



ALBERTA
MUNICIPAL AFFAIRS

Office of the Minister
MLA, Edmonton - South West

AR99186

To Mayors and Reeves,

Since my appointment as Minister of Municipal Affairs last spring, I have had the opportunity to travel to many communities within Alberta, to hear about your priorities and perspectives. I am very grateful for the way in which you have welcomed me into your communities and shared your thoughts with me. I have also had the pleasure of meeting with many of you during the fall conventions of the Alberta Urban Municipalities Association (AUMA) and Rural Municipalities of Alberta (RMA) and, again, I thank you for the gift of your time and wisdom.

One of the consistent messages I have heard over the past several months is concern regarding Intermunicipal Collaborative Frameworks (ICFs) and Intermunicipal Development Plans (IDPs) - both in terms of the challenges you are facing in building these frameworks and plans, and the challenges posed by the legislated deadline for completion of April 1, 2020.

Intermunicipal collaboration is a priority for me, and for the Government of Alberta; all Albertans benefit when our communities collaborate to share services, create efficiencies, and reduce overall costs for their residents. Therefore, my government colleagues and I agree that it is important to maintain the overall requirements for ICFs and IDPs.

We very much appreciate the work that many of you have done to date, but we also recognize that the current legislative requirements are overly complex and onerous. Based on your feedback, I am proposing important changes to the ICF process as well as IDP requirements. These changes will streamline and clarify the process for building ICFs and IDPs, and I believe will make it much easier for all of you to complete the process by April 1, 2020.

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Earlier this week, these changes were introduced to the Legislative Assembly as part of Bill 25, the *Red Tape Reduction Implementation Act*. The bill contains various amendments to reduce red tape affecting municipalities, with the most substantive changes focused on streamlining and clarifying the ICF/IDP requirements. In particular, I am proposing the following important changes:

- Simplifying reporting to the province;
- Enabling municipalities to adopt ICFs by resolution (or bylaw), to recognize the way in which many municipalities typically adopt cost-sharing agreements;
- Simplifying the process of developing an ICF, so municipalities can focus on discussing and reaching agreement on how to share services that benefit residents in both municipalities, instead of spending too much time on meeting specific process requirements that overcomplicate their discussions;
- Streamlining and clarifying the arbitration process, to more closely align ICF arbitrations with the standard provisions of the *Arbitration Act*, and to very clearly limit the scope of an arbitrator's authority; and
- Enabling municipalities to be exempted from the requirement to develop an IDP, where both municipalities agree that one is not necessary.

None of the proposed amendments will require municipalities to go back and make changes to already completed ICFs and IDPs. For those requiring further work, the proposed legislative changes will make it easier to get this work done. As you move forward, I would like to take this opportunity to remind you of a few key points in relation to ICFs:

1. The deadline of April 1, 2020 remains in place. I am expecting all municipalities to meet this deadline. I am prepared to consider short-term extensions of the deadline in exceptional circumstances, or where municipalities simply need an additional one to two months to be able to complete the process. However, beyond these exceptions, I do not intend to provide time extensions; I encourage all municipalities to act accordingly in order to avoid arbitration and retain local control of ICF content.
2. ICFs are about the cost sharing of services that benefit residents in more than one municipality. They are not about revenue sharing, and I do not support any attempt to leverage the ICF negotiations in an effort to extract a revenue sharing agreement.
3. I do expect municipalities to negotiate in good faith, and to make decisions based on concrete facts. If municipal residents utilize a service in meaningful numbers and/or account for a meaningful proportion of those service costs, I would expect the municipality to compensate the municipality providing those services accordingly.
4. Municipal Affairs will not be evaluating individual ICFs to determine whether they are "a good deal" or not. As Minister, my interest is that you have conversations with your neighbours about shared services, and reach an agreement that makes sense at the local level.

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I am optimistic that the legislative changes I am proposing will help ease the way for you to fulfill your legislated obligations to complete ICFs by April 1, 2020. However, the success of these negotiations depends on each of you, and your willingness to engage with your municipal neighbours respectfully and with an openness to reasonable compromise. A locally developed solution is always best, so I encourage all of you to take this opportunity to shape these agreements for yourselves, and for the overall betterment of your regions.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'Kaycee Madu'.

Kaycee Madu
Minister

Attachment: Changes to the ICF and IDP requirements

cc: Alberta Urban Municipalities Association
Rural Municipalities of Alberta
Paul Wynnyk, Deputy Minister