



2010 AUMA Policy Statement on Municipal Governance



Introduction

The AUMA provides value and leadership to its members. To that end, the Standing Committee on Municipal Governance reviews and suggests changes to provincial legislation governing municipal governments, reviews issues related to the integration of government/municipal government form and its future, plays a role in examining land use planning, works towards improved inter-municipal and inter-governmental relationships, examines issues regarding citizen participation, and issues relating to municipal taxation and assessment, and oversees the process of AUMA Convention resolutions.

The AUMA Policy Statement on Municipal Governance is a formal account of AUMA positions pertaining to municipal governance, as compiled from member resolutions adopted at the 2009 AUMA Annual Convention. The member resolutions addressed in this statement can be found in Annex 1.

Statement of Principles

AUMA Guiding Principles:

Principle 1.	Municipal Governments must have the fiscal capacity to fulfill their mandate through: <ul style="list-style-type: none">• primary access to the property tax base; and• sustainable, predictable, long-term sources of revenue
Principle 2.	The federal and provincial governments have sole responsibility for direct income redistribution programs and services.
Principle 3.	The primary focus of urban government is to provide locally oriented services to property and people.
Principle 4.	Each local urban council will maintain responsibility for the establishment of local standards of services to property and people
Principle 5.	Any new standards or requirements imposed by the provincial or federal orders of government must be fully funded by that order of government.

Principle 6.	Amendments and changes to legislation and regulations relating to municipal governments shall only proceed when AUMA has actively participated and agreed, through meaningful input in a review process.
Principle 7.	Responsible stewardship of our ecological systems is essential to the economic viability, quality of life, and sustainability of our community.
Principle 8.	Quality infrastructure is critical to supporting healthy, financially sustainable communities, and strengthens the quality of life for all Albertans, and is the foundation for the Alberta Advantage.

Municipal Governance Principles:

The above AUMA principles are also important to any discussion of municipal governance, and the following specific principles support them.

Municipal Governance Principles:

Good governance is key to broad sustainability of Alberta’s municipalities.

Amendments to the Municipal Government Act must provide enabling powers to allow municipalities to act and operate individually and collectively, and provide adaptability and flexibility to accommodate different types of governance and service delivery.

Every municipal government must have adequate powers and financial and legal resources that other orders of government cannot alter unilaterally.

Municipal governments require the financial capacity to fulfill their mandates, and the services for which they are responsible should be financed through local taxation, fees and other revenue and a defined portion of provincial and federal taxes and fees.

Municipal governments require sustainable, adequate and equitable resources. The property tax is not sufficient to fund all infrastructure and services that municipal governments develop, provide and maintain.

Municipal governments require an improved and more effective relationship with other orders of government, one that is respectful, co-operative and aims to better the lives of citizens and their various communities. Effective engagement is needed on matters of interest to the Government of Alberta and municipal governments. The Provincial Government is urged to engage municipalities when it proposes changes to:

- i. local government legislation;
- ii. revenue transfers to municipalities; and
- iii. provincial policies and programs that will have a significant impact in relation to matters that are within municipal authority.

In order to be successful, municipal governments require involvement from the community. Through engaging the public in the decision-making process, municipalities are able to develop policies, programs, and initiatives that are accepted by various stakeholders while building trust within the community. Recent trends have shown that citizen participation in local decision-making is declining, and it is important that local governments seek new and interesting ways to engage their citizens. AUMA is providing an example of strong leadership and democracy in providing the Citizen Engagement Toolkit.

Land use decisions often affect more than one municipal government. AUMA is committed to bold and strong leadership for sustainable land use planning, and in order for sustainability to be achieved, multi-jurisdictional planning must be clarified and structured. The building of positive inter-municipal relationships requires a common understanding of the roles of municipal governments, the role of the provincial government and the development of appropriate provincial guidelines for land use, while still respecting local land use authority.

Municipal partnerships should, and must include partnerships between AUMA and its sister organization, AAMDC. AUMA is proud to partner with AAMDC on projects that make sense to carry out jointly and AUMA recognizes the importance of having signed the first-ever working relationship document with AAMC.

Municipal governments see tremendous opportunity for co-operation and partnerships with First Nations/Aboriginal communities, in achieving a high quality of life for all Alberta citizens.

Municipal governments are and will be continue to be pro-active in providing a formalized education program for elected municipal officials through the Alberta Elected Officials Education Program Corporation.

Ongoing leadership on the topic of the Future of Local Governance is required and a toolkit, support and training for municipalities are required in this regard.

Assessment and property taxation are the lifeblood of municipalities and the legislation regarding assessment and taxation requires significant review and updating.

AUMA Requests:

With regard to Provincial/Municipal relationships, AUMA requests that the Government of Alberta:

1. support the vision, core values and governance sustainability statements outlined in the AUMA Policy Paper on the Future of Local Governance.
2. support AUMA by working with the Association on a Municipal Governance Toolkit that would assist municipal governments
3. work with the Association to review incentive programs, and build a “made-in-Alberta” incentive solution that would encourage municipal governments to change if their sustainability assessment showed that they should make operational changes or restructure.
4. enact a new Provincial-Municipal Partnership Agreement that is outcome-based and provides annual and adequate transfers to municipalities, as per AUMA’s Convention-adopted 2008 Policy Paper: Provincial/Municipal Sustainability Partnership Agreement 5 (**Policy Paper 2009.1**).
5. provide incentives for the restructuring of municipalities that are found to be financially unviable, and not meeting the definition of sustainability found in AUMA’s Policy Paper on the Future of Local Governance (**RESN Ext.03**).

With regard to municipal legislation, AUMA requests that the Government of Alberta:

1. amend the *MGA* to remove the distinction between rural and urban municipalities with regard to any governance models (**Policy Paper 2009.1**).

2. enable acknowledgement of contributions to local government candidates by tax deductions or tax credits through appropriate amendments to the *Alberta Income Tax Act* and the *Local Authorities Election Act* (**RESN C.i.3**).

With regard to municipal assessment and taxation, AUMA requests that the Government of Alberta:

1. participate on an AUMA Task Force to review and offer recommendations on assessment and taxation legislation in Alberta (**RESN C.i.1**).
2. actively involve municipalities in any review of the property tax and assessment system and compensate municipalities directly affected by changes to this system if those changes reduce property tax revenues (**RESN C.ii.9**).
3. amend existing legislation and regulations as required to explicitly authorize municipalities to exempt from the payment of municipal and education property taxes all non-profit affordable housing owner/operator agencies that are not "Management Bodies" formed pursuant to the *Alberta Housing Act* and to provide municipalities with grants in lieu of taxes to pay for the costs of municipal services to non-profit housing agencies that are not Management Bodies formed pursuant to the *Alberta Housing Act* where those agencies are exempt from the payment of municipal and education property taxes (**RESN C.ii.6**).

With regard to municipally-related legislation, AUMA requests that the Government of Alberta:

1. ensure in the new Education Act that locally elected school boards have the authority to responsibly undertake local election priorities and are given natural person powers (**RESN Ext.02**).

With regard to municipally-related legislation, AUMA requests that Health Canada:

1. take immediate action to modify its legislation and regulations to require that any applicant for licence under the Marijuana Medical Use Regulations for the purpose of cultivation and/or processing of marijuana for medical purposes be required to demonstrate compliance with all local bylaws and all electrical, fire, health, building and safety regulations prior to the issuance of such a licence, and institute a process by which local governments are notified of licences that are issued by Health Canada under the Marijuana Medical Use Regulations (**RESN C.iv.2**).

ANNEX 1

Policy Paper 2009.1: Future of Local Governance

NOW THEREFORE BE IT RESOLVED THAT the AUMA 2009 General Assembly adopt the 2009 Policy Paper on the future of Local Governance, with proposed amendments from the 2009 Convention, thereby initiating action on all recommendations to municipalities, AUMA and the Government of Alberta.

2009 Convention: Resolution ADOPTED as amended.

Link to adopted paper:

http://www.auma.ca/live/digitalAssets/32/32786_Future_of_Local_Governance_-_Adopted_at_2009_Convention.pdf

RESOLUTION 2009.C.i.1: Assessment

NOW THEREFORE BE IT RESOLVED THAT the Alberta Urban Municipalities Association examine and report on the multiple issues and potential solutions discussed in the 2009 AUMA Papers on Assessment; and

FURTHER BE IT RESOLVED THAT the AUMA Board strive to adhere to the following goals and principles as it carries out its work in 2010:

1. The assessments for all property should be based upon the principles of a true annual market value assessment system;
2. All exemptions, whether from assessment or taxation, should be reviewed in an open and transparent manner to ensure that they continue to be appropriate and provide the results for which they were intended;
3. Any exemptions that are continued should become exemptions from taxation, not assessment, in order that they continue to be open and transparent;
4. There should be a clear separation between the political assessment policy decision making and the administration of the assessment system; and
5. Municipalities should have input into the decision-making process.

2009 Convention: Resolution ADOPTED

RESOLUTION 2009.C.i.3: Tax Deductibility of Municipal Campaign Contributions

NOW THEREFORE BE IT RESOLVED THAT the Alberta Urban Municipalities Association urge the Government of Alberta to enable acknowledgement of contributions to local government candidates by tax deductions or tax credits through appropriate amendments to the *Alberta Income Tax Act* and the *Local Authorities Election Act*.

2009 Convention: Resolution ADOPTED

RESOLUTION 2009.C.ii.6: Property Tax Exemptions for Non-Profit Housing

NOW THEREFORE BE IT RESOLVED THAT the Alberta Urban Municipalities Association urge the Government of Alberta through the Minister of Housing and Urban Affairs and the Minister of Municipal Affairs to amend existing legislation and regulations as required to explicitly authorize municipalities to exempt from the payment of municipal and education property taxes all non-profit affordable housing owner/operator agencies that are not “Management Bodies” formed pursuant to the *Alberta Housing Act*; and

FURTHER BE IT RESOLVED THAT the Alberta Urban Municipalities Association urge the Government of Alberta through the Minister of Housing and Urban Affairs and the Minister of Municipal Affairs to provide municipalities with grants-in-lieu-of-taxes to pay for the costs of municipal services to non-profit housing agencies that are not Management Bodies formed pursuant to the *Alberta Housing Act*, where those agencies are exempt from the payment of municipal and education property taxes.

2009 Convention: Resolution ADOPTED

RESOLUTION 2009.C.ii.9: Property Tax Assessment and Overall Equity

NOW THEREFORE BE IT RESOLVED THAT the Alberta Urban Municipalities Association requests the Government of Alberta to:

- Actively involve municipalities in any review of the property tax and assessment system
- Compensate municipalities directly affected by changes to this system if those changes reduce property tax revenues.

2009 Convention: Resolution ADOPTED

RESOLUTION Ext.02: New Education Act

NOW THEREFORE BE IT RESOLVED THAT municipalities strongly support locally elected school boards and request the province ensure in the new education Act that locally elected school boards:

1. Have the authority to responsibly undertake local education priorities; and
2. Are given natural person powers.

2009 Convention: Resolution ADOPTED as amended

RESOLUTION Ext.03: Incentives for Restructuring Municipalities

NOW THEREFORE BE IT RESOLVED THAT the AUMA urges the Government of Alberta provide incentives for the restructuring of municipalities that are found to be financially unviable, and not meeting the definition of sustainability found in AUMA's Policy Paper on the Future of Local Governance.

2009 Convention: Resolution ADOPTED

RESOLUTION 2009.C.iv.2: Licenses Issued Under the Medical Marijuana Use Regulations

NOW THEREFORE BE IT RESOLVED THAT the AUMA encourage Health Canada to take immediate action to modify its legislation and regulations to require that any applicant for license under the Marijuana Medical Use Regulations for the purpose of cultivation and/or processing of marijuana for medical purposes be required to demonstrate compliance with all local bylaws and all electrical, fire, health, building and safety regulations prior to issuance of such a license; and

FURTHER BE IT RESOLVED THAT the AUMA request Health Canada Institute a process by which local governments are notified of licenses that are issued by Health Canada under the Marijuana Medical Use Regulations.

2009 Convention: Resolution REFERRED, then ADOPTED