

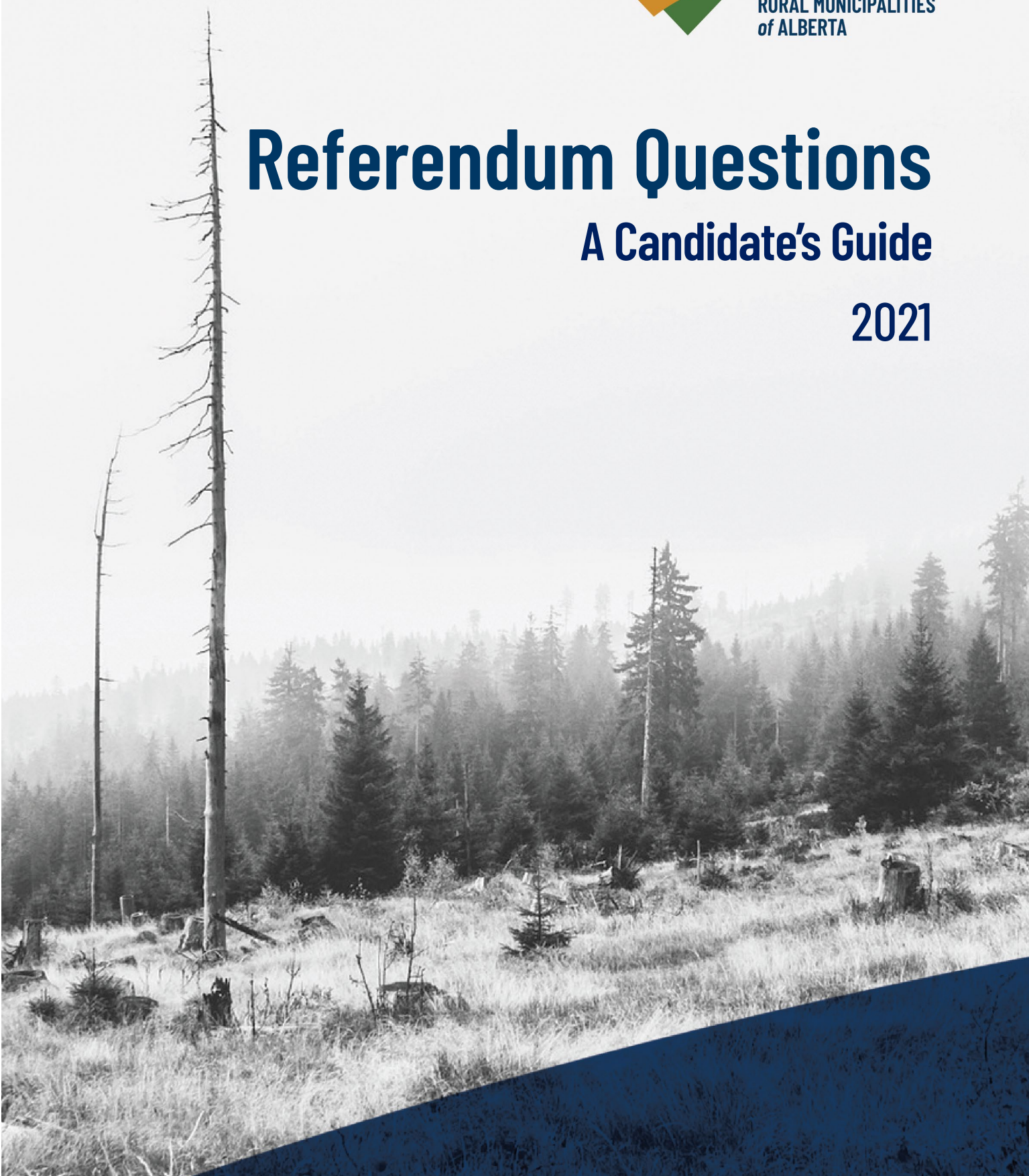


RMA
RURAL MUNICIPALITIES
of ALBERTA

Referendum Questions

A Candidate's Guide

2021



Introduction

With the 2021 municipal elections just around the corner, it is important for those running for office in rural municipalities to begin preparing their campaign. While the campaigning and election process is always a challenge for both incumbents and new candidates, the 2021 election is shaping up to be especially complex. Recent changes to the *Local Authorities Election Act*, the impacts of the COVID-19 pandemic, and the likely inclusion of referendum questions and senate elections on municipal ballot present three unusual issues for municipal candidates to contend with.

What this document is

RMA does not provide candidates with political guidance or direction related to their election campaigns. Municipal elections are based on local positions related to local issues. However, the Government of Alberta's likely decision to include referendum questions and senate election issues on municipal ballots will result in provincial and federal issues being thrust into municipal campaigns across the province.

This guide is intended to provide candidates with an overview of how referendums and senate elections will intersect with the municipal election process. It will also provide an overview of issues that may be addressed through referendum question, as well as senate elections, and provide some suggestions for how candidates can respond to voter questions about the referendum and senate elections in a way that will move their focus back to local issues.

As the Government of Alberta has not yet confirmed whether referendum questions will be included on the municipal ballot, or what the referendum questions will be, this document will focus on issues that are likely to be included as referendum questions based on comments from the provincial decision-makers, media, and stakeholders.

What this document is not

This document does not recommend that candidates take a specific position on referendum issues or senate elections. It is also not intended to oppose or support the province's use of referendums or senate elections in general.

This document is also not stating that municipal candidates should not or cannot campaign related to provincial issues. Municipal candidates are free to take a position on referendums and senate elections (and any other issues).

Who this document is for

This document is intended to be used by any incumbent or new candidate running for office in the upcoming October 2021 municipal election. Although some of the content will be tailored for rural municipalities, individuals running for office in any municipality in the province may find the guide helpful.

This guide will be posted on RMA's website and made available through other means. Municipalities are welcome to post the guide on their websites or provide to candidates as they see fit.

Referendums: An Overview

Referendums are an opportunity for a provincial government to gather direct input from citizens on specific issues through a direct vote. Referendums can be binding or non-binding.

Alberta's *Referendum Act* allows the province to hold a referendum on any topic. Specifically, the Act states that the Lieutenant Governor in Council can call for a referendum on any matter of public interest or concern. The Act also allows the province to hold a referendum as a standalone event, in conjunction with a provincial election, or in conjunction with an election under the *Local Authorities Election Act* (a municipal election).

Although there have been plenty of rumblings in the media, directly from government leaders, and through the [Fair Deal Panel](#) that referendum questions will be added to ballots during the municipal election taking place in October 2021, it has not been confirmed to this point. Unfortunately, it may not be confirmed for several more months, as the Referendum (General) Regulation does not require the province to make an order for a referendum until 14 days before nomination day for the municipal election. This means that the referendum may not be confirmed until September 7, 2021. Not only will the order confirm that the referendum questions will be added to the municipal ballot, but it will indicate what the referendum questions will be. The province can issue the order or share the referendum questions earlier, but they are under no obligation to do so.

Senate Elections: An Overview

Between 1989 and 2012, Alberta was the only Canadian province to elect nominees for appointment to the Senate of Canada. The elections were non-binding, as the appointment of senate positions is the responsibility of the Governor General of Canada. The last Alberta senate election took place in 2012, alongside the provincial general election before the legislation allowing for senate elections expired.

In 2019, the Government of Alberta passed the *Alberta Senate Election Act*, which, similar to referendums, allows senate elections to be held as a standalone event or in conjunction with a provincial or municipal election.

Also like referendums, an order for a senate election in conjunction with the municipal election is not required until September 7, 2021.

Learn More

[Elections Alberta – Senate/referendum information](#)

Referendum Questions – Response Options

Because referendum questions are likely to be more publicized to voters than municipal election issues, there is a high likelihood that at least some voters will expect municipal candidates to have positions on referendum issues that are completely unrelated to municipal government. In this situation, it is important that candidates are familiar with the issues but can bring conversations back to a municipal focus.

This section will provide a summary of rumored referendum questions, as well as potential candidate responses.

Abolishing or Amending the Federal Equalization Formula

What is the issue?

The Government of Canada manages an equalization program intended to address fiscal disparities between provinces to ensure that all provincial governments can provide public services to their citizens at a roughly equal level. The equalization program is based on a formula that measures the fiscal capacity of each province. The formula establishes a baseline fiscal standard, and provinces that exceed the fiscal standard do not receive equalization payments, and those that do not reach the fiscal standard do receive equalization payments.

The fiscal standard is determined using a combination of financial indicators such as personal incomes taxes, property taxes, natural resource revenue, and others. The actual payments made to qualifying provinces are based on their individual fiscal measures in relation to the fiscal standard, as well as other factors such as population. No province sends money to the Government of Canada under the equalization program; any money sent from provincial to federal coffers is in the form of federal income and sales taxes, etc.

The Government of Alberta has identified the equalization program as unfair. Recently, Alberta has not received equalization payments due to having a fiscal capacity ranking above the fiscal standard. While the fairness of equalization is debatable, the Government of Alberta plans to use a referendum to determine whether Albertans support removing equalization from the federal *Constitution Act*. If removal is supported, it will not compel the Government of Canada to take any action, but will strengthen the province's advocacy position.

How does the issue relate to municipalities?

The federal equalization system has no direct impact on Alberta's municipalities. Indirectly, municipal property taxes collected are a component of the formula for determining a province's fiscal capacity. If Alberta received equalization funding, this may result in more money being available for provincial priorities, which could include municipal funding, though there is no guarantee that the elimination or amendment of the equalization formula would have any impact on municipalities.

Candidate speaking points and key messages on this issue

- ◆ Equalization is a federal program impacting all provinces in Canada. Municipalities have no role in the program and are in no way directly impacted by the program.
- ◆ As a municipal candidate, my main fiscal concern is that our municipality receives proper support from the provincial government in the form adequate grant funding for municipal infrastructure and services and protecting municipal autonomy for land use and development planning.

Learn more

[Government of Canada – Equalization program](#)

Creating an Alberta Pension Plan

What is the issue?

Currently, all employed Canadians over the age of 18 are required to contribute a portion of their earnings to the federally-administered Canada Pension Plan (CPP). When contributors reach retirement age, they may apply to receive benefits under CPP that are equal to a portion of their average earnings over their working life.

Provinces may opt out of the CPP but must offer a comparable plan to residents. Currently Quebec is the only province in Canada that has opted out of the CPP, as they administer the Quebec Pension Plan.

The Fair Deal Panel recommended that Alberta withdraw from the CPP and replace it with an Alberta Pension Plan. According to the Fair Deal Panel, Alberta's younger population, higher incomes and historically high rates of employment relative to Canadian averages mean that in recent years, Alberta has contributed to the plan at a disproportionately high rate. Replacing the CPP with an Alberta Pension Plan would theoretically allow benefit levels to remain the same but contribution rates to reduce, as Albertans would no longer be subsidizing the lower contribution rates in other parts of the country.

While the shift away from the CPP may present better value for the province in some ways, it would bring with it serious questions about the plan's governance, management, administrative costs, and potential increased risk and volatility associated with a smaller contribution base.

The Government of Alberta has currently commissioned an outside firm to conduct an analysis on a possible shift to an Alberta Pension Plan. Depending on the outcomes of the analysis, the Government of Alberta may add a referendum question on this topic to the municipal ballot.

How does the issue relate to municipalities?

This issue has no direct or indirect impact on municipalities.

Candidate speaking points and key messages on this issue

- ◆ The possible replacement of the Canada Pension Plan with an Alberta Pension Plan is strictly an issue between the provincial and federal governments, and has no connection to municipalities.
- ◆ For municipalities, the most relevant aspect of the possible shift to an Alberta Pension Plan is the impacts it may have on Alberta's standing as a desirable place to live and work. A change should only be made if it will better position Alberta to recruit and retain talented employees and new investment.

Learn more

[Government of Canada – Canada Pension Plan Overview](#)

Replacing the RCMP with a Provincial Police Service

What is the issue?

Currently, all of Alberta's rural municipalities (and all municipalities in the province, except for several mid-sized and large cities) receive their policing service through the RCMP. Recently, the Government of Alberta, based on a recommendation from the Fair Deal Panel, is considering the creation of a provincial police service to replace the service currently provided by the RCMP. The province has commissioned PriceWaterhouseCooper (PwC) to undertake a "transition study" to determine what a provincial police service would look like. The study is expected to be complete by the end of April 2021. Based on the outcome of the study, the Government of Alberta will determine possible next steps, which may include gauging public support for a provincial police service through a referendum question.

The Fair Deal Panel identified concerns with a lack of responsiveness to local community needs due to the RCMP's centralization in Ottawa, as well as inefficient use of the province's financial contributions to policing.

According to the Fair Deal Panel and Government of Alberta, a provincial police service may allow for stronger relationships between police and communities, greater local control over policing, and increased nimbleness in shifting resources throughout the province to respond to crime trends and emerging community needs.

However, the Fair Deal Panel and Government of Alberta have not yet shared information on implementation costs or ongoing operational and capital costs, and whether a provincial police service will be able to provide a comparable level of service to municipalities at a comparable cost to that currently paid to the RCMP. A provincial police service will result in the province no longer receiving \$112 million per year in police cost contributions from the federal government. It will also result in unknown, but likely large implementation costs related to everything from uniforms to training curriculum and facilities to vehicles and equipment to policy and governance development. It is also unknown if or how a provincial police service will be able to replace specialized services, equipment, and capacity currently available through the RCMP.

How does the issue relate to municipalities?

The exact impact that a shift to a provincial police service would have on municipalities is unknown. There is a strong possibility that municipalities will be required to incur additional costs for a provincial police service due to the loss of federal contributions combined with potential higher overall costs due to a loss of some economies of scale in moving away from the RCMP. On the other hand, municipalities may see improved policing services and enhanced local input into policing under a provincial model.

Unfortunately, none of these details are known at this point, though it is undeniable that municipalities would be impacted in multiple ways by a shift to a provincial police service.

Candidate speaking points and key messages on this issue

- ◆ Regardless of who delivers policing, my top priority is that residents feel safe in their homes and police are visible and active in the community.
- ◆ Our municipality already contributes to policing costs. Any change in how policing is delivered should not increase costs and should improve service levels and local input in our community.

Learn more

[RMA Issue Backgrounder – Provincial Investigation into Creating an Alberta Police Force](#)