how municipalities adapt to change defines their success in the future. These examples of similar work being conducted across Canada illustrate that communities throughout the country should be evaluated to gain a better understanding of their situation and determine if action is necessary to remain viable.

2.6 The Six-Part Test

The following criteria are offered as guidelines on possible ways to assess municipal viability:

1. **Ability to Operate** – Can the municipality meet its responsibilities for administration, services, and fulfillment of its legislative requirements?

Factors to Consider

- Does the municipality have the ability to undertake long range planning (i.e. business plans, strategic plans, land use plans, and sustainability plans)?
- Does the council adopt annual capital and operating budgets each year, and does the municipality operate within its debt limit ratio?
- Does the administration report regularly to council on the municipality's finances and budget performance?
- Does the municipality regularly meet deadlines for financial and operating reporting to the provincial government?

Ensuring Our Resources

Creation of regional municipal utility corporation

In the past, the Town of Sexsmith obtained water from wells located outside its municipal boundaries. As the Town grew, it recognized a need for a stable, long-term water source.

The Town worked collaboratively with the City of Grande Prairie and the County of Grande Prairie to form a regional municipal utility corporation. The corporation now provides regional utility services (water, wastewater and solid waste) for these municipalities. Profits are paid out in annual dividends which are then used for the benefit of the municipalities and to keep taxes in line. This successful partnership has provided these municipalities with a long term source of water for their residents.

- Is the municipality able to attract and retain knowledgeable administrative and operational staff?
 - Does the administration regularly update their knowledge of municipal government?
- 2. Ability to Govern** – Can the municipality’s council govern democratically and represent the interests of the community?

Factors to Consider

- Are community boards and commissions readily filled?
 - Are council vacancies infrequent and readily filled?
 - Is voter participation in municipal elections increasing, declining or staying the same, given general voter turnout trends?
 - Does council regularly update their knowledge of municipal government?
- 3. Provision of Services** – Is the municipality able to provide necessary services to residents at a cost that they are willing to pay?

Factors to Consider

- Has the mill rate for residential and non-residential property been stable for two or more years?
 - Are taxes and utility rates comparable or higher than surrounding municipalities?
 - Is the municipality operating within the regulated debt limits?
 - Are the municipality’s public facilities and infrastructure regularly maintained?
 - Do organizations exist within the community that can provide services to residents?
 - Do the municipality and its residents provide services to adjacent rural residents?
- 4. Citizen Involvement** – Is there a sense of pride and a willingness of residents to take the necessary steps to remain viable?

Factors to Consider

- Do the residents show strong involvement in the work of the municipal government?
- Is there a sense of shared values in the municipality?
- Are the number and membership of local volunteer organizations growing?
- Are the bylaws adopted by council supported by citizens?

5. Financial Stability – Can the municipality manage the financial implications of its operations?

Factors to Consider

- Is the municipality highly reliant on funding transfers from other orders of government?
- Can the municipality afford to undertake major capital projects as needed?
- Can the municipality afford to employ the necessary staff needed to operate effectively?

6. Management of Risks – Can the municipality analyze all potential risks and execute strategies to mitigate them?

Factors to Consider

- Are restricted reserve funds established for infrastructure replacement?
- Are financial risks and costs managed effectively?
- Are plans or strategies in place to manage the loss of critical resources such as labour shortages or major industries?
- Does the municipality have plans in place to address environmental risks?
- Have the risks associated with aging infrastructure been addressed and planned for?
- Are appropriate disaster management plans in place?

These factors are provided to guide discussion. The paper's authors recognize that viable municipalities may answer negatively to one or more of these indicators. If this is the case, such as special capital funding requirements due to a natural disaster or emergency, it is important that the municipality be able to rationally explain these short term variances and their ability to rectify them in the long term.

3.0 Current Municipal Landscape

3.1 Background

Changes to the municipal landscape

The municipal landscape in Alberta is changing. Some community populations are aging and/or declining, while others continue to experience steady growth. In recent years, one can witness a reduction in the reliance of agriculture as an economic driver for many municipalities. There has also been a rise in the number of geographically isolated pockets of industrial development throughout the province. These developments often provide many benefits to municipalities (such as an increased labour force and industrial tax base), but also place increased strain on municipal resources and infrastructure.

Alberta also continues to see changes in population through steady migration from rural to urban areas of the province. Associated with this, there has been a net interprovincial migration to Alberta's urban centres as citizens move to the province in search of work and various other reasons. More detail about population trends is provided below.

Population Trends

Alberta has experienced a significant growth in population to accompany the economic prosperity of recent years. While the cities continue to attract the majority of new residents, Table 3.1 below shows that other municipality types are also growing in population. One notable trend is the increase in population of summer villages from 2006 to 2007, which may be due to an increase in disposable incomes to purchase a second home, increased retirement, or other circumstantial factors.

Table 3.1 – Population Growth by Municipality Type

	2003	2004	2005	2006	2007
Total Population	3,091,831	3,124,923	3,242,110	3,303,762	3,416,498
% Change	-	1.1%	3.8%	1.9%	3.4%
City	2,001,672	2,018,010	2,123,221	2,166,268	2,237,525
% Change	-	0.8%	5.2%	2.0%	3.3%
Municipal District	423,952	424,174	427,406	433,936	440,943
% Change	-	0.1%	0.8%	1.5%	1.6%
Town	403,792	409,221	406,108	411,362	431,932
% Change	-	1.3%	-0.8%	1.3%	5.0%
Specialized Municipality	146,915	157,252	167,606	173,354	185,287
% Change	-	7.0%	6.6%	3.4%	6.9%
Village	40,899	40,476	38,906	38,971	39,881
% Change	-	-1.0%	-3.9%	0.2%	2.3%
Summer Village	4,113	4,105	4,105	4,107	6,164
% Change	-	-0.2%	0.0%	0.0%	50.1%
Improvement District	2,559	2,559	2,559	2,559	1,994
% Change	-	0.0%	0.0%	0.0%	-22.1%
Special Area	5,314	5,314	5,314	5,314	4,729
% Change	-	0.0%	0.0%	0.0%	-11.0%

Increasing citizen expectations

Across the province, citizens are expecting more from their local government than traditionally seen in the past. As populations grow and change, citizens are entering new communities and demanding that services are available in their new place of residency. Some of the key citizen expectations are described below:

Suite of Services – citizens are expecting a wide range of services will be provided in their communities. These include, but are not limited to:

- Water and Wastewater Systems
- Solid Waste Removal
- Utilities
- Public Works (e.g. snow removal)
- Emergency Services
- Recreational Facilities
- Parks and Open Spaces
- Communication Infrastructure (cell phone, internet, etc.)
- Access to Health Care
- Access to Schools

Some municipalities do not generate enough revenue from taxes and other means to provide the full suite of services residents are demanding.

Level of Services – Understandably, municipalities provide differing levels of services to their residents according to their specific circumstances (e.g. tax base, population density, economic climate, etc). However, one notable trend that can be observed is the service demands of citizens moving from urban areas to rural locations. Often these residents expect a comparable level of service to their previous community, but many rural and small urban areas do not have the infrastructure and/or resource requirements to meet all of these expectations.

Cost of Services – while citizens expect a certain level of service to be provided as described above, they also expect that the costs to provide these services will be relatively low and not result in a substantial escalation of taxes. This places substantial pressure on many municipalities as they struggle to meet citizen demands with limited budgets.

Current Municipal Restructuring Guidelines

In 2001, Ministerial Order L:077/01 was released that provides principles, standards, and criteria to consider when considering municipal restructuring:

- a) the financial viability of the affected municipalities;
- b) the effects on the council structures, administrations, services and operations of the affected municipalities;
- c) the population of the participating municipalities, and the resulting effects on the political representation of the affected communities;
- d) whether an appropriate process has been used to initiate and develop the municipal restructuring proposal pursuant to Part 4 of the MGA; and

- e) whether the process used has adequately identified the impacts of restructuring on the affected municipalities.

3.2 Types of Alberta Municipal Entities

The Municipal Government Act allows for 9 types of municipal entities, excluding Métis Settlements and Reserves. Table 3.2 provides the type, a brief definition and current number of each.¹

Table 3.2 – Municipal Jurisdiction Definitions

Type ²	Description	Current Number	Total Population (2007)
Cities	To qualify as a city, there must be a population size of over 10,000 people. Cities are governed by a mayor who is elected at large and an even number of councillors or aldermen.	16	2,237,525
Hamlets	The council of a municipal district or specialized municipality can designate an unincorporated community that is within its boundaries to be a hamlet. A community can be a hamlet if it consists of 5 or more dwellings, has a generally accepted boundary and name, and contains land that is used for non-residential purposes.	374	³
Improvement Districts	The provincial government, through Alberta Municipal Affairs, is responsible for all functions of local government in the improvement districts, because of their existence on provincial or federal land (i.e. Parks). The formal power rests with the Minister of Municipal Affairs, but most power and responsibility has been delegated to the councils.	7	1,994
Municipal Districts	A municipal district (M.D., also called a county) is a government form in rural areas of the province. It includes farmlands as well as unincorporated communities such as hamlets and rural residential subdivisions.	64	440,943
Special Areas	Special Areas refers to a rural area in southeast Alberta administered by a board of three people appointed by the Lieutenant Governor in Council. Technically, there are three Special Areas in southeast Alberta, but for simplicity and in accordance with the common usage these will be referred to as one unit.	1	4,729
Specialized Municipalities	Specialized municipalities are unique municipal structures that can be formed without resorting to special Acts of the Legislature. Often, specialized municipalities allow urban and rural communities to coexist in a single municipal government.	4	185,287
Summer Villages	Generally, the provisions related to a village apply to a summer village except that in the latter, elections and annual meetings are required to be held in the summer. A summer village is the only type of municipality where a person can vote twice in municipal elections: once in the summer village and once in the municipality where their permanent residence is located. Summer villages can no longer be created in Alberta.	51	6,164
Towns	A town can be formed when the population is at least 1,000 people and may exceed 10,000 people unless it requests a change to city status.	110	431,932
Villages	Villages may be formed upon request by 30% of electors in a community with a population of at least 300 people. However today, many of our villages in	100	39,881

¹ At the time of this paper, the most recent population statistics available are for 2007.

² This information has been extracted from the Alberta Municipal Affairs web site, <http://www.municipalaffairs.gov.ab.ca>

³ Hamlet populations are recorded and reported under the category of municipal district or specialized municipality.

Alberta are well below the 300 population threshold.		
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While the difference among most municipal types is based on population or type of land use, the distinctions among hamlets, summer villages and villages appear to be subtle. Transitions from villages to hamlets have occurred sporadically in the recent past as citizens' wants and needs have changed. One recent example of this type was the dissolution of the Village of Sangudo in September 2007 into Lac Ste Anne County.

3.3 Financial Position of Alberta Municipalities⁴

Reliance on Funding from Other Orders of Government

Within the different municipal types, many municipalities in Alberta seem considerably reliant on grant proceeds from various orders of government to manage their operational budgets. As operational solvency is often a measure of private sector viability, it provides a good basis to for our discussion of *municipal viability*.

An analysis of the latest available financial data reported to Alberta Municipal Affairs financial year ending December 31, 2007, shows that there are at least 14 municipalities in the province that generate over 40% of their operating revenues from grants. If one lowers the standard, 45 jurisdictions receive at least 25% of their operating capacity through transfers. Table 3.3 provides a break down by municipal type and percentage of operating revenue from other orders of government.

Table 3.3 - % of Overall Municipal Revenue – Operating Grants from Other Orders of Government⁵

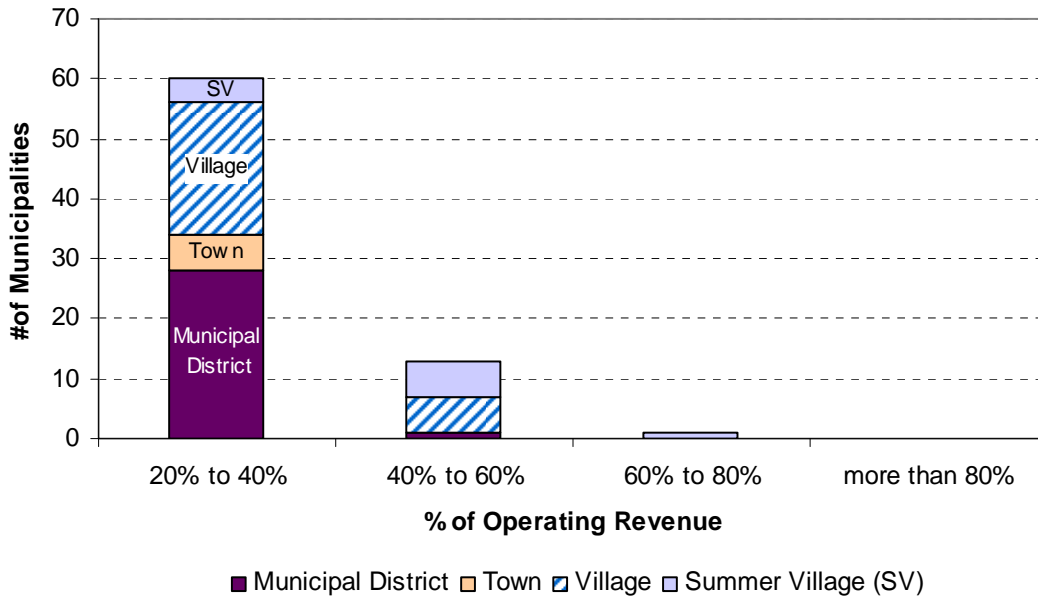
	All	City	Specialized Municipality	Municipal District	Town	Village	Summer Village	Improvement District	Special Area
less than 20%	274	15	4	35	104	69	40	6	1
20% to 40%	60	0	0	28	6	22	4	0	0
40% to 60%	13	0	0	1	0	6	6	0	0
60% to 80%	1	0	0	0	0	0	1	0	0
more than 80%	0	0	0	0	0	0	0	0	0
Average %	13.29%	5.52%	6.34%	18.46%	9.49%	16.45%	13.39%	0.19%	11.17%

This reliance on grants is particularly significant since the Government of Alberta (GOA) has been steadily moving away from municipal operating grants since the conclusion of the MAG (Municipal Assistance Grants) in 1998. Many municipalities appear to remain significantly reliant on these types of transfers. Based on recent changes to the economic climate in Alberta, one could forecast that this reliance on grants/transfers has continued or possibly increased since 2007. Figure 3.1 on the next page provides a graphic representation of the data.

⁴ The information used to conduct the following analyses was obtained from the Alberta Municipal Affairs website. Data was only available for 348 of the 353 identified Alberta municipalities listed in Table 1.1.

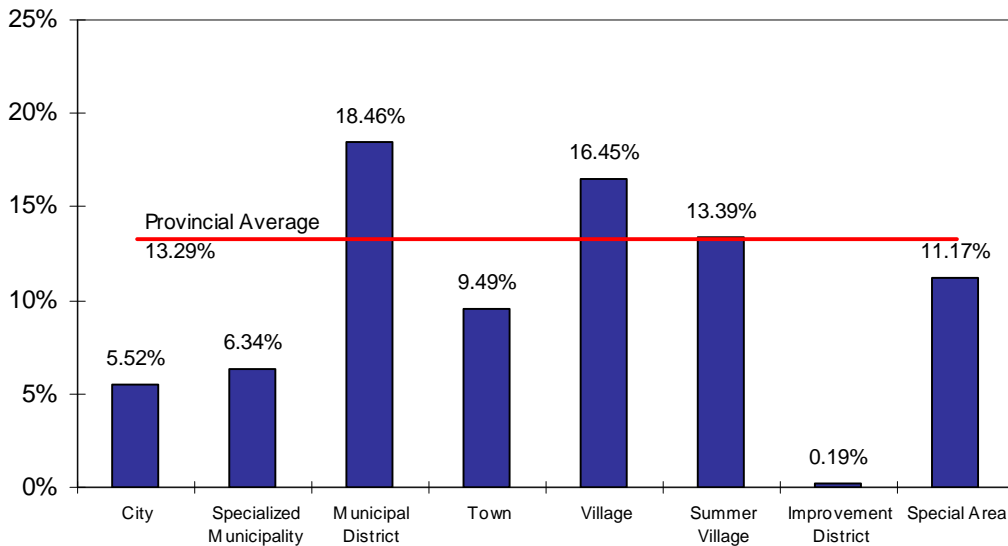
⁵ These figures include reported operating transfers from the Government of Canada, the Government of Alberta and other municipal governments.

Figure 3.1 - % of Revenue from Other Orders of Government by Municipal Type⁶



If one looks at the average percentage of operating transfers by municipal type, presented in Figure 3.2 below, municipal districts and villages are more reliant on transfers from other levels of government (18.46% and 16.45%, respectively) than the provincial average (13.29%) across all municipal types.

Figure 3.2 – Average % of Operating Revenue from Other Orders of Government Operating Transfers



The graph also shows that summer villages, which one may think would be overly dependant, receive a markedly low (13.39%) proportion.

⁶ The column representing the 274 municipalities that received less than 20% of their revenue from transfers from other orders of government have been removed to provide scale to the chart. Only the 4 municipality types shown had over 20% of their revenue from this funding source.

These findings are significant when one notes that financial solvency is often one of the chief reasons given for the dissolution of villages, yet the dissolution of a municipal district is very uncommon. The ineligibility of summer villages for a number of programs may explain their result, but an analysis of the other sources of revenue may provide some light to the apparent contradiction regarding villages and municipal districts.

Revenue from Property Taxes

In comparison, the same data set shows the levels and distribution of property tax revenue (Table 3.4 and Figure 3.3). Here, property taxes are shown as a strikingly greater contributor, as a percentage, in municipal districts (66.90%) compared to villages (38.40%).

Table 3.4 - % of Overall Municipal Revenue – Property Taxes⁷

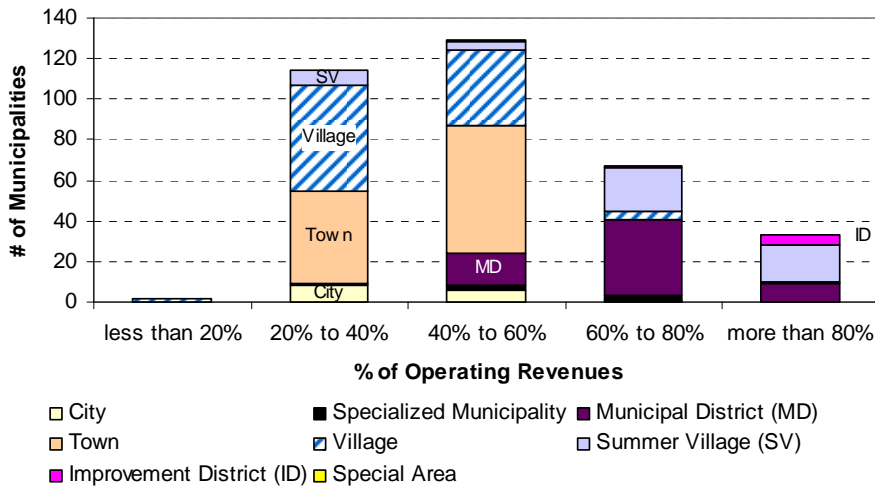
	Prov	City	Specialized Municipality	Municipal District	Town	Village	Summer Village	Improvement District	Special Area
less than 20%	5	0	0	0	1	3	1	0	0
20% to 40%	114	8	0	1	46	52	7	0	0
40% to 60%	129	6	2	16	63	37	4	0	1
60% to 80%	67	1	2	38	0	4	21	1	0
more than 80%	33	0	0	9	0	1	18	5	0
Average %	50.47%	42.96%	62.81%	66.90%	41.30%	38.40%	69.54% ⁸	87.36%	47.42%

The distribution of property tax as a funder of operational revenues seems fairly standard across all jurisdictions, but when one looks at the data by municipal type, some patterns appear. Towns and villages are shown to be distributed more toward the lower levels of contribution, the most extreme being three villages that derive less than 20% of their revenue from property tax. While the municipal districts, summer villages, and improvement districts tend to provide a much higher percentage, with nine Municipal Districts supporting over 80% of operations from the tax base.

⁷ Includes revenue grants in lieu of taxes.

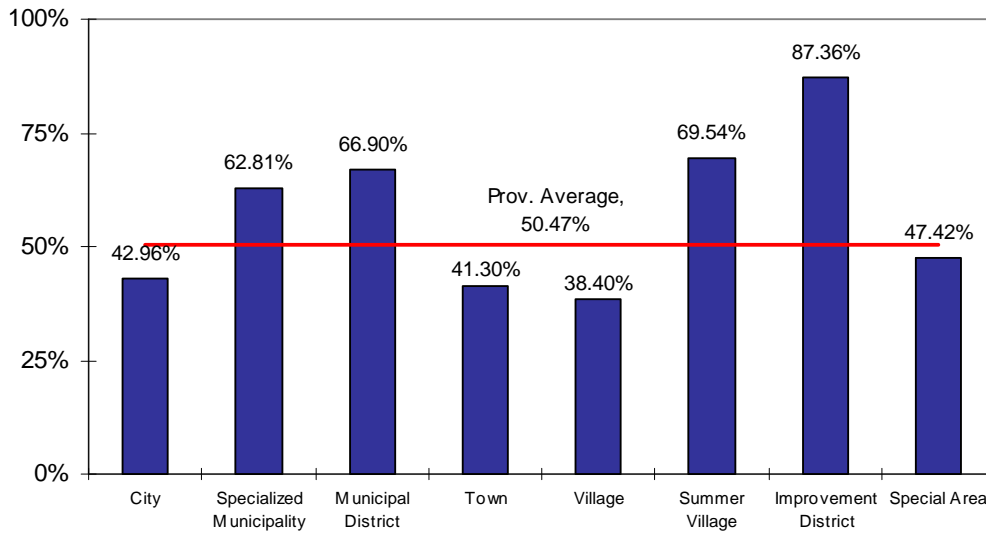
⁸ It is important to note that the inclusion of Summer Villages in this comparison may be misleading due to the seasonal nature of operations and the limited scope of services that they provide

Figure 3.3 - % of Operating Revenue from Property Taxes by Municipal Type



When one looks at the average property tax revenue generated by type of municipality (Figure 3.4), improvement districts (87.36%), municipal districts (66.90%) and summer villages (69.54%) draw much higher than the average of about 50%, while towns (41.30%) and villages (38.40%) lag significantly behind.

Figure 3.4 – Average % of Operating Revenue from Property Taxes by Municipal Type



In the case of the Special Areas, the relatively low contribution is mostly likely representative of the reason for their formation in the 1938 due to their reliance on agriculture and the extreme hardship of the drought years of the 1930s. In the case of the villages, one could question their ability to operate without transfers from other orders of government.

Revenue from Sales & User Charges

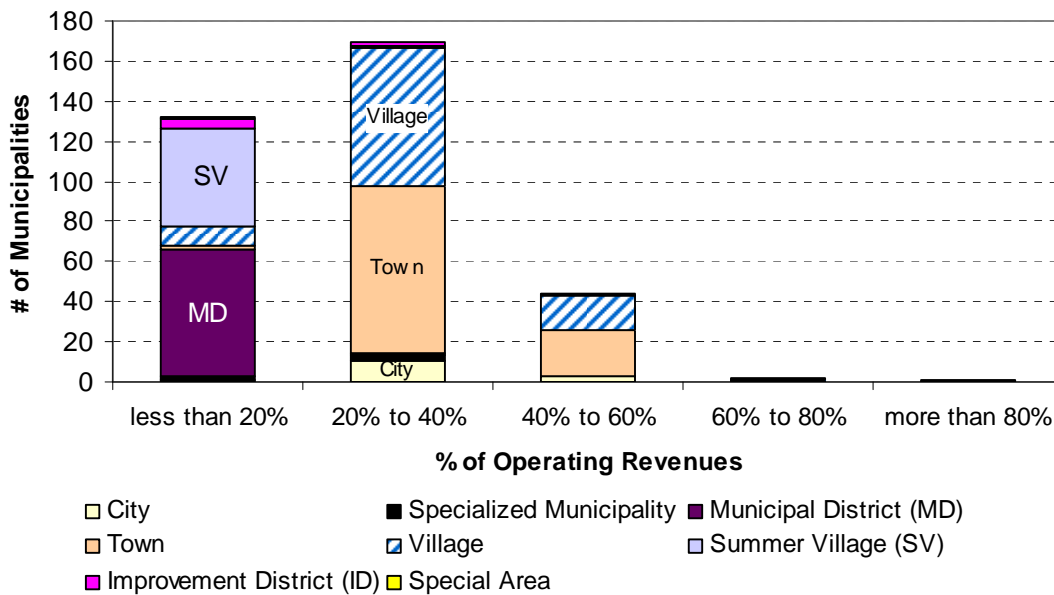
Table 3.5 and Figure 3.5 show the differences in revenue generated from sales and user charges by municipality type. Towns, villages, and cities are shown to generate a larger

proportion of overall revenue from these charges, whereas municipal districts, improvement districts, and summer villages generate relatively little from this funding source. This difference is most likely based on the greater existence of recreational facilities and water/sewer systems in urban areas, allowing more opportunities for sales and user charges.

Table 3.5 - % of Overall Municipal Revenue – Sales and User Charges

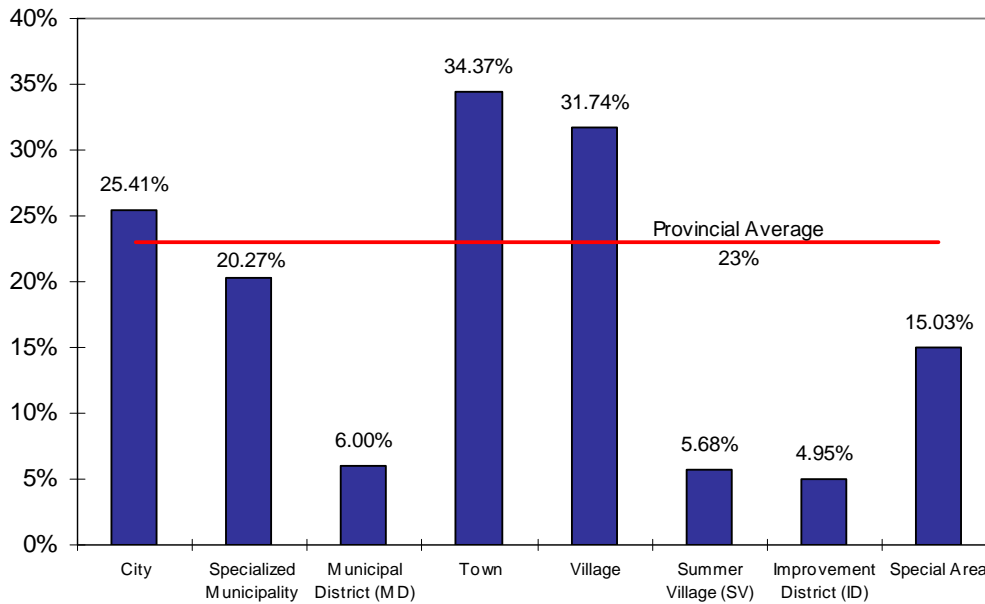
	Prov	City	Specialized Municipality	Municipal District	Town	Village	Summer Village	Improvement District	Special Area
less than 20%	132	1	2	63	2	10	48	5	1
20% to 40%	169	11	2	1	84	69	1	1	0
40% to 60%	44	3	0	0	23	17	1	0	0
60% to 80%	2	0	0	0	1	1	0	0	0
more than 80%	1	0	0	0	0	0	1	0	0
Average %	23.02%	25.41%	20.27%	6.00%	34.37%	31.74%	5.68%	4.95%	15.03%

Figure 3.5 - % of Operating Revenue from Sales and User Charges by Municipal Type



When one considers the average sales and user charges revenue generated by type of municipality, in Figure 3.6, it becomes quite apparent that there are drastically different models in use across the province when determining the appropriate revenue generating mechanisms.

Figure 3.6 – Average % of Operating Revenue from Sales and User Charges by Municipal Type



However, these findings do suggest that there may be a number of municipalities in the province that are not be able to meet criteria outlined in Indicator 5 of the proposed six-part test: Financial Stability. These municipalities may have to explore new options to ensure their viability in the future.

3.4 Increased Trend in Inter-municipal Cooperation

Prior to 1995, Alberta was divided into regional planning commissions that were responsible for the planning and development in their respective regions. However, in 1995, the Municipal Government Act (MGA) was amended to remove the planning commissions. Municipalities were given more autonomy to control their own future.

Many municipalities welcomed this change as they had lost confidence in the regional planning process or found it to be detrimental to their prosperity. However, municipalities still understood the importance of inter-municipal cooperation, and thus some developed their own agreements.

Today, a shift towards increased municipal cooperation can be seen once again. Although not in the same sense as the regional planning commissions, municipalities recognize that many benefits associated with inter-municipal collaboration provide a higher level of programs and services to their residents. While the type and scale of arrangements being formed varies greatly, overall trends show that many municipalities are being proactive in trying to find solutions to regional issues.

In addition, a larger component of grant funding from other orders of government is being allocated towards inter-municipal collaboration. Programs such as the Municipal Sponsorship Program (MSP) and Municipal Sustainability Initiative (MSI) provide incentives when municipalities collaborate with their neighbours. Cooperation,

especially in Alberta's economic climate, is becoming an essential component to local governance.

Working Together*Inter-municipal cost sharing agreement improves service delivery*

Woodlands County and the Town of Whitecourt have recently partnered, after working together for several years, to provide residents with increased availability and accessibility to municipal services.

Through the development of an inter-municipal cost sharing agreement, these municipalities are able to provide services at a lower cost as duplication between the municipalities is eliminated. The process has strengthened the sense of community shared between the municipalities and a commitment to provide residents of the area the most effective and efficient delivery of services possible.

4.0 Regaining *Municipal Viability*

Given the current municipal landscape and increasing citizen expectations, some municipalities in the province will have to look for new ways to continue or regain their viability.

4.1 Engaging the Broader Community

One of the most effective ways to achieve positive results when looking for ways to become viable is to engage the members of the broader community in the discussion and planning process. As stated earlier, municipal boundaries do not always define a community. Many residents throughout Alberta consider themselves part of a community that may be different, jurisdictionally speaking, from their actual place of residency. There may also be a number of communities located within a single municipality. Simply put, communities are fluid, changing, and commonly don't adhere to municipal boundaries.

Because of this, it is essential that discussions of *municipal viability* should incorporate the viewpoints, ideas, and interests of the broader community. Working together, members of a community are capable of developing plans and strategies that will ensure long term *community sustainability*.

4.2 Exploring *Municipal Viability Options*

It is important to note that there are various options available for communities as they explore ways to regain viability. Traditionally, municipalities with questionable viability have been subject to possible dissolution or amalgamation. However, other options may exist that can achieve successful results. These include:

- **Long term community strategic planning** - can the community develop sound strategic plans that identify specific strategies and actions that, if implemented, will allow the municipality to be viable?
- **Reduction of services** – are there options available to reduce the current level of service in the municipality? Some examples include investigating the conversion of oiled roads to unpaved, elimination of solid waste removal or snow removal services, etc. The lack of legislated minimum service standards makes this possible.
- **Outsourcing arrangements** – can the municipality outsource non-essential components of its operations to a third party to provide to save on costs or increase municipal resources?
- **Financial partnership agreements** – can the municipality work collaboratively with its neighbours to share the costs to operate or revenue generated from infrastructure or programs to deliver key services?⁹

⁹ For a detailed description of this array of options see “*Equitable Economics: Inter-Municipal Financial Partnerships*”, http://www.aamdc.com/index.php?option=com_content&task=blogcategory&id=191&Itemid=447

As a community, these and other options could be explored to assess if they will resolve the viability issues experienced by the municipality.

5.0 Recommendations

In keeping with the guiding principles, AAMDC offer several recommendations to assist municipalities assess their viability. In addition AAMDC recommends that the GOA support municipalities in developing new options to ensure *municipal viability* and consequently *community sustainability*.

It is the position of the AAMDC that *municipal viability* cannot be maintained in the long term without *community sustainability*. The recommendations should be considered as a starting point. It is imperative that all municipalities be consulted before any major policy changes are implemented.

Recommendation 1: Define Indicators of Municipal Viability

Using the Six-Part Test as a starting point, the GOA should develop a set of indicators that can be used to assess *municipal viability*. The potential viability criteria (described in more detail in Section 2.4) are:

- Ability to Operate
- Ability to Govern
- Provision of Services
- Citizen Involvement
- Financial Stability
- Management of Risks

When looked at as a whole, these indicators should provide an overall assessment of a municipality's viability. The following are some examples of specific factors that could be used in determining *municipal viability*:

- Ability to Operate - *Reliance on funding transfers from other governments* - This should consider municipalities who receive greater than 25 per cent of their total annual revenue from operating grants. Financial transfers from federal, provincial and other municipal governments as reported to Municipal Affairs should be considered.
- Ability to Govern - *Ability to form full council* - Are council positions consistently vacant in the municipality?
- Provision of Services - *Ability to provide core services* - Municipalities that are unable to provide adequate transportation infrastructure, emergency and environmental services for residents, especially roads, fire, water and waste water treatment may potentially be unviable.
- Citizen Involvement – *Attendance at municipal government initiated events* - Are there significant turnouts at municipal planning events or reports to the community?
- Financial Stability - *Balanced budget* - Is the municipality running a deficit budget on a yearly basis? Are they exceeding their debt ratio?
- Management of Risks - *Restricted Reserves* – Are dedicated funds being set aside for the eventual replacement of capital infrastructure?

Other indicators and factors may be used as the tool is developed and feedback is received. Weighting of these factors will also have to be considered. Additionally, work will need to be carried out in order to establish baseline standards. These standards will be the measuring stick that determines if a municipality is considered potentially unviable.

Recommendation 2: Test Draft Indicators with Municipalities to Ensure Validity

Once a series of *municipal viability* indicators have been developed, they should be tested with a number of pilot municipalities before rolling out to all municipalities in the province. The purpose of this testing is to determine if the indicators used are measurable, if information is easily attainable, and the outcomes are valid. The testing should also be used by the GOA to set baseline standards for *municipal viability*. Feedback from the pilot municipalities should be incorporated into the framework.

Recommendation 3: Require Reporting to Municipal Affairs on Viability Indicators

As part of annual statistical information return, all municipalities in the province should be required to report on the viability indicators developed. Using the baseline standards developed, Alberta Municipal Affairs can then determine if a municipality does not meet the requirements of a viable municipality.

An important aspect of this annual reporting requirement is to give each municipality the opportunity to provide an explanation of variances from standards. For example, a municipality may not meet the standard for a particular indicator (e.g. balanced budget) due to irregular or one-off spending in that reporting year. The municipality should be given an opportunity to explain why this indicator does not reflect on their viability.

Recommendation 4: Require Community Exploration of Viability Options by Municipalities that Fall Short of Baseline Standards

Municipalities that do not pass the baseline standards established by Municipal Affairs should be required to investigate options to remain viable in a conversation with the broader community (not restricted to municipal boundaries). This would include neighbouring municipalities, community organizations, and other stakeholders that have a vested interest in the long term sustainability of the community.

It is important to communicate to the municipalities that falling short of baselines does not automatically suggest there will be major restructuring. These communities should have the freedom and a sufficient time frame to develop unique options to achieve *municipal viability* and the resulting *community sustainability*. There are a wide variety of potential options, from strategic planning to amalgamations to exploration of new ways of using technology to promote council or committee membership. See the next page for a description of the process.

Recommendation 5: Develop an Option Evaluation Tool

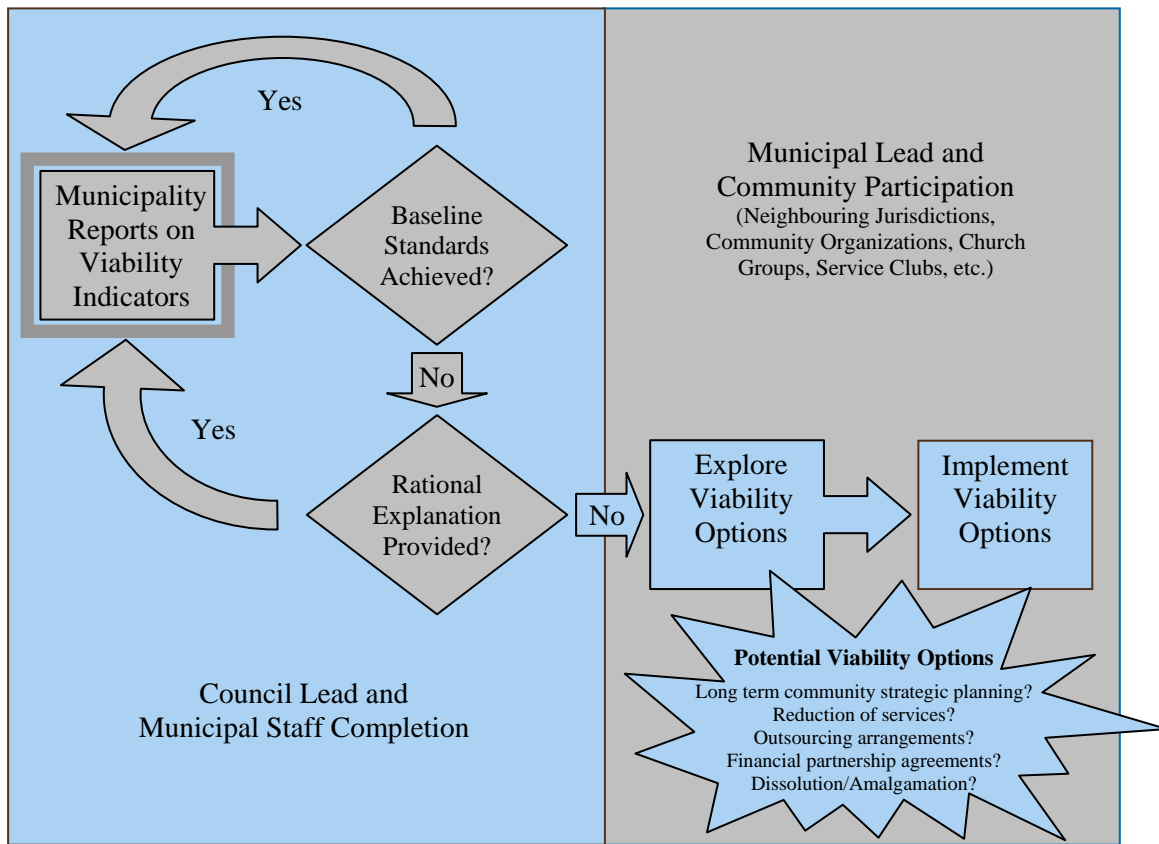
The GOA should develop a tool or framework for municipalities to evaluate the options that they generate for improving *municipal viability*. The tool would assist municipalities determine the costs and benefits of each approach they identify. It would include a number of criteria that each option should be tested against that would demonstrate how the option will achieve *municipal viability* moving forward. From here, municipalities can select the option that works best and work with the GOA to undertake the actions necessary to become viable.

Conceptual Process of Assessing Municipal Viability and Achieving Community Sustainability

While the final incarnation of this process should be developed through consultation with municipalities, the diagram on the next page (Figure 5.1) and the summarized bulleted points illustrates the basic components of the “Assessing Municipal Viability - Achieving Community Sustainability” Process.

1. Annually, each municipality would report on the determined indicators of viability. If they achieve the baseline standards, no further action by the municipality would be required.
2. If they failed to meet the standards, they would be required to provide an explanation of the unusual nature of the result and the temporary nature of the variance.
3. If they are unable to provide such an explanation, the municipality would be required to explore longer term options in a community context. This context would bring neighbouring municipalities and community organizations together, led by the municipality.
4. Explore and implement options that would ensure; not only the current municipal viability of the entities involved, but more importantly would lay a path for community sustainability in the long term.

Figure 5.1 – Conceptual Process



Alignment with Guiding Principles

Tables 5.1 and 5.2 are provided to show the alignment of this paper’s recommendations with the issues outlined above and their congruence with the principles stated in Section 2.

When looking at the alignment of these recommendations with the guiding principles established earlier, there is significant support for the recommended actions. Allowing the community to participate in an exploration of *municipal viability* options that work best for them and supporting them through an evaluation tool will be critical to conducting this initiative in a principled manner.

Table 5.1 – Alignment scale

High	Medium	Low	None
This recommendation is critical to the resolution of the issue.	This recommendation will significantly contribute to the resolution of the issue.	This recommendation will marginally contribute to the resolution of the issue.	This recommendation has no impact on the resolution of the issue.

Table 5.2 – Recommendations versus Principles

	Identity – Communities are not defined by legal incorporation. One community may be comprised of several municipalities.	Self Determination - Where possible, Alberta municipalities should be provided a framework or tools necessary to explore options to improve their viability.	Service Level Continuity – Where possible, improving viability should not result in a decrease in service delivery to either party’s ratepayers.	Cost Equity – Where possible, improving viability should try to eliminate disparity in mill rates and avoid escalation of property taxes to either party’s ratepayers	Fairness – Restructuring of municipalities should only occur if the Province helps mitigate any negative financial impacts.
Rec. 1: Define Indicators of Municipal Viability	Medium	Low	Medium	Medium	Medium
Rec. 2: Test Draft Indicators with Municipalities to Ensure Viability	Low	Medium	Low	Low	High
Rec. 3: Require Reporting to Municipal Affairs on Viability Indicators	Low	Medium	Medium	Medium	Medium
Rec. 4: Require Exploration of Viability Options by Municipalities that Fall Short of Baseline	High	High	High	High	Medium
Rec. 5: Develop Option Evaluation Tool	High	High	High	High	High

6.0 Potential Implementation Issues

There are a number of issues that must be considered before any dramatic movement in restructuring is pursued.

6.1 Infrastructure Debts

There have been substantial discussions in recent years of the infrastructure debt that are currently being carried by all levels of government, especially municipalities. The GOA has recognized the municipal infrastructure debt through the introduction of a number of programs, the Alberta Municipal Infrastructure Program (AMIP), the New Deal for Cities and Communities (NDCC) – offered in partnership with the Government of Canada, and most recently the Municipal Sustainability Initiative (MSI).

While the new funding has been welcomed by municipalities, the issue still exists that the debt has not been fully quantified. In its 2006 study, the *Rural Transportation Grant Funding Options Report*¹⁰, the AAMDC estimated the overall road infrastructure debt in the province's rural municipalities at over \$1.8 billion. No comparable work has been done to quantify the debt associated with other asset types, such as buildings, water – wastewater systems, etc., nor have the assets of urban municipalities been studied. As such, Alberta municipalities and the GOA cannot accurately determine if the funding currently provided to address municipal infrastructure needs is sufficient.

A comprehensive understanding of this level of debt is critical. This unknown financial burden cannot be thrust upon any receiving municipality through restructuring.

6.2 Transitional Cost

A study of the recent amalgamations and dissolutions in the province shows that certain aspects of transition, including severance, building consolidation and fleet rationalization, can require initial costs to provide longer term savings. These costs unless supported could provide another fundamental challenge to the restructuring of municipalities.

6.3 Transition Disputes

Any kind of major change can create anxiety in organizations. As such, the restructuring of municipalities must manage the fear of the unknown. Maintenance of service levels or allocation of council representation are just two examples of the disputes that can occur in restructuring. Such disagreements can, and have been, managed if the required resources are available to the parties in a timely manner. It will again be critical that such services are available to parties during any restructuring process.

¹⁰ AAMDC, *Rural Transportation Grant Funding Options Report*, May 2006.

6.4 Dramatic Property Tax Increases and Decreased Service Levels

As most of the opportunities for restructuring will be between urban and rural municipalities, the dramatic differences in tax rates of the entities will need to be addressed. Table 6.1 shows the variance of average tax rates between municipality types.

Table 6.1- 2008 Average Tax Rates by Municipal Type

STATUS	Residential/Farm Land	Non-Residential
City	4.99	11.56
Improvement District	2.68	3.07
Municipal District	5.23	11.15
Special Area	3.77	4.59
Specialized Municipality	4.32	9.98
Summer Village	2.79	3.59
Town	7.86	12.83
Village	12.18	16.29
Provincial Average	7.58	11.86

It is noteworthy that towns and villages are the only type of municipality that on average are above the provincial average for both Residential/Farmland (Figure 6.1) and Non-Residential Mill Rates Figure (6.2).

Figure 6.1 – Average Residential/Farmland Tax Rates by Municipal Type

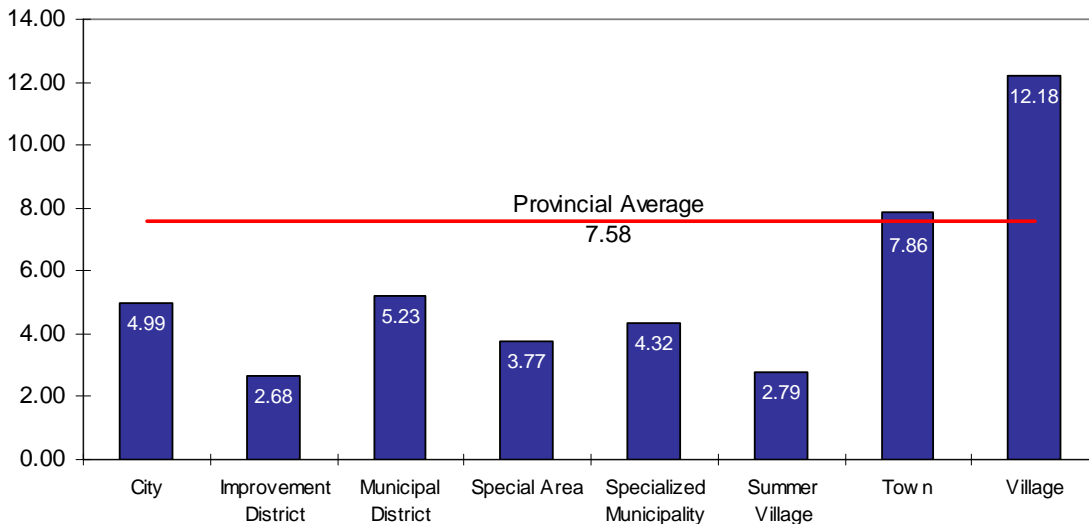
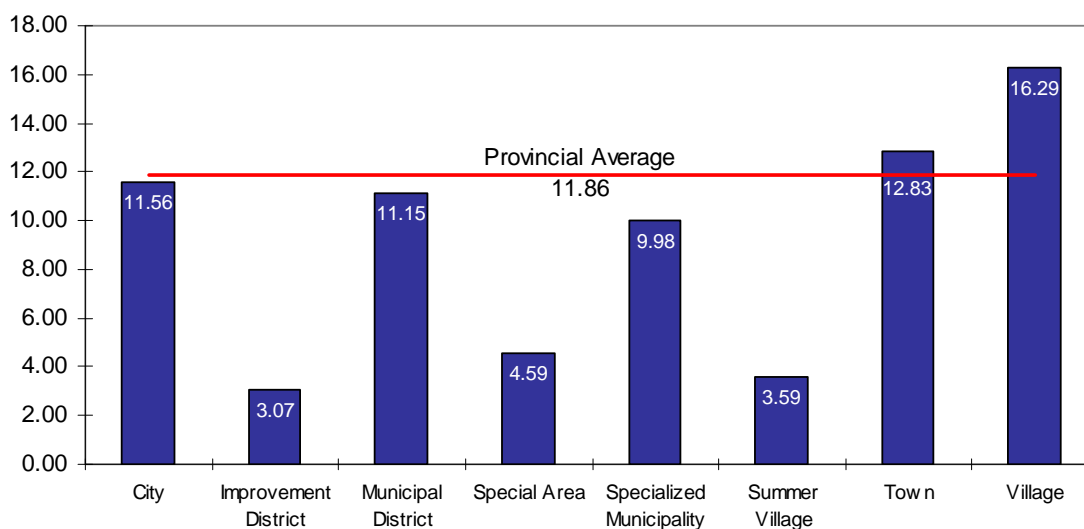


Figure 6.2 – Average Non-Residential Tax Rates by Municipal Type



As well, there is often a high degree of difference among the services offered to rural and urban residents. For example, waste pick up is generally a service offered by urban municipalities that is not generally offered by rural municipalities. Negotiation will allow the various parties to reach a reasonable compromise but such transitions may have to be supported by the Province to allow this changeover to occur smoothly.

In the cases of both tax rates and service delivery, effective communications, patience and resources may be required for an efficient transition.

6.5 Perceived Loss of Identity

Many municipal residents may have a difficult time recognizing that there is a difference between the legal identity of their municipality and their notion of community. While there are numerous examples of communities in Alberta that have changed their municipal status through restructuring and have successfully maintained their sense of community¹¹, many residents may not immediately see this in their future. The parties involved will need to be supportive and compassionate with residents who have a difficult time imagining their community with a different municipal identity. Encouragement to value the long-term community sustainability may be necessary.

6.6 Administrative Burden

From an administration perspective, many municipalities operate near capacity and have limited resources to manage an increased workload. Annual reporting on viability may increase the strain on these resources. Therefore, the established process for reporting on

¹¹ The Hamlet of Plamondon, resulting from the dissolution of the Village of Plamondon into Lakeland County, is an excellent example. The community's francophone flavour has remained even with their loss of village status.

viability should be made as undemanding and straightforward as possible to ease the burden on municipal staff.

7.0 Appendices

Appendix A: Sources of Information

The following Information Sources were consulted in the development of this discussion paper.

Information Sources
AAMDC, Equitable Economics: Inter-Municipal Financial Partnerships, 2008
A Guide to Voluntary Municipal Restructuring, New North (Saskatchewan Association of Northern Communities), Saskatchewan Association of Rural Municipalities (SARM), Saskatchewan Urban Municipalities Association (SUMA), Rural Municipal Administrators Association of Saskatchewan (RMAA), Urban Municipal Administrators Association of Saskatchewan (UMAAS), Saskatchewan Department of Government Relations (GR), Updated January 2008.
AUMA Convention Policy Paper, Future of Local Governance, June 9, 2009.
AUMA Discussion Paper, Formation, Fundamental Changes and Dissolution, 2004.
AUMA Position Paper, Multi-Jurisdictional Planning, Alberta Urban Municipalities Association, February 22, 2007.
Local Government Resource Handbook, Service Nova Scotia and Municipal Relations, December 2006.
Ministerial Order No. L:077/01, Minister of Municipal Affairs, 2001.
Municipal Financial & Statistical Data, 2007 Municipal Statistics, Alberta Municipal Affairs, http://www.municipalaffairs.gov.ab.ca/municipal_financial_statistical_data.cfm
Municipal Health Checklist, Association of Manitoba Municipalities (AMM)
Municipal Sustainability Self-Assessment Tool Kit, Municipalities Newfoundland & Labrador (MNL)
Municipal Viability Issues: a scan for potential issues in local government, Alberta Municipal Affairs, May 2002.
Submission to Inform the Productivity Commission's research into "Assessing Local Government Revenue Raising Capacity", Western Australian Local Government Association, July 2007.
The Fiscal Implications of Land Use: A "Cost of Community Services" Study for Red Deer County, Miistakis Institute, 2007.
Town of Granum Dissolution Study, Alberta Municipal Affairs, August 2001.
Town of Lac La Biche and Lakeland County Amalgamation Study, Austrom Consulting Ltd., January 2007.
Village of Breton Dissolution Study, Alberta Municipal Affairs, February 1997.
Village of Caroline Dissolution Study, Alberta Municipal Affairs, January 2007.
Village of Mirror Dissolution Study, Alberta Municipal Affairs, March 2000.
Village of Mirror Dissolution Study, Alberta Municipal Affairs, March 2003.
Village of Sangudo Dissolution Study, Alberta Municipal Affairs, August 2007.
Village of Thorhild Dissolution Study, Alberta Municipal Affairs, September 2003.
Village of Torrington Dissolution Study, Alberta Municipal Affairs, October 1997.
Village of Youngstown Dissolution Study, Alberta Municipal Affairs, July 1998.

Appendix B: Ministerial Order L:077/01



ALBERTA
MINISTER OF MUNICIPAL AFFAIRS

MLA, Fort McMurray

MINISTERIAL ORDER NO. L:077/01

I, Guy Boutilier, Minister of Municipal Affairs, pursuant to section 76 of the Municipal Government Act, make the following order:

Except as otherwise provided by the Minister, the following principles, standards and criteria shall be applied when considering an application for a study of municipal restructuring pursuant to Part 4 of the Municipal Government Act:

1. Municipal restructuring includes the formation, amalgamation and dissolution of municipalities.
2. The following matters should be taken into account in considering proposals for municipal restructuring:
 - (a) the financial viability of the affected municipalities;
 - (b) the effects on the council structures, administrations, services and operations of the affected municipalities;
 - (c) the population of the participating municipalities, and the resulting effects on the political representation of the affected communities;
 - (d) whether an appropriate process has been used to initiate and develop the municipal restructuring proposal pursuant to Part 4 of the Municipal Government Act; and
 - (e) whether the process used has adequately identified the impacts of restructuring on the affected municipalities.
3. The formation process is appropriate when the restructuring will result in the creation of a new municipal government unit from one or more existing municipal governments or improvement districts.
 - (a) the formation of a new municipal government will be considered if the ongoing financial, political and operational viability of the new and remaining municipality or municipalities is likely to be achieved;
 - (b) the formation of a new municipal government should not be considered if it will result in an increase in the total number of municipal governments in Alberta.

- 2 -

4. The amalgamation process is appropriate where two or more municipalities are joined to form a new municipal government unit with a new council and administrative structure that is significantly changed from the pre-existing structures of the affected municipalities.
 - (a) amalgamation will be considered if there are demonstrable advantages to the residents of the affected municipalities and if the ongoing financial, political and operational viability of the amalgamated municipality is likely.
5. The dissolution study process is appropriate where the intended restructuring does not require major changes to the council structure, administration or operation of the receiving municipality.
6. A dissolution study is not appropriate when the request raises broader regional issues that can be better addressed through another process such as a regional initiative or intermunicipal mediation.
7. If there are ongoing and unique requirements for the new municipal government proposed as a result of a municipal restructuring process, consideration will be given to the use of specialized municipal status pursuant to section 83 of the Municipal Government Act.
8. The Minister may direct the use of an appropriate study process on the receipt of any application for municipal restructuring.

Dated at Edmonton, Alberta, this 20 day of November, 2001.



Guy Bouffier
Minister of Municipal Affairs