



**RMA**  
RURAL MUNICIPALITIES  
of ALBERTA

# MUNICIPAL STRUCTURES

An Alternative Dialogue for Municipalities in Alberta

October 2022

## EXECUTIVE SUMMARY



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The conversation tied to municipal restructuring has a cyclical nature in Alberta, often reintroduced during times of economic uncertainties and fluctuations. For the purposes of this report, “municipal restructuring” refers to boundary adjustments that redefine the jurisdiction of one or more municipalities through expansion, contraction, or consolidation.

It can be argued that local governments play a bigger role in citizen wellbeing today than at any other point in time. However, it is inarguable that our society is far more complex today than when the concept and structure of local government was first conceived and introduced. This report considers the connection between the concept of complexity and using municipal restructuring as a potential tool to address it.

Within the context of changes at the local government level, municipal restructuring certainly merits consideration as an option, but this cannot be perceived as an “either/or” scenario. The result of restructuring introduces either a completely new municipality, or significantly alters the nature of an existing municipality. This level of disruption is an upheaval to all aspects of governance, operations, budgeting, etc., increasing the likelihood that new challenges will emerge as old ones are considered solved.

This project neither advocates for nor against municipal restructuring, but merely strives to raise the awareness of the complexity of municipalities and the importance of considering multiple perspectives when determining how and when to explore restructuring as an option.

## A CHANGING SYSTEM

Historically, the public has relied on the local government for leadership and solutions to the community's most pressing challenges. Local government, and its bureaucracy, exists to further the interests of citizens. Fundamentally, local government enjoys key advantages over higher orders of government, such as:



LOCALIZED FOCUS



MANAGEABLE  
SCALE



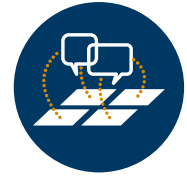
DEEPER  
CONNECTION TO  
THE COMMUNITY



ABILITY TO BUILD  
SOCIAL CAPITAL



INTIMATE  
KNOWLEDGE OF  
LOCAL NEEDS



CREDIBILITY TO  
CONVENE  
MULTI-SECTOR  
DIALOGUE

The ultimate challenge of local governments across Alberta and Canada is to maximize service provision to meet the diverse needs of residents and businesses with a limited funding base. Shifting the current approach requires breaking away from deeply embedded assumptions of how local government is supposed to operate, opening new possibilities for community impact.

## A COMMUNITY-BASED APPROACH

Determining pathways to strong, healthy, and resilient communities is a challenging conversation with many official and unofficial participants. The notion of municipal restructuring is typically focused on the viability of the municipality without understanding the broader context of the community where the municipal organization is only one piece of the puzzle.

The local government, as true champions and stewards of the community can take a leadership role in harnessing resources from public, private and non-governmental organizations to promote outcomes, rather than attempt to fund and/or operate local initiatives on their own. This represents an alternative form of partnership and collaboration that seeks to leverage assets in the community outside the local government.

## THE UNIQUE NATURE OF THE ALBERTA CONTEXT

The roles of municipalities in Alberta are intentionally subjective, intended to allow for a broad range of municipal actions, decisions and priorities to be linked to these roles, and for different municipalities to make different decisions and identify different priorities while still fulfilling their roles. Rather than producing a prescriptive list of what municipalities “may and may not do,” the MGA allows municipalities to serve their purpose in ways that align with their size, capacity, geography, and local priorities.

While municipalities in Alberta are all considered equal relative to their legislated responsibilities within the MGA, how municipalities function relative to their type is very different. This is not simply acknowledging the difference between rural and urban municipalities. The scale of “urban” municipalities runs across a very diverse spectrum from summer villages to villages to towns to cities. Not to mention the vast differences within municipal types. Similarly, there are differences among rural municipalities that make it difficult to lump them all under the same classification.



## RESTRUCTURING OPTIONS

Restructuring is not a new phenomenon. There are many different examples of governments from across the world who have been grappling with this discussion for decades. Within the concept of restructuring, changes have largely focused on redrawing the lines on the map to change the geographic construct of local government, fixated on improving the cost effectiveness of administration and service delivery.

Changes to the structure of local government will range from a relatively minor change, typically associated with small (or large) boundary adjustments that shift the jurisdictions of defined land base from one municipality to another, to full-scale mergers of two or more municipalities into a new local government.

## WHAT IS DRIVING THE DIALOGUE?

Restructuring is often framed as a straightforward solution to a complex problem. Proponents of municipal restructuring commonly advance similar arguments related to better services, lower costs, and reduced government. These objectives are legitimate and reflect successful operations for any type or size of municipality. What is less clear is how and to what extent restructuring will move municipalities in a positive direction in these areas.

The push for restructuring municipalities into bigger and fewer local governments often points to a rationale that a “regional” approach to “local” government offers greater financial capacity, better coordination of service delivery, more streamlined decision-making, and overall greater efficiencies. This has manifested around the following perspectives that have become commonly used by proponents of restructuring, especially at a wide scale.



1. **A regional approach provides a more effective level of governance, reduces intermunicipal disputes, and streamlines decision-making processes.<sup>1</sup>**



2. **A regional approach can deliver services more efficiently, delivering the same number and level of services under a smaller bureaucratic footprint processes.<sup>2</sup>**



3. **A regional approach makes better use of public money, through a greater cost-effectiveness of operations and service delivery.<sup>3</sup>**

1 Brunet-Jailly, Emmanuel, “Local Government in a Global World: Australia and Canada in Comparative Perspective” (2010). The Institute of Public Administration of Canada Series in Public Management and Governance.

2 Slack, Enid and Bird, Richard, “Does Municipal Amalgamation Strengthen the Financial Viability of Local Government? A Canadian Example” (2013). ICEPP Working Papers. 2013. ICEPP Working Papers. 36.

3 Schlacter, Bill, “Key Challenges and Strategies for Local Government” (2013). Fiscal Policy and Governance Committee. University of Pittsburgh,



4. **Eliminating local governments reduces “red tape” and the number of regulations landowners, businesses, and developers need to deal with, making the larger municipality more attractive for economic investment.**<sup>4</sup>

Whether advocating for or against restructuring, the rationale is never absolute in the absence of local context. We can discuss the intent of restructuring around the desire to create strong and healthy communities, but how do we define the extent of the community? How do we know what areas of the community are strong and healthy and which ones are weak and ill? The nature of how municipalities are defined does not reflect the nature of how we identify communities. While “community” boundaries are not an objective component of local governance, they are an important factor in how municipalities collaborate and should be considered.

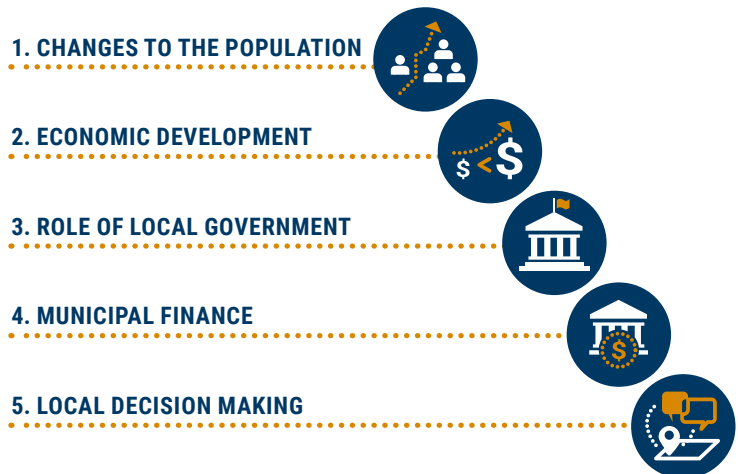
## THE NEED FOR STRONG, HEALTHY COMMUNITIES

There needs to be space and openness for conversations that extend beyond the simple binary of reinforcing the status quo or restructuring. Given the many different factors that contribute to the relative health of any given municipality, their complex interconnections make it difficult to confidently assert that restructuring is the necessary solution.

Restructuring is considered a complex process because it impacts every facet of the municipality’s current structure and operations. When considering whether to merge municipalities, the responses from citizens, elected officials, staff, and administration will be different based on their own individual perspectives on the issues that restructuring may solve, or the different opportunities it may present.

## KEY CONSIDERATIONS

The following considerations and associated questions can help municipal decision-makers to think through complex local challenges and how restructuring may or may not improve the strength of the community.



Institute of Politics.

4 Miljan, Lydia and Spicer, Zachary, “Municipal Amalgamation in Ontario” (2015). Fraser Institute.

## FRAMING THE SYSTEM

As a way of increasing the focus on the complexity of municipal restructuring decisions, we have contemplated an evaluative process that considers the complex nature of communities. While fiscal efficiencies will always play a role in evaluating the need and options for restructuring, can we move away from those metrics as the critical evaluative factors and design the evaluation process through more of a system thinking approach.

This approach considers restructuring options relative to the underlying challenges facing the municipality and the potential impacts of the structural change. This approach will generate more productive dialogue among the municipalities considering restructuring and take a deeper exploration into what is driving the conversation.

### INTERNAL SYSTEMS CONDITIONS

When considering the internal conditions of the municipal systems contributing to intermunicipal collaboration, the following structures need to be considered:

1. **Institutional Structures:** this relates to the existing regulatory framework, organizational practices, and capacity.
2. **Economic Structures:** the current economic drivers that inform the local context.
3. **Relational Structures:** the routines, norms, and culture that drive the current intermunicipal relationships.

### EXTERNAL SYSTEMS CONDITIONS

When considering the external conditions of the municipal systems contributing to intermunicipal collaboration, the following elements need to be considered:

1. **External Influencers:** these refer to broader trends happening outside the region that are of such critical importance they have some level of influence at a local scale. While these are largely outside of local control, it is important to remain aware of their trends and how to adapt decision-making processes.
2. **Citizen Perceptions:** local governments exist to deliver services to citizens. It is important to understand how citizens feel about the functionality of the local government and their general satisfaction with their representation, service delivery, and cost of services.
3. **Relevant Actors:** it is clear there are other actors that contribute to strong and healthy communities beyond the local government. Partnerships can extend beyond municipal when considering sustainable community development.

The intent of the “Framing the System” section is to generate a clear understanding of the various forces that have contributed to the current system in which the municipalities operate. Building a stronger awareness of the system will help identify the factors that contribute to the health and strength of the community and help to differentiate between the symptoms and root causes of the current challenges.

## FRAMING THE CHALLENGE

When contemplating any question associated with restructuring, it is important to clearly understand the challenge that needs to be addressed. If restructuring is predetermined as the solution without fully understanding the challenge, the scale of disruption may not only fail to solve the original challenge, but also may establish new ones.

Consider this as a “state of the union” address for the municipality. Through this perspective, it is important to understand what you need to know.

## ADAPTIVE PROCESS

When considering the health of the community through a systemic lens, an adaptive approach helps ensure that the actions evolve as the context changes. The following steps highlight a framework for an ongoing process to evaluate the results of local efforts:

1. **Frame the challenge:** Before defining actions and potential solutions, it is important to collectively understand the challenge that requires solving.
2. **Define the current reality:** To fully understand the challenge, it is necessary to understand all the influences and driving forces that contribute to the current reality.
3. **Initiate change:** Given the systemic nature of municipalities and their evolving challenges, implementation should be considered as a series of experiments to assess what works and what doesn’t.
4. **Review and adapt:** As with any iterative process, understanding the evolution of the current reality informs the next actions that need to be taken.

Going through this exercise is not the equivalent of a checkbox or scorecard that will result in a definitive answer or dictate a series of next steps. The intent is to engage in meaningful dialogue to facilitate a deeper awareness of the health of the community and the various factors that influence it. Through that awareness, strategic steps can be considered, respecting local capacity, to improve community wellbeing.

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# CLOSING

The answer to the question of “should we restructure?” is not a simple yes or no. It is also important to note that the answer to the question of “should we maintain and/or enhance our intermunicipal collaboration efforts?” is also not simply yes or no.

The municipal restructuring debate is often framed through a “winners and losers” lens and taking a whole systems approach to reframing the debate from municipal restructuring to creating strong and healthy communities can begin to address important gaps in the analysis of municipal structures.