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ALBERTA MUNICIPALITIES

**LOCAL GOVERNANCE
IN ALBERTA:
PRINCIPLES,
OPTIONS AND
RECOMMENDATIONS**

Dr. Sandeep Agrawal and Cody Gretzinger

We have benefited from the comments of two anonymous referees and Alberta Municipalities and Alberta Municipal Affairs officials, but we are solely responsible for the analysis and conclusion expressed in this paper. This is a condensed version of a longer paper released at the same time.

LOCAL GOVERNANCE IN ALBERTA: PRINCIPLES, OPTIONS AND RECOMMENDATIONS

Dr. Sandeep Agrawal and Cody Gretzinger

Challenges facing municipalities in Alberta have emerged at both local and regional scales, such as slower growth and aging populations, constrained finances, a shifting economic base and the impact of the COVID-19 pandemic.¹ In response, Alberta Municipalities, an organization that advocates on behalf of 250+ urban municipalities in the province, has commissioned several reports to address these concerns. We were tasked to assess the current state of Alberta's local governance model and investigate if changes to government structure might offer some remedy to the deficiencies uncovered in our assessment. This policy brief intends to do the following: 1) impart a set of principles to guide strategic efforts for local governance reform; 2) provide an evaluation of regional governance in Alberta; and 3) offer several recommendations for Alberta Municipalities to consider and for the government of Alberta to implement.

PRINCIPLES

Five principles of good governance provide direction in assessing and improving the viability² and legitimacy³ of local governance. Alberta's fragmented governance arrangement, which includes over three hundred urban and rural municipalities with equal authority and responsibility, provides an accountable, accessible and responsive system. Such a system is, however, deficient in efficiency and capacity.

Table 1. Principles and Their Definitions

Efficiency	Quality and standardization of public service delivery and the elimination of redundancies or overlaps in functions and operations
Capacity	Ability to achieve sustainable and equitable outcomes through sound policy-making and competent, collaborative and effective administration
Accountability	When public servants act with integrity and transparency, and where independent oversight systems are in place to prevent corruption
Accessibility	Public access to participate in local decision-making
Responsiveness	Aptitude to respond to citizens' legitimate expectations and needs

¹ Alberta Urban Municipalities Association, "Together We Can Shape the Future of Municipal Governance," (Municipal Governance Committee) [slideshow], September 18, 2020.

² Viability materializes when a critical mass of population and other antecedents are present to catalyze development, which then enable the sustainability and continuity of local government.

³ Legitimacy exists when local governments can take justifiable actions in a legal manner, while maintaining the active support of their citizens, who believe in the municipality's role to act on their behalf.

OPTIONS

No one-size-fits-all model works for Alberta but complementing the current governance model through inter-municipal collaboration frameworks, growth management boards and regional service commissions can bring about meaningful improvements. More disruptive options, such as amalgamation, regional districts or two-tiered governance structure, also offer benefits, but they should be carefully scrutinized against the particular context of the area for which they are being considered. An analysis of the six potential governance options are provided below.

Table 2. Analysis of Governance Options

Governance Type	Efficiency	Capacity	Accountability	Accessibility	Responsiveness
Intermunicipal collaboration frameworks	↑	↑	•	•	↑
Amalgamated municipalities	↕	↑	↕	↓	↓
Specialized municipalities	•	↑	↕	↓	↓
Growth management boards	↑	↑	•	↓	•
Regional service commissions	↕	↑	↓	↓	↑
B.C.'s regional districts	↕	↑	↓	↓	↑
Ontario's two-tiered government	↕	↑	•	•	↑
↑ = positive impact ↓ = negative impact ↕ = mixed impact • = negligible impact					

Almost all governance options either lower or have no effect on the governance system's accountability and accessibility, but all of them offer improvements to local capacity. Efficiency is a more complex issue because it largely depends on the details of implementing the options, as well as the regional context of implementation. While two-tiered governance, amalgamated municipalities, regional districts and regional service commissions yield mixed results for efficiency, intermunicipal collaborative frameworks and growth management boards tend to improve efficiency. Service-oriented options like regional service commissions, regional districts and intermunicipal collaborative frameworks improve efficiency for individual municipalities, but some concern exists about regional-scale inefficiencies that they might create or perpetuate; they do, however, generate improvements in responsiveness.

RECOMMENDATIONS

The suggestions below are crafted for Alberta Municipalities to consider in consultation with municipalities and to advocate for the province to act on those they wish to pursue. The overarching suggestion is that dispute resolution mechanisms should be mandated to resolve all intermunicipal issues, including annexations. This would minimize intermunicipal frictions and foster co-operation to improve municipal viability, while also improving the governance system's fairness and legitimacy. To achieve this, the current dispute resolution mechanisms must be strengthened and expanded. Further suggestions are provided below.

Alberta's four census metropolitan areas—Calgary, Edmonton, Red Deer and Lethbridge—have strong economic and municipal servicing linkages that transcend municipal boundaries and would benefit from the following actions:

1. Consider creating growth management boards for the Red Deer and Lethbridge areas;
2. Extend intermunicipal collaboration framework requirements to communities that belong to growth management boards;
3. Require clear parameters on annexations or changes in urban growth boundaries in intermunicipal development plans;
4. Encourage and incentivize ways to share both hard and soft services within the metro region;
5. Allow growth management boards to manage, but also to deliver, regional services like emergency, water and wastewater or broadband, that cover two or more contiguous municipalities.

Regions outside of metropolitan areas require more municipal viability and regional co-operation. Stagnated population and growth, coupled with under- or overuse of infrastructure and services, are some of the many elements contributing to a municipality's poor viability. The following recommendations apply:

1. Encourage and take an active role in voluntary amalgamation where multiple municipalities in immediate proximity face viability issues, or where a collective desire or mutual agreement exists to amalgamate;
2. Support amalgamation of municipalities where viability, governance or service provision are recurring issues;
3. Amend intermunicipal collaboration framework regulations to allow agreements among or between non-contiguous municipalities where necessary and require inclusion of both cost- and revenue-sharing arrangements;
4. Actively encourage the formation of regional service commissions to deliver key public services;
5. Establish a provincial monitoring and oversight mechanism to assess the efficiency and accountability of regional service commissions.

Small, remote urban municipalities, which are generally characterized by a small tax base, have low populations and less administrative capacity. Many are burdened because their infrastructure and services are used by those who live outside their boundaries. The viability of such communities is a concern that should be further investigated, as follows:

1. Periodically assess the viability of urban municipalities with small populations (3,000 or under);
2. Require municipalities to periodically assess the efficacy of agreements and update them, including intermunicipal development plans and other service and governance agreements;
3. Include any longstanding issues, such as servicing or boundary changes, in intermunicipal agreements;
4. Expand funding to assist low-capacity municipalities in high-stakes discussions and negotiations;
5. In the new funding formula under consideration, recognize the unique need of small municipalities, based on the use of their infrastructure and facilities rather than merely their population and length of roads.

This is a condensed version of a longer paper released at the same time.

ABOUT THE AUTHORS

Sandeep Agrawal is a Professor and Inaugural Director of the School of Urban and Regional Planning at the University of Alberta, Canada. Dr. Agrawal has a diverse array of research interests that currently encompasses sustainable urban and rural planning, Indigenous issues, and human rights. His most recent research has focused on municipal governance in Alberta. Dr. Agrawal has published over 100 peer-reviewed articles and reports and authored and edited three books. One of them is a forthcoming book entitled “Municipal Boundary battles.”

Cody Gretzinger has a background in political science and urban and regional planning. He is currently employed as a senior planner at the City of Edmonton. He has also been working at the University of Alberta as a researcher for over 5 years, investigating various topics, such as municipal viability, restructuring, and boundary adjustment. He has published multiple articles and reports recently on municipal boundary adjustment. His most recent article, with Sandeep Agrawal, is published in *Land Use Policy*, entitled “Trends, Motivations, and Land Use Outcomes of Municipal Annexation: A Case of Alberta, Canada.”

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