



June 16, 17, 18

Municipal Viability

2010

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Presentation Outline

- A Quick Reminder:
 - AUMA's Future of Local Governance (FOLG) Initiative, Recommendations to AUMA
 - Alberta Municipal Affairs-led Municipal Sustainability Strategy Working Group (MSSWG)
- Municipal Sustainability Strategy Report
- Discussion and Feedback
- Next Steps

2010

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FOLG Recommendations to AUMA

2010

- **Develop a Future of Local Governance “package of legislative amendments” to be used to advocate legislative change to the Government of Alberta.**
- **Develop a Municipal Governance Toolkit that would assist municipal governments as follows:**
 - assessing their sustainability
 - measuring their performance
 - linking Municipal Sustainability Planning to action and performance, and
 - transitioning to a new governance model if the municipal government and citizens choose to do so

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FOLG Recommendations to AUMA

2010

- **Support Alberta municipal governments in using the Municipal Governance Toolkit and other municipal capacity-building Toolkits.**
- **Support the development of an Elected Officials Education Program (EOEP) one-day course for elected officials on the Municipal Governance Toolkit.**
- **Invite AAMDC to participate in the development of the Municipal Governance Toolkit.**

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MSSWG

2010

- Premier's 2009 mandate letter to the Minister of Municipal Affairs asked the Minister to develop a strategy to improve the long-term viability of Alberta municipalities.
- Municipal Affairs established the Municipal Sustainability Strategy Working Group (MSSWG) to assist in the development of the Strategy.

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MSSWG Terms of Reference

2010

- The Working Group considered the following questions and completed a Report in early June:
- Phase 1:
 1. What constitutes a viable and sustainable municipality and how can these be measured?
 2. What basic services should a municipality provide?
- Phase 2:
 3. What capacity building tools are required?
 4. What restructuring processes should be used?

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MSSWG Report: Preamble

2010

- The MSSWG discussed the terms “sustainability” and “viability”, and agreed to focus on the “viability” component of “sustainability”. The longer-term goal is “sustainability”.
- Restructuring, dissolution in particular, is often perceived as a negative process in communities. The MSSWG work will make the process more effective, providing a greater range of options for communities.

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MSSWG Report: Preamble (continued)

2010

- The role of the Province, and its interest and responsibilities.
- Clear statement about the importance and value of local autonomy and municipal governments.
- The fact that there are various manners in which municipal governments are accountable, responsible and transparent.

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MSSWG Report - Services

2010

- The MSSWG wrestled with the question of what are basic municipal services.
- As basic services are defined differently in municipalities (depending on size, type and location), the result was to change the discussion to speak about “commonly-provided” services.

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MSSWG Report – Measuring Viability

2010

- The MSSWG proposes a list of key quantifiable measures that would indicate when a municipality is trending towards non-viability.
- Financial measures are:
 - The municipality has reached 80 per cent or more of its debt and debt service limit.
 - Provincial and federal grants account for 50 per cent or more of total municipal revenue.
 - The municipality’s unpaid property taxes for the current year are greater than 10 per cent.
 - The municipality’s ratio of current assets to current liabilities is less than 1:1.
 - The municipality has run a deficit budget for the previous two consecutive years, or five out of the previous 10 years.

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MSSWG Report – Measuring Viability (cont) 2010

- **Non-Financial measures are:**
 - trend in population over 20 years,
 - non-residential assessment and total municipal assessment
- **Future measure:**
 - Capital investment as a percentage of total capital assets
- **Measures showing a trend towards non-viability would trigger an advisory phone call from provincial staff, and potentially the completion of a Self-Assessment Questionnaire by the Municipality.**

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Work to Date – Measuring Viability (cont) 2010

- **A self-assessment questionnaire will help municipalities identify where and how they could improve, including capacity-building tools.**
- **The self-assessment questionnaire includes yes/no questions under the following headings:**
 - Sustainable governance, Operational and administrative capacity, Financial stability, Service delivery, Regional Cooperation, Infrastructure, Community Well-being, Risk Management.
- **If the Self-Assessment Questionnaire shows a trend towards non-viability, the next step could be a Viability Study.**

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Work to Date – Capacity-building Tools

2010

- Existing capacity-building tools have been inventoried, and new tools will be identified to help municipalities address areas where they face viability challenges.
- Where there are currently gaps in capacity-building tools, new tools will be considered for development by the following partners: AMA, AUMA and AAMDC.
- The area where additional capacity-building tools are most needed is “Risk Management”.

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Work to Date – Restructuring Process

2010

- The proposed “Viability Process”:
 - A focus on solutions, through a strong partnership of neighbouring municipalities, municipal associations and Alberta Municipal Affairs.
 - More community engagement/involvement, including neighbouring Municipalities.
 - Focus on community development and community identity
 - Likely legislative changes

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Discussion and Feedback

- Is there anything that worries you in what was presented?
- Which elements of the Municipal Sustainability Strategy will help you as a Municipality?
- What do you need to become more sustainable as a Municipality?

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Next Steps

2010

- June 2010: MSSWG Report is delivered to the Minister.
- June 2010: meeting of the Minister and the Association Boards.
- Summer/Fall 2010: Effective engagement on MSS with municipal governments.
- Fall 2010:
 - Introduce any necessary legislative amendments.
 - AUMA Task Force on Sustainability Accountability Framework (including performance measures)

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Government of Alberta Grant Re-engineering Initiative

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Presentation Outline

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- **Government of Alberta – Grant Re-engineering Initiative**
 - Why was it carried out?
 - What is the result?
- **Implications for Municipalities**
- **AUMA Positions**

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Why did the GOA “re-engineer” grants?

2010

- Local governments told the Government of Alberta that the municipal grant application process needed to be more effective and efficient.
- An attempt to reduce duplication, increase efficiencies and reduce the administrative burden.
- Government of Alberta goal: to offer a more client-focused application process.

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What is the Result of the Grant Re-engineering Initiative?

- 51 grants are now down to 23
- All Culture and Community Spirit grants and all but one Tourism, Parks and Recreation grants are refocused entirely to the non-profit sector.
- Ministry staff has stated that the MSI will alleviate many of the concerns that result from the discontinuation of grants, or the re-focusing of grants to another sector (e.g. non-profit and voluntary sector).

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Implications for Municipalities

- A new online database of grants has been created, and may serve to make the application process easier.
- Municipalities are eligible for fewer grant programs than they have been in the past – particularly in the area of culture and community development.
- Municipalities will no longer play a coordinating role for grants provided to community/non-profit groups.
- The total amount of funding available to Municipalities from provincial grants has decreased.

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AUMA Positions

2010

- AUMA's position leading into the Municipal Grants Re-engineering Initiative was that the total funding to municipal governments remain the same or increase as a result of the Municipal Grants Re-engineering Initiative.
- AUMA is requesting that if the Budget causes grants to decrease, a commitment be made to re-establish the total amount when the economy recovers.

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AUMA Positions (cont)

2010

Regarding the re-focusing of community/non-profit grants , that the Govt of Alberta:

- Ensure equitable distribution of funds to community/non-profit groups throughout the province;
- Understand that there is a loss of ability to achieve a community's vision and priorities when the municipality's oversight and/or coordination role is removed.

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AUMA Positions (cont)

2010

Regarding the re-focusing of community/non-profit grants , that the Govt of Alberta:

- Understand that the ability to track and understand how grants are impacting the community in a meaningful way is also diminished.
- should not exclude Municipalities as eligible for programs that they were previously eligible for.

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