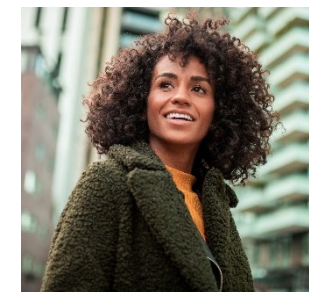
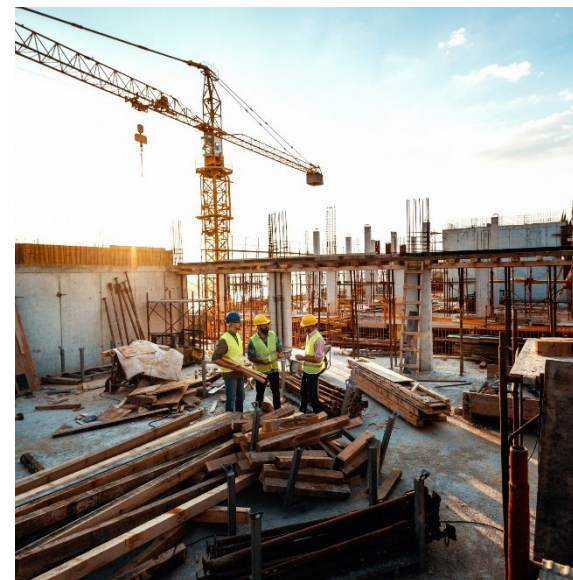




Future of Municipal Government

Spring 2022
Municipal Leaders'
Caucus

March 10, 2022



 **Alberta
Municipalities**
Strength
In Members

Session Outline

- Why did we start this project?
- What does it entail?
- How and when can I get involved?
- Where can I get more information?
- Presentation and discussion on:
Municipal Structures: Concepts, indicators and future governance models

Why did we start this project?

- Economic, social, cultural and environmental shifts impacting communities and all levels of government
- Strained political culture
- Concerns over the administrative and fiscal viability of municipalities
- Requests by members

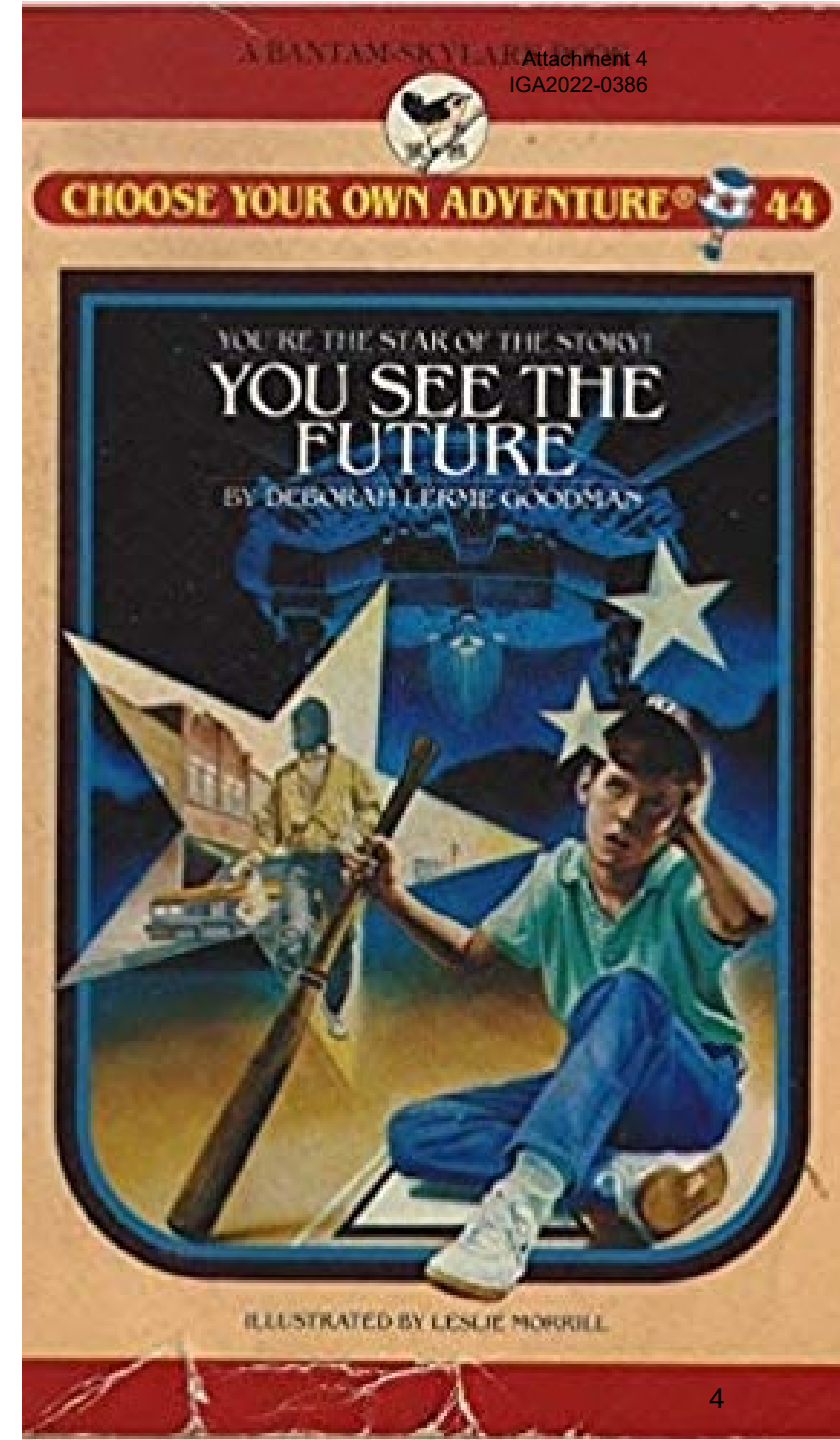
Choosing our own adventure

Alberta Municipalities Vision:

We are a change agent that enables municipalities to be a fully engaged order of government with the capacity to build thriving communities.

Purpose of the Future of Municipal Government Project

Explore and assess options for government structures that will enable municipalities to build thriving communities into the future.



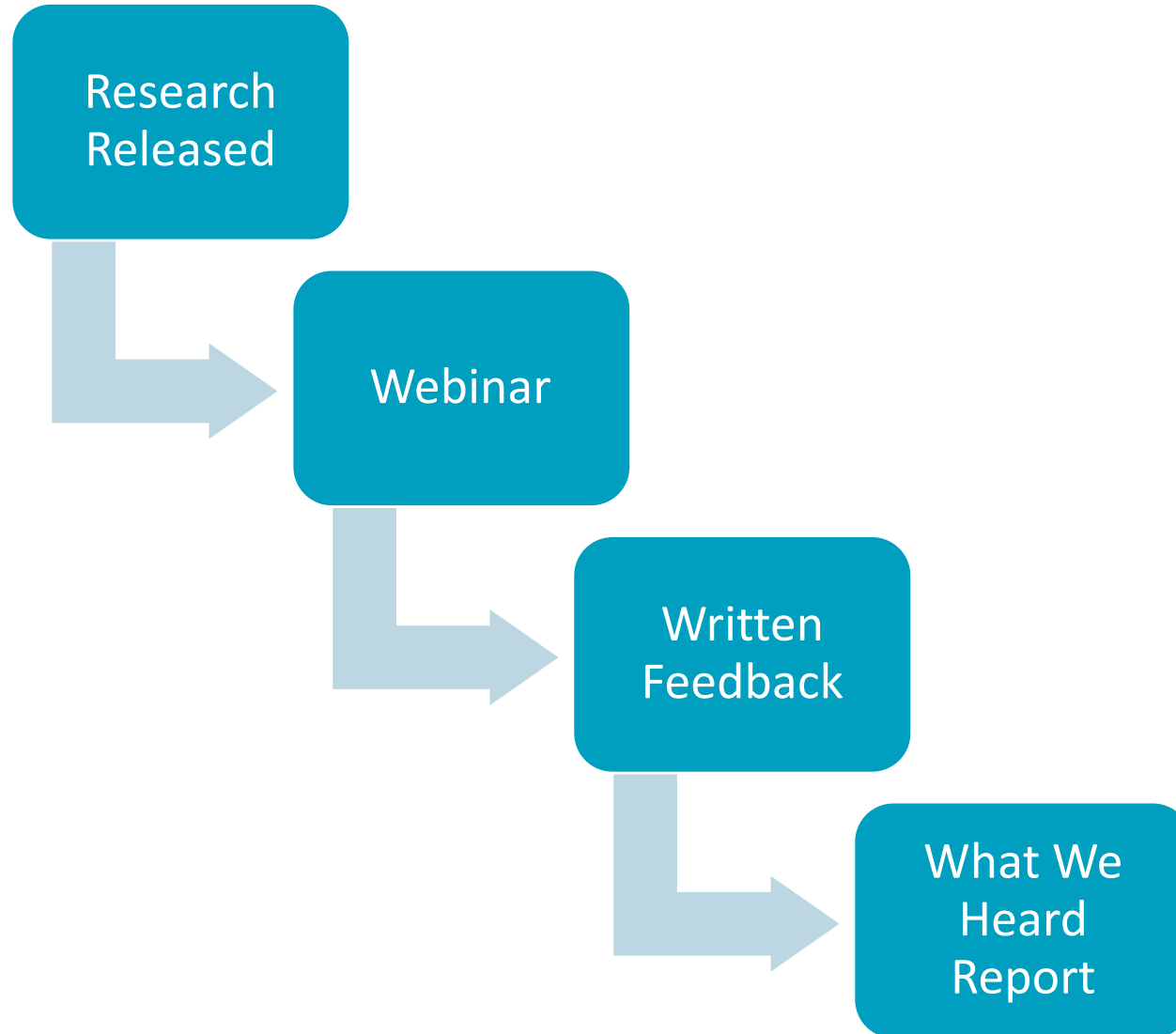
What does it entail?

Dialogue informed by research

- Governance trends in Canadian local government
- Population growth and population aging in Alberta's municipalities
- Financing municipal infrastructure
- Local citizen engagement and municipal governance
- Climate change and environment considerations for municipal governance and regionalization
- Municipal structures: concepts, indicators and future governance models
- New approaches to revenue and cost-sharing
- A new relationship between the province and municipalities

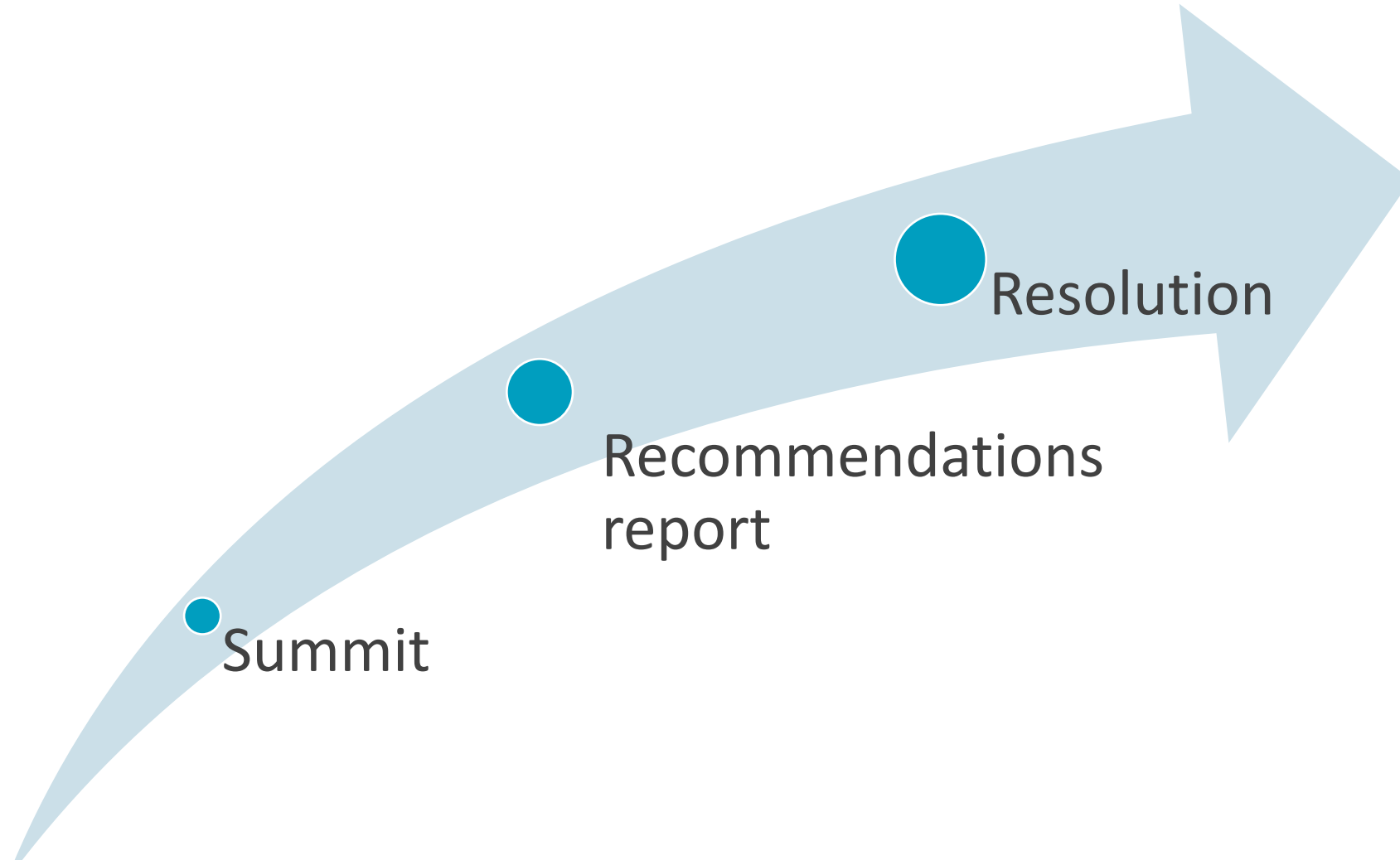


How do I get involved?



2023 Engagement

Member-developed recommendations



Municipal structures: concepts, indicators and future governance models

Sandeep Agrawal

Purpose of presentation:

- Share findings to date
- Seek input to shape further research

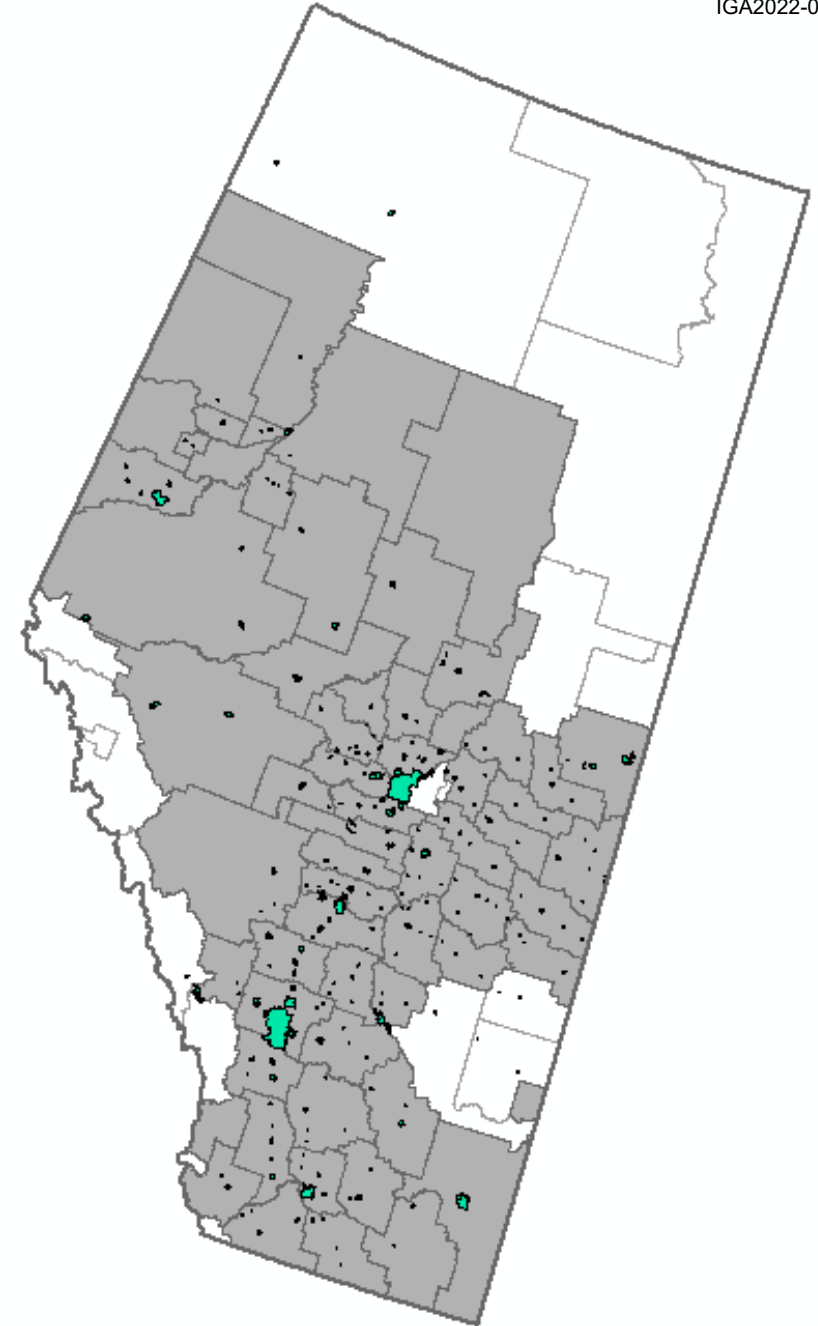


Municipal Restructuring : Concepts, Indicators, and Future Governance Models

Sandeep Agrawal, PhD, AICP, MCIP, RPP
Professor and Director
School of Urban and Regional Planning
University of Alberta

Agenda

1. Project objective
2. Governance principles
3. Measurable indicators
4. Governance Models
 - a. In Alberta
 - b. Regional districts in BC
 - c. Amalgamation
5. Summary



Project Objective

Objective: To examine future governance options in the Alberta context.

Why? Alberta municipalities are facing a wide variety of pressures.

Governance Related:

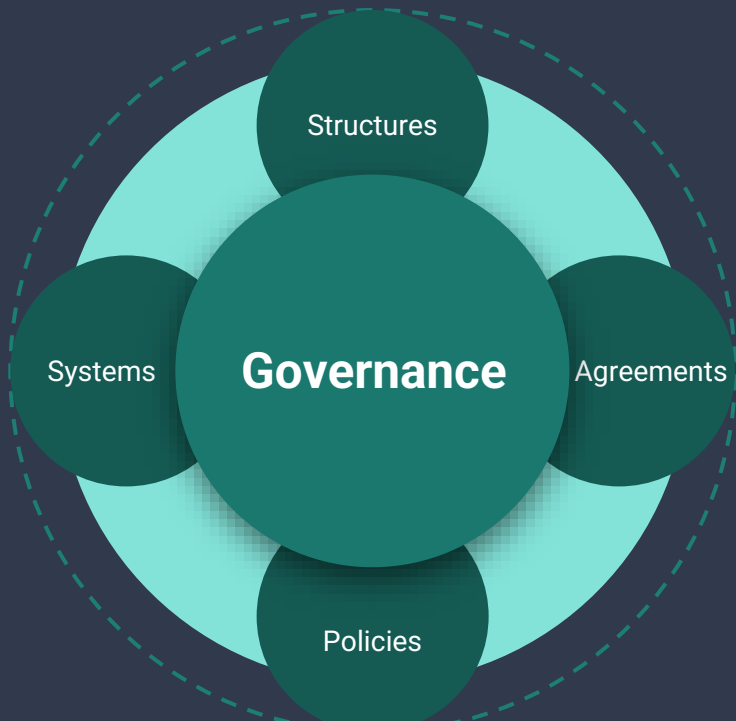
- *Devolution*
- *Rising service standards*
- *Cost shifting*
- *Increased community expectations*
- *Poor policy choices*

Alberta context related:

- *Population ageing and migration*
- *Shifting economic base*
- *Constrained fiscal environment*
- *Poor regional planning outcomes*
- *Declining municipal viability*
- *COVID-19 effects*

GOVERNANCE

It comprises mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.



GOVERNMENT

Organizations that have authority to make decisions on behalf of citizens within its jurisdiction.



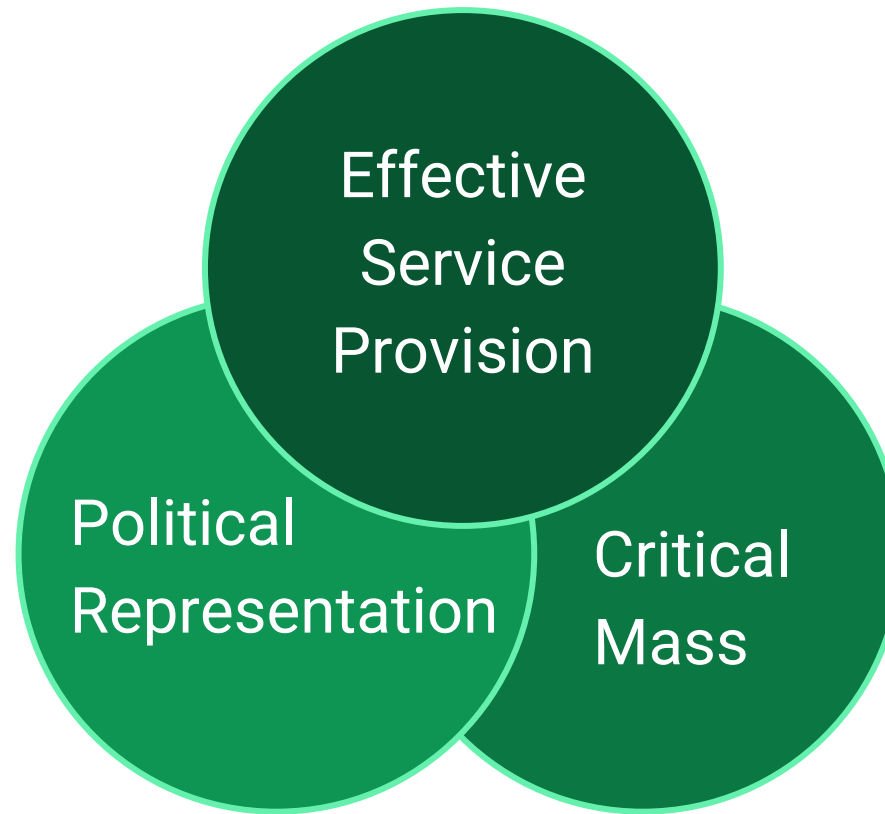
For local
governments to
succeed they need
to be...

VIABLE & LEGITIMATE

Viability

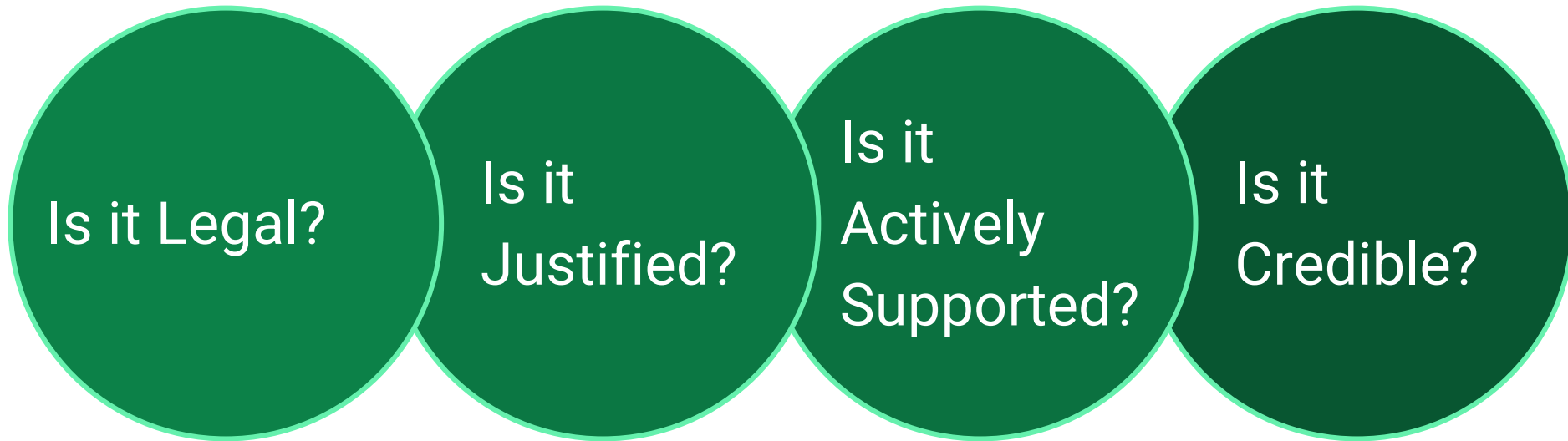
Continuity of local government

- Viable local governments provide or enable:



Legitimacy

How 'rightful' is the government system?



Governance Principles

EFFICIENCY	<ul style="list-style-type: none">• Cost efficiency, economies of scale, reducing externalities
CAPACITY	<ul style="list-style-type: none">• Effectiveness, competence, collaboration, equitable outcomes, sound policy making, autonomy, sustainability
ACCOUNTABILITY	<ul style="list-style-type: none">• Integrity, transparency, Independent oversight, subsidiary, openness
ACCESSIBILITY	<ul style="list-style-type: none">• Direct democracy and representation, public participation, civil society, local expression
RESPONSIVENESS	<ul style="list-style-type: none">• Meeting service needs

Measurable Indicators

- Fragmentation
- Population and Productivity
- Metropolitan Influence
- Self-contained Labour

Fragmentation

How many government units are there?

- Is fragmentation beneficial?
 - Efficiencies and economies of scale?
 - Consensus on regional issues?
 - Competition leading to policy innovation?
- A few issues:
 - How do we measure fragmentation? How do we make meaningful comparisons?

Fragmentation Continuum

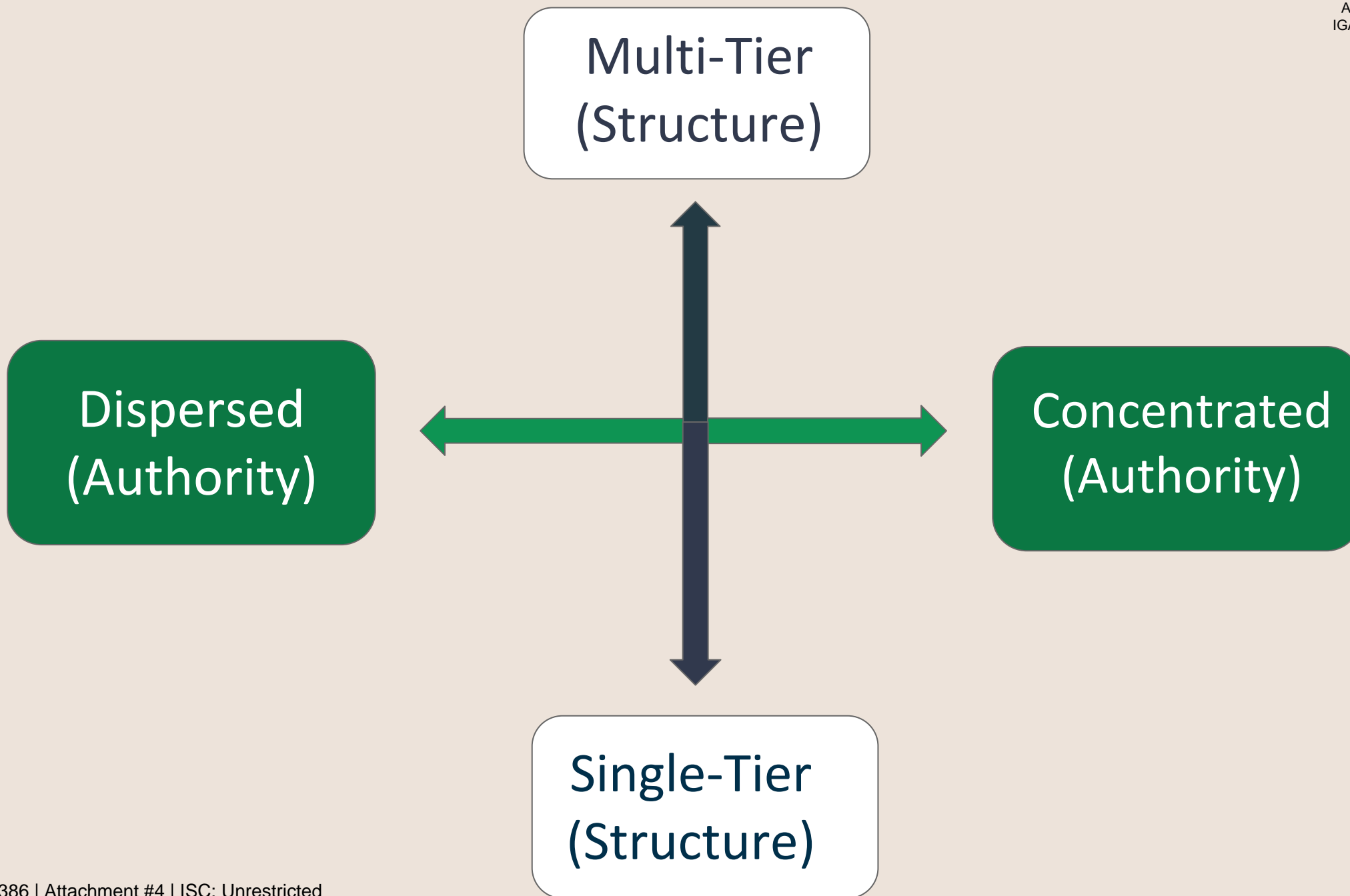
Dispersed
(Authority)



Concentrated
(Authority)

- Growth Management Boards
- Regional Commissions
- ICF's / IDPs
- Voluntary agreements

- Amalgamation
- Regional Districts



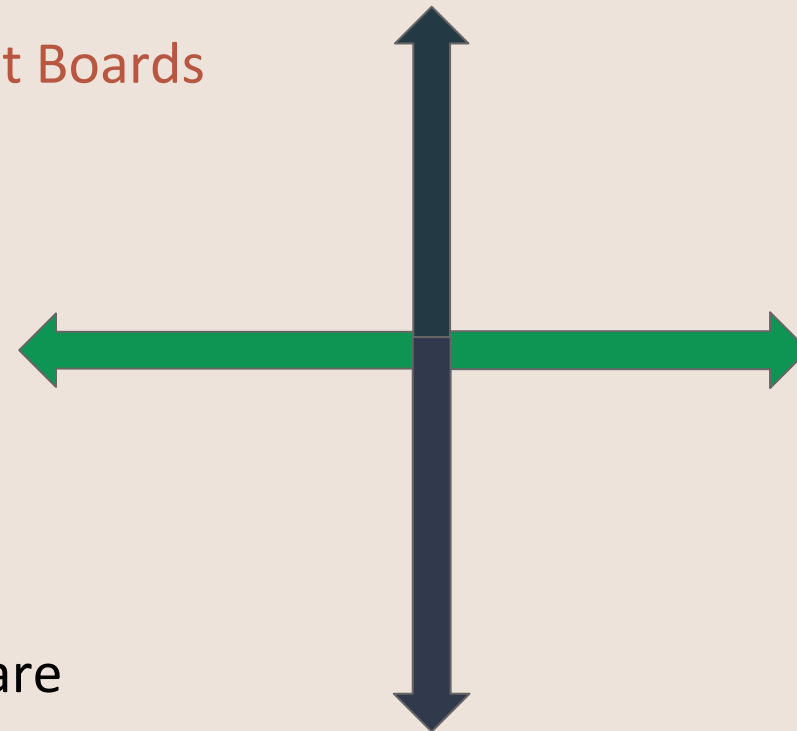
Powers and responsibilities are distributed vertically along 2 or more tiers of government or governance bodies

Example: **Growth Management Boards**

Powers and responsibilities are consolidated then concentrated across 2 or more tiers of government
Example: **Regional Districts**

**Dispersed
(Authority)**

**Concentrated
(Authority)**



**Multi-Tier
(Structure)**

**Single-Tier
(Structure)**

Powers and responsibilities are distributed horizontally along a single tier of government or governance body

Example: **Service Agreements**

Powers and responsibilities are concentrated into a single tier of government
Example: **Amalgamation**

Measuring Fragmentation

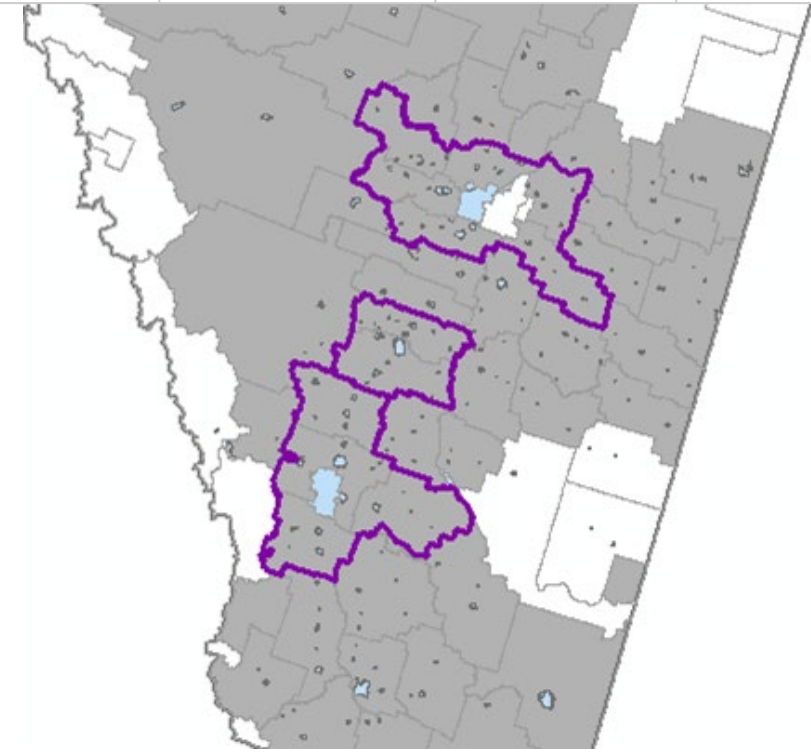
Fragmentation is correlated with:

- Population,
- Land area,
- Number of bordering jurisdictions, and
- Preferences for local political accountability

OECD Functional Urban Area
Calgary
Edmonton
Red Deer

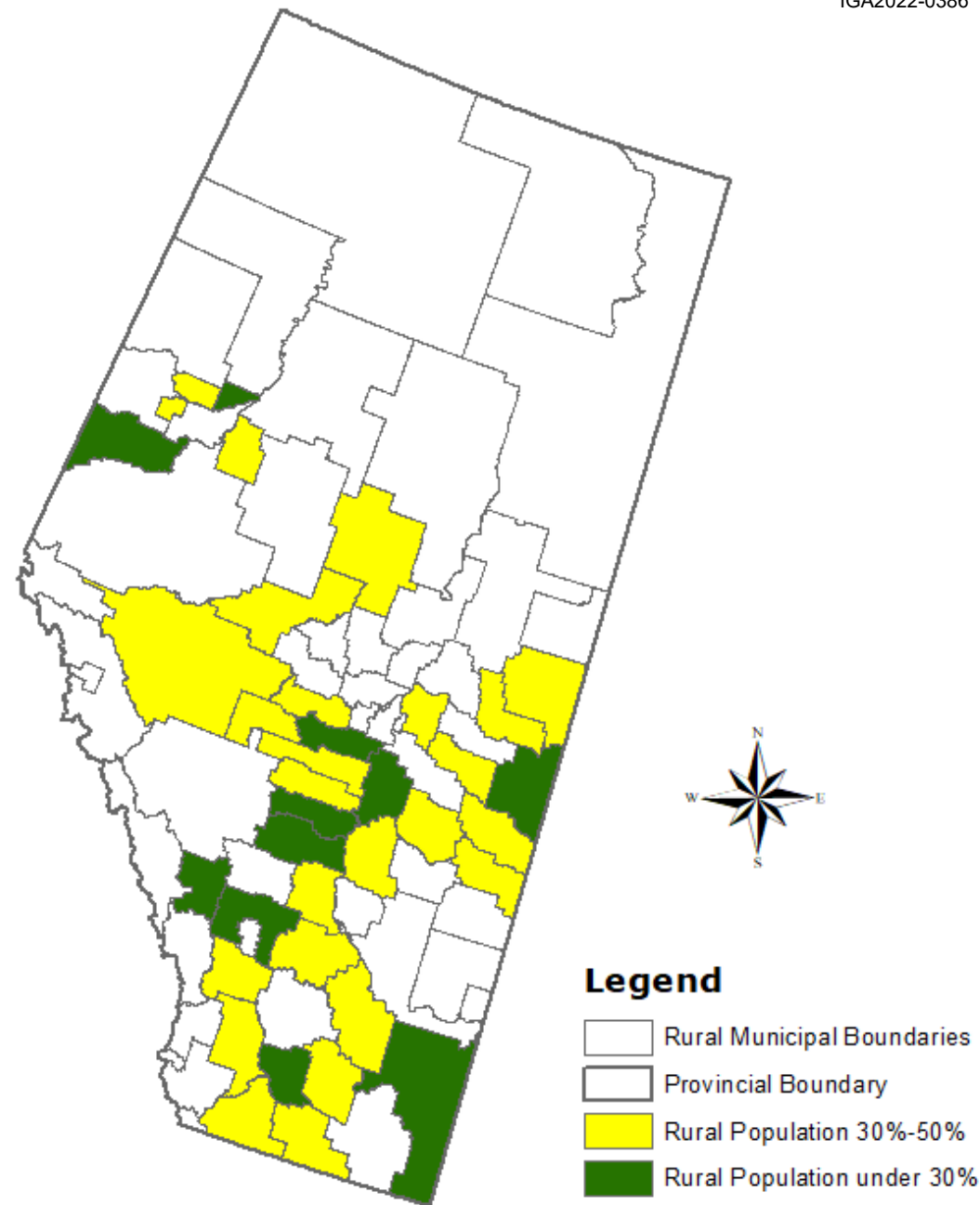
Attachment 4
IGA2022-0386

Horizontal Fragmentation Index			
# of units	# of units / 100,000 people	total pop density / # of units	residential pop density / # of units
26	1.71	3.38	80.74
56	4.15	1.29	26.33
21	11.31	1.26	40.69



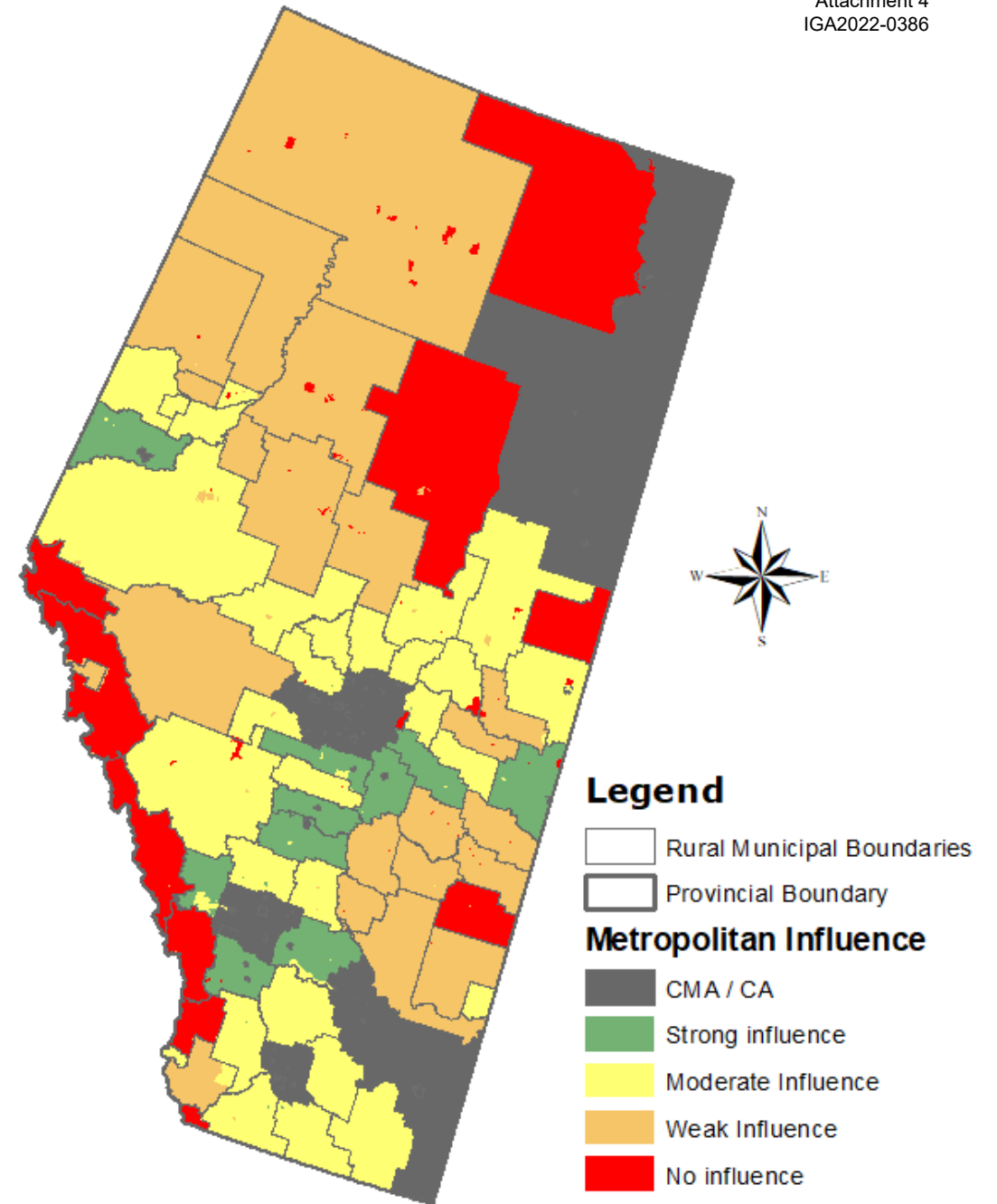
Population & Productivity

- OECD research has found:
- Urban regions with LESS fragmentation have higher productivity
- Rural regions with MORE fragmentation have better productivity
- Rural is defined here as having more than 30% of the population living in rural areas.



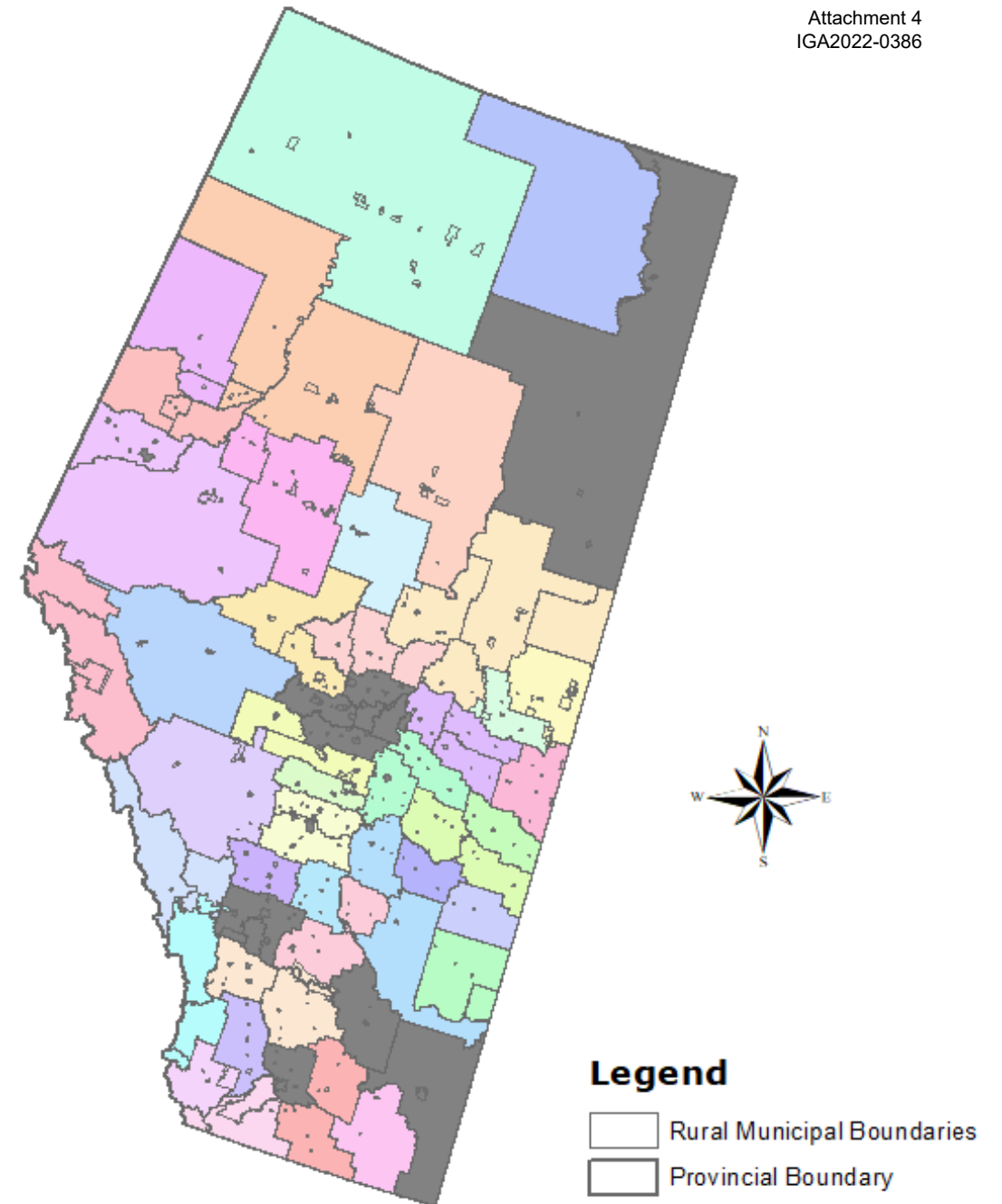
Metropolitan Influence Zones

- shows the social and economic influence that metropolitan areas exert beyond their geographic limits.
- attempts to capture the concepts of distance, adjacency, accessibility, commuter flows, and places of work.



Self-contained Labour Areas

- areas where at least 75% of residents with jobs are working in the area and most of the jobs in the area are filled by workers residing in the area.
- It allows us to better understand rural-to-rural commuter flows as opposed to rural-to-urban flows captured by MIZs



Existing Governance Models

1. Governance Model in Alberta
 - a. Intermunicipal Agreements
 - b. Growth Management Boards
 - c. Regional Commissions
2. Regional Districts in British Columbia
3. Amalgamation

Governance Model in Alberta:

Intermunicipal Agreements – Voluntary and Involuntary

- Intermunicipal agreements are formal or informal agreements to provide services. They are a flexible avenue for two or more municipalities to cooperate together.
-
- | | |
|---|---|
| <ul style="list-style-type: none">• Voluntary Agreements are where local municipalities create an agreement of their own initiative<ul style="list-style-type: none">○ Examples include Intermunicipal Development Plans, service contracts, and economic development agreements | <ul style="list-style-type: none">• Involuntary agreements are where the Provincial government mandates municipalities to participate and adopt such agreements<ul style="list-style-type: none">○ Intermunicipal Collaboration Frameworks |
|---|---|

Governance Model in Alberta: *Intermunicipal Agreements*

Advantages

- Relationship-building leads to resolution of issues
- Allow for coordinated development & service delivery
- Easy to administer
- Voluntary agreements preserve local autonomy, while involuntary agreements can prompt municipalities to work together that normally wouldn't.

Disadvantages

- Don't necessarily enable regional coordination to the degree where the best and hardest regional decisions can be made.
- Involuntary agreements may have a low level of legitimacy.
- Some agreements may not have legal binding
- May not respond to rapidly changing fiscal climate.

Governance Model in Alberta: *Growth Management Boards*

- Growth Management Boards guide long term planning to address growth in urbanized regions through governance coordination and technical assistance.

Advantages:

- Provides a regional forum that considers issues in an un-siloed way.
- More effective and stable than voluntary forums.
- Difficult topics such as redistributive policies can be explored and voted

Disadvantages

- Difficult to find a voting structure that is politically acceptable
- Its mandatory nature can make it politically unpalatable.

Governance Model in Alberta: *Regional Commissions*

- Regional commissions in Alberta are often **single purpose** bodies with indirectly elected members. They manage a wide variety of municipal services.

Advantages

- They are effective and efficient
- They can be single-minded in their pursuit of best choices.
Consequently, they provide autonomous policy leadership

Disadvantages

- Coordination between services can be difficult due to the silo effect, resulting in distorted priorities and higher total expenditures.

Regional Districts in British Columbia

- Regional districts in BC are a form of **multi-purpose special district**. They provide regional governance and service delivery, and a voluntary political forum for representation of regional residents and communities.

Advantages:

- reduced negotiating costs
- preserve local autonomy
- Highly flexible service options
- Integrated decision making leads to improved service coordination

Disadvantages:

- Lengthy decision making
- Freeriding
- Unable to tackle really tough issues,
- Unelected members
- Not very accessible or accountable

Amalgamation:

Creating one unit from multiple units

- Amalgamation is where the total number of municipalities is reduced, usually by a larger municipality incorporating a neighboring municipality, or by neighboring municipalities being dissolved and their land added to the larger municipality
- Amalgamation has been implemented through **involuntary** restructuring initiatives by a number of provincial governments in Canada.
- **Voluntary** amalgamations are rare, and usually only happen in places with small populations where the benefits of it are clearly understood by the public

Amalgamation:

Advantages:

- Much easier to coordinate services
- A more streamlined administration
- Have a high level of political autonomy
- Highly visible government unit that the public can hold to account
- Have a large tax base to draw upon
- Provide singular oversight over a large area that can redress externalities, freeriding, spatial inequities, and urban sprawl.

Disadvantages:

- Resistance to dissolution
- Loss of local community identity
- Benefits and costs are difficult to predict and measure
- May not be responsive to the desire of certain groups for lower service and taxation levels
- Complex and politically fraught process = low legitimacy

In summary

- Five principles should guide any restructuring efforts to improve the viability and legitimacy of local government units
- Measurable indicators could be a key to guide discussions about restructuring.
- There is no ‘silver bullet.’ Each governance model has both pros and cons.
- A one-size-fits-all approach is not desirable for Alberta.

Dr. Sandeep Agrawal at:
sagrawal@ualberta.ca

Hot Off The Press:

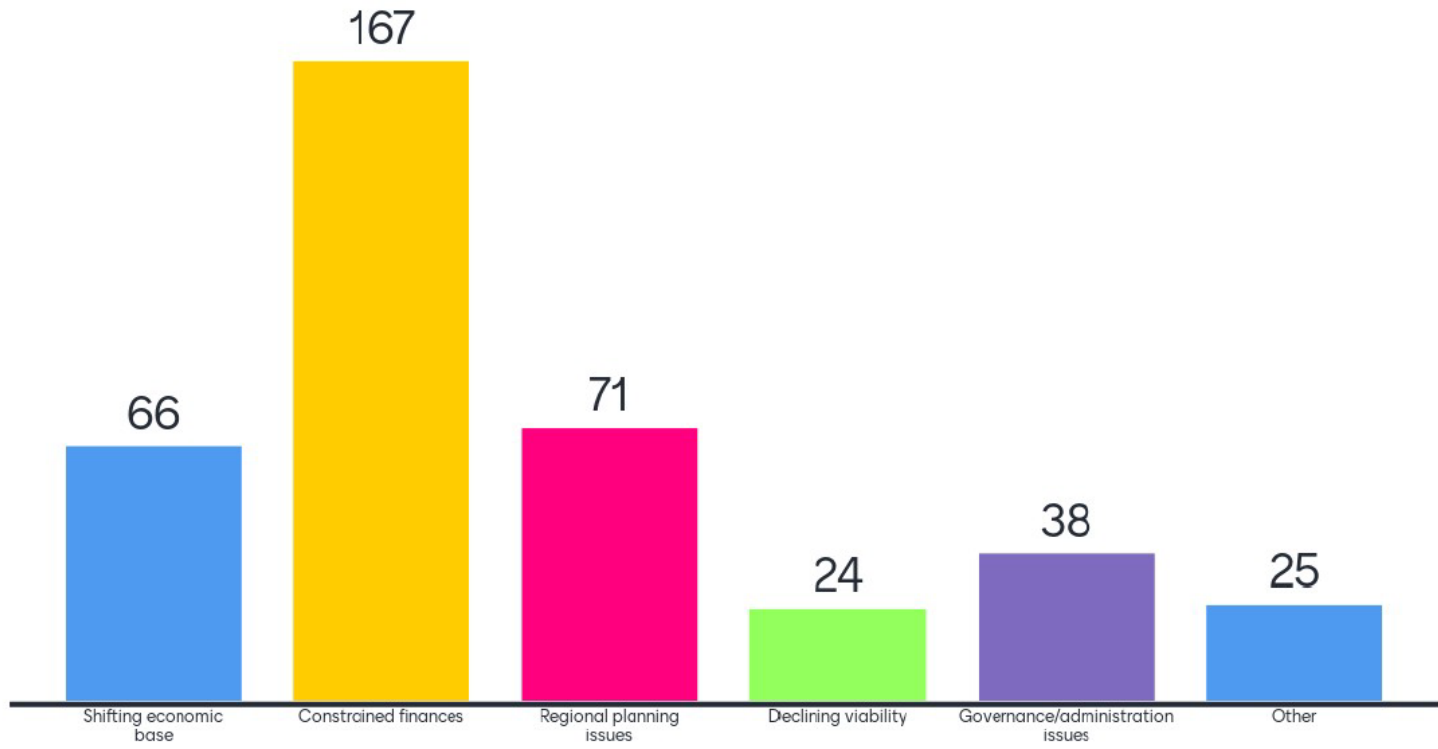
Trends, motivations, and land use outcomes of
municipal annexation: A case of Alberta, Canada



Land Use Policy
Volume 112, January 2022, 105775



What is the biggest challenge your municipality is currently facing? Feel free to check more than one



Other: list no more than two

Rural Exodus

Lack of Affordabilty

finances

Growth and infrastructure

Economic diversification.

Holding tax increases

Relationship with the provincial government. Not being able to work in partnership

Interface between elected officials and administration.

Population Growth and increased demands from residents for higher service levels.

Other: list no more than two

Inequitable funding for rope services
from MD

Declining infrastructure and lack of
funding to replace

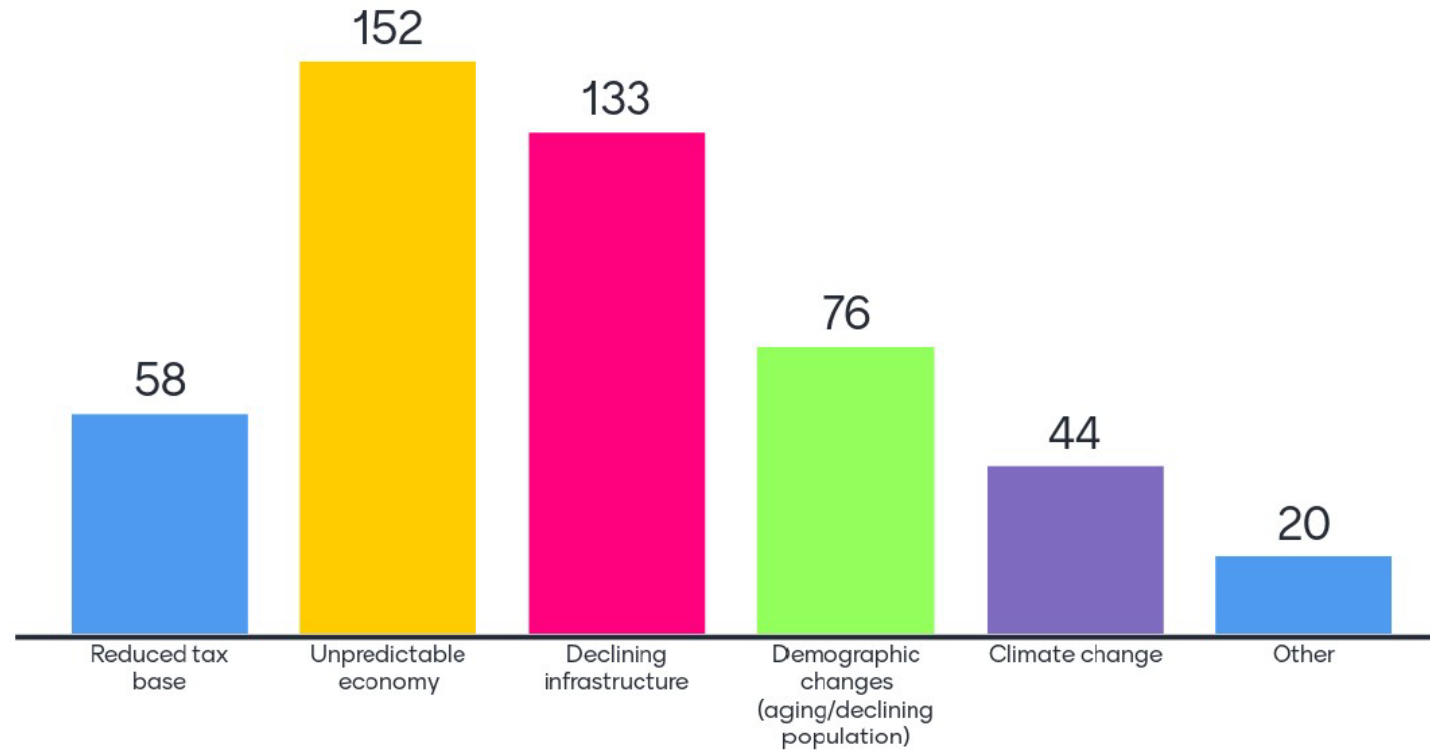
Infrastructure

lack of land for new infrastructure

County is uncooperative partner

Financial sustainability

What do you see are the future challenges facing your municipality? Feel free to check more than one



Other: list no more than two

Finances

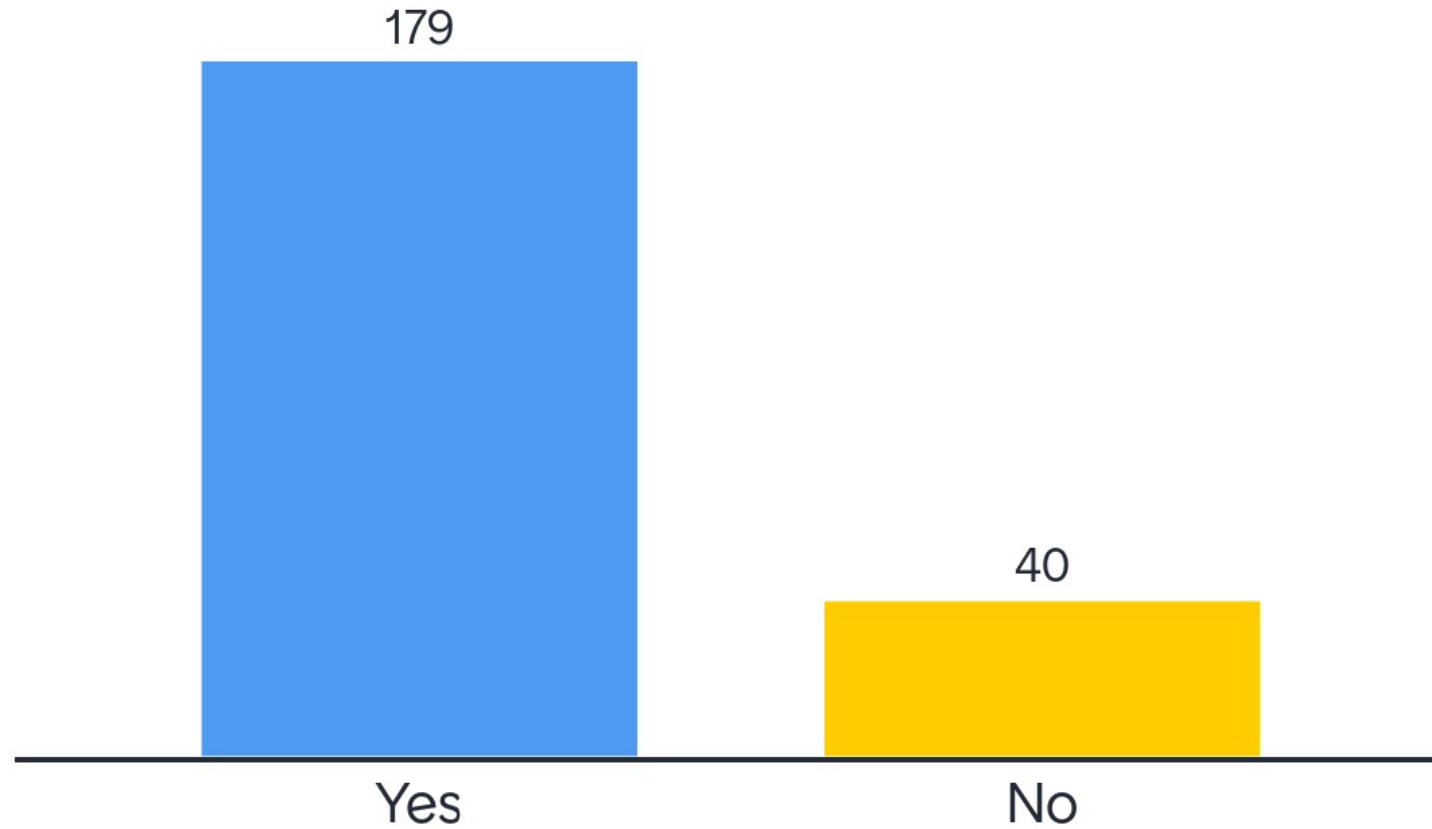
Intergovernmental relations

no

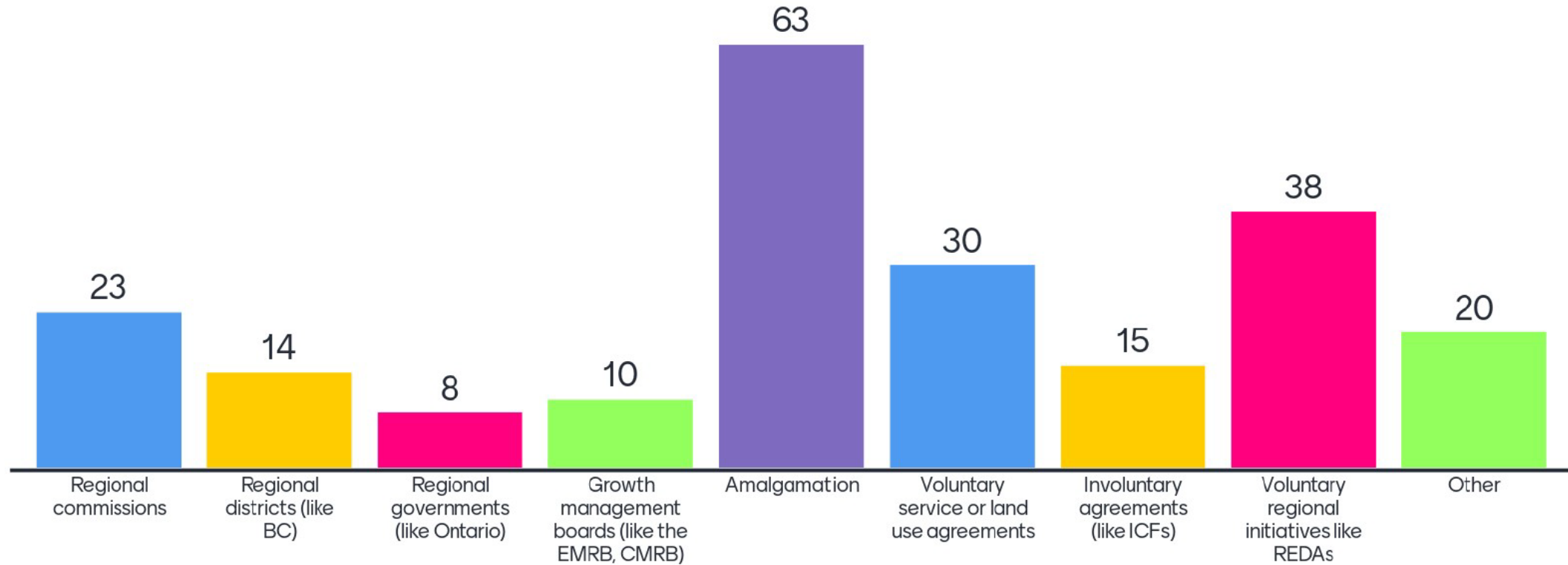
Recruitment and retention of
municipal staff

Growth pressures based on supply
chain

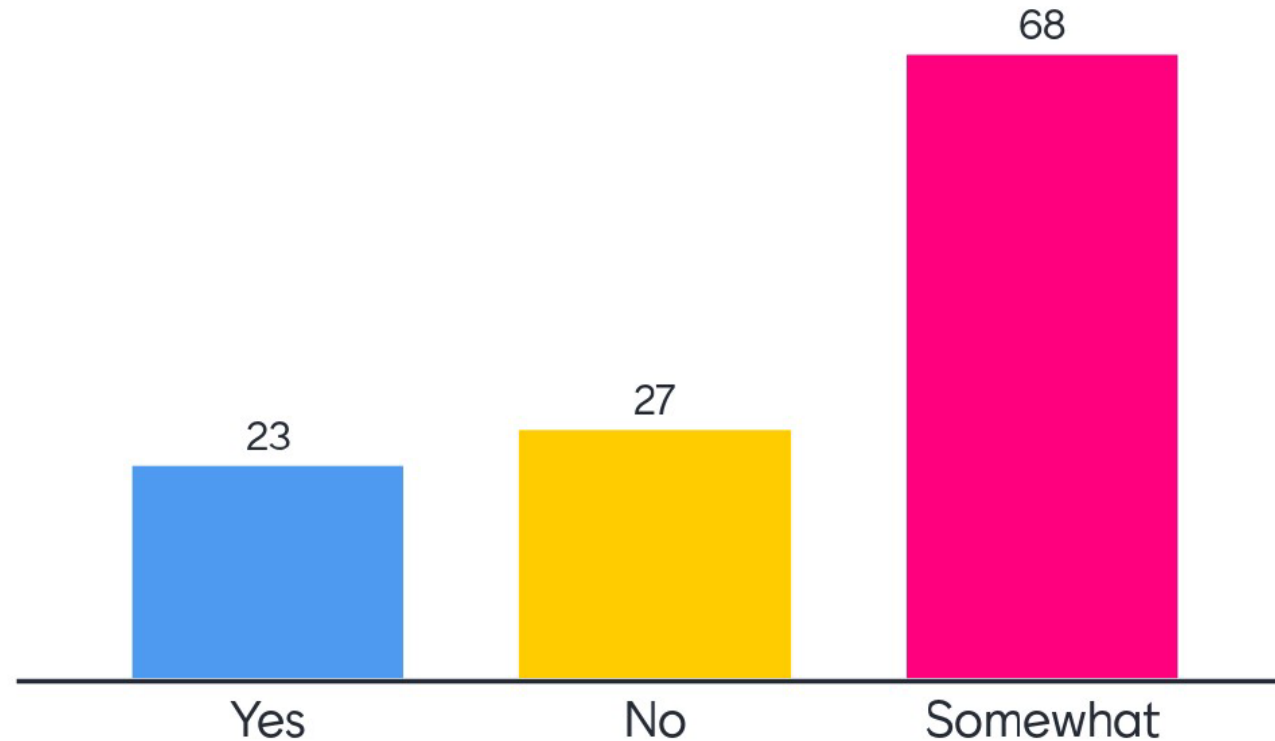
Do you think your current local government structure can address current and future challenges effectively?



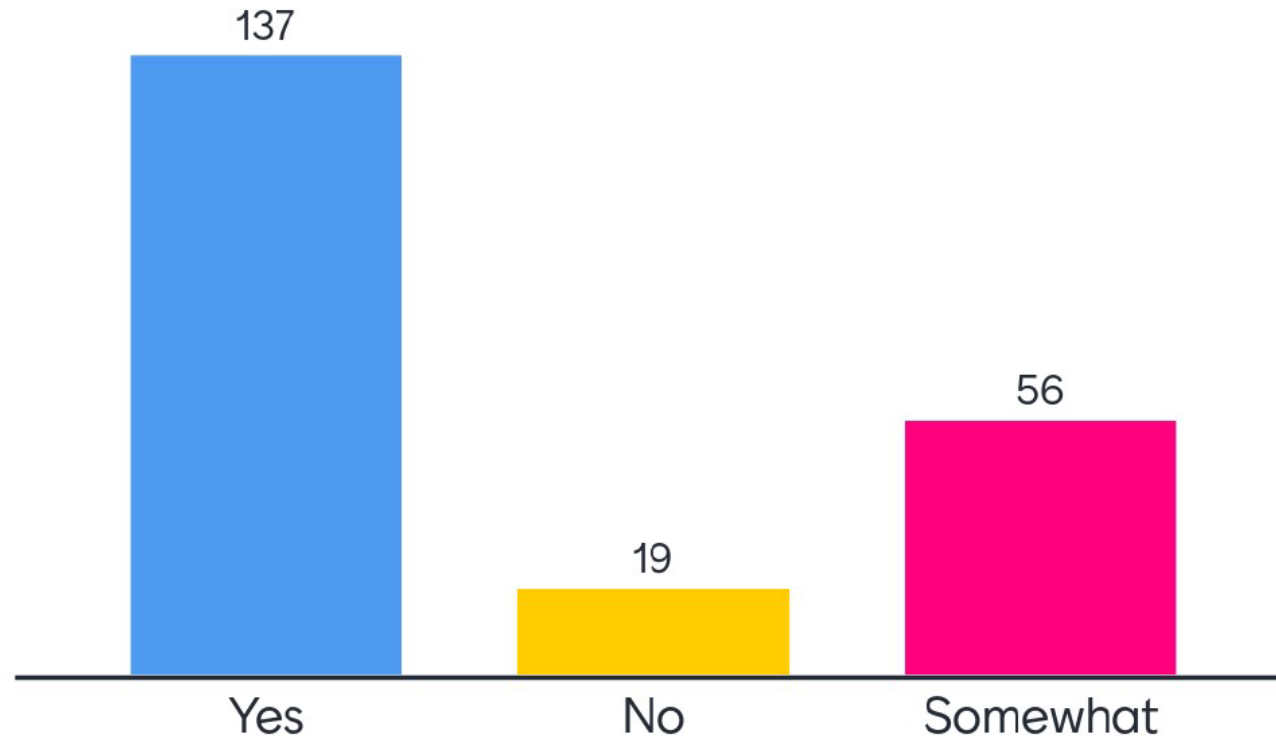
Which governance models pique your interest as potentially being effective in your context?



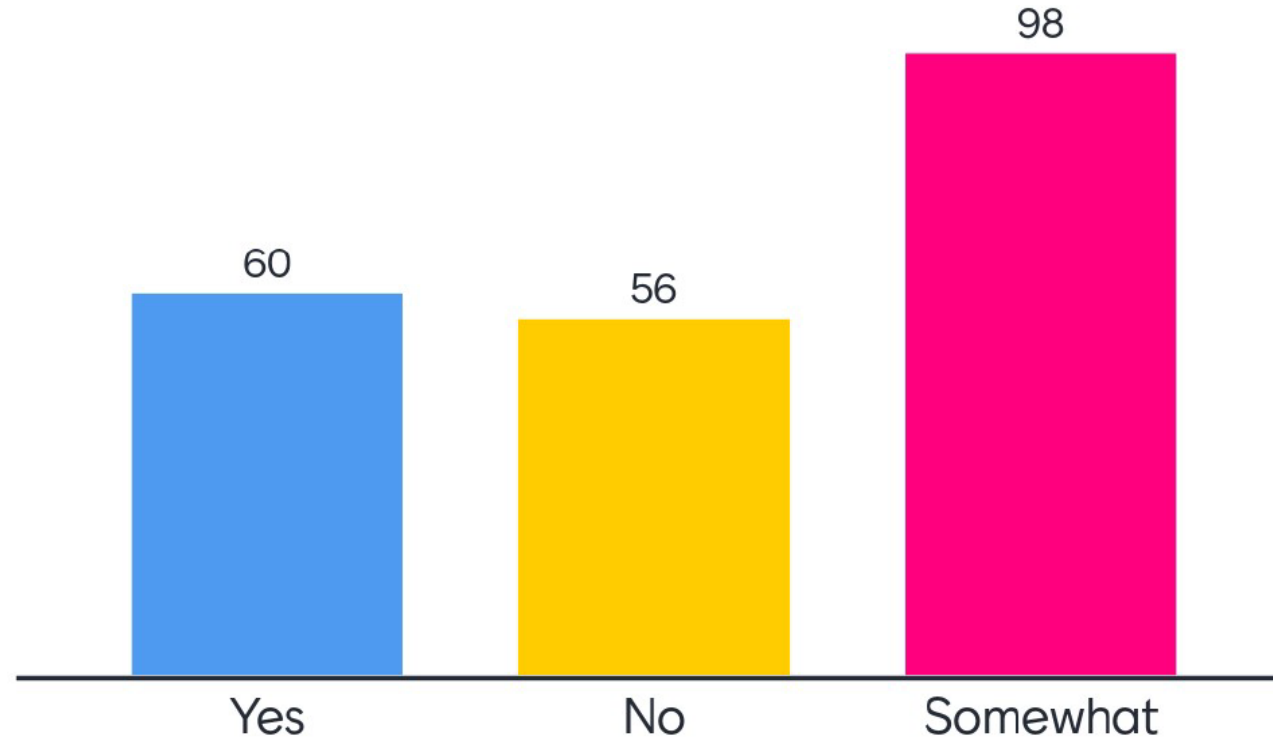
For those of you who are a part of a growth management board, is this form of governance model helpful in dealing with local and regional issues?



Many of you have voluntary service agreements with your neighbouring municipalities. Is this a good way to tackle current and future challenges?



In your opinion, have Intermunicipal Collaboration Frameworks (ICF) been effective in addressing the local and regional challenges?





Discussion

Further feedback:
advocacy@abmunis.ca



Thank you!

To learn more about the Future of Municipal Government Project, visit abmunis.ca and go to Advocacy – Governance – Future of Municipal Government.

Send questions, suggestions, and comments to advocacy@abmunis.ca

