

# What Every Councillor Needs To Know!

**A Council Member Handbook**



Government

Alberta Municipal Affairs

**Municipal Capacity Building, Municipal Capacity and Sustainability Branch**

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A Council Member Handbook

**Alberta Municipal Affairs**

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*The contents of this publication are intended to provide general information. Readers should not rely on the contents herein to the exclusion of independent legal advice.*

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## ***Introduction***

Congratulations! The electors of your municipality have put their trust in you to make decisions that are in their best interest. Elected office is one of the highest orders of public service. It offers the opportunity to significantly influence the quality of life in your community.

This booklet presents an overview of your responsibilities as a municipal councillor and is intended to help you to understand the powers and duties of a municipal council as a whole and you as an individual councillor. It also provides the context of the Chief Administrative Officer's (CAO) role in the municipality and helps you to understand how vital this relationship is.

The *Municipal Government Act (MGA)* provides the basic legislative framework for Alberta's municipalities. Council members must also grasp and comply with federal and provincial legislation and regulations affecting municipalities. In Alberta, cities, towns, villages, summer villages, municipal districts, specialized municipalities and improvement districts constitute municipalities. Councils have numerous powers, duties and responsibilities. You will benefit from your time on council as you meet new people and develop a greater understanding of the local government process and its role in your community. Your community will benefit from your leadership, vision, and service. Best wishes for your success, and for the success of your community.

**This guide is an information summary only and has no legislative sanction. For certainty, refer to the *Municipal Government Act*, copies of which are available for purchase from Alberta Queen's Printer Bookstore. It is recommended that municipalities obtain legal advice for interpretation.**

Note: Proposed amendments to the MGA that have not been proclaimed as of (publication date) are not reflected in this document. Additionally, as part of the *Municipal Government Act (MGA)* Review process, all MGA regulations related to property assessment and planning and development were reviewed to support the proposed amendments. The review has resulted in updates to a number of existing regulations and creation of new ones. To view and provide comments on these regulations, visit <http://mgareview.alberta.ca/get-involved/regulations-review/>.

## ***Things to know!***

### **Oath of Office [s. 156]**

Before taking part in your first council meeting or performing any councillor duty, you will be required to make and subscribe to the official oath of office. By taking the oath, you swear or promise that you will diligently, faithfully, and to the best of your ability, fulfill the duties of the office to which you have been elected.

### **Your role**

Council is the governing body of the municipal corporation. As a councillor, you will exercise the powers of the municipality through decisions passed by bylaw or resolution at a public meeting and define the policies and direction that your municipal administration will put into action.

Every councillor must understand the municipal purposes in section 3.

The purposes of a municipality are

- a) to provide good government,
  - a.1) to foster the well-being of the environment,
- b) to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality,
- c) to develop and maintain safe and viable communities.
- d) to work collaboratively with neighbouring municipalities to plan, deliver and fund intermunicipal services.

The MGA also provides municipal government with natural person powers for the purpose of exercising their authority. Natural person powers give municipality's similar flexibility to that of individuals and corporations in managing their organizational and administrative affairs. These powers may help a municipality – without the need for more specific legislative authority – enter into agreements or acquire land and equipment. For example, if a municipality has authority to establish a public transit system, it may use natural person powers to contract services and purchase buses. It is important to be aware that natural person powers are limited by legislation.

Council's principal role in the municipal organization:

A council is responsible for [s. 201(1)]

- a) Developing and evaluating the policies and programs of the municipality;  
Council's primary role is to ensure that services are provided to citizens and property owners. This involves establishing policies about what programs and services are to be delivered, the level at which they are delivered, and the budgetary requirements. Council evaluates the policies and programs through information obtained from the CAO and feedback from the citizens.
- b) Carrying out the powers, duties and functions expressly given to council under the Act or any other legislation.  
Council is responsible for ensuring that the municipality acts within its enabling legislation. A municipality can be taken to court by any person if it is perceived to be acting outside its legal

authority. As well, council is responsible for ensuring that the municipality meets all requirements established in legislation, such as the requirement to hold public hearings on certain matters, develop a budget and levy taxes, appoint an auditor, etc. The legislation establishes minimum requirements; however, council can go beyond these minimums, provided that they act within their legislative authority.

Section 201(2) states clearly that a council must not exercise a power or function or perform a duty that is by this or another enactment or bylaw specifically assigned to the chief administrative officer or a designated officer.

As indicated above, council develops and evaluates its policies and programs; it is the CAO that implements them.

To carry out these roles, the MGA provides the following:

General duties of councillors [s. 153]

Councillors have the following duties:

- a) to consider the welfare and interests of the municipality as a whole and to bring to council's attention anything that would promote the welfare or interests of the municipality;
  - a.1) to promote an integrated and strategic approach to intermunicipal land use planning and service delivery with neighbouring municipalities;
- b) to participate generally in developing and evaluating the policies and programs of the municipality;
- c) to participate in council meetings and council committee meetings and meetings of other bodies to which they are appointed by the council;
- d) to obtain information about the operation or administration of the municipality from the chief administrative officer or a person designated by the chief administrative officer;
- e) to keep in confidence matters discussed in private at a council or council committee meeting until discussed at a meeting held in public;
  - e.1) to adhere to the code of conduct established by the council under section 146.1(1);
- f) to perform any other duty or function imposed on councillors by the MGA or any other enactment or by the council.

Your job as a councillor is to work with other council members to set the overall direction of the municipality in your role as a policy-maker. The policies that council sets are the guidelines for administration to follow as it handles the operations of the municipality. Much of your time on council will be spent considering new policies and programs and reviewing the current ones to make sure they are working as they should. In the spirit of collaboration, a municipality may enter into an agreement respecting services with Indigenous peoples or a Métis settlement and is required to consult with Indigenous peoples or Métis settlement when developing certain land use plans.

General duties of chief elected official (CEO) [s. 154]

- a) to consider the welfare and interests of the municipality as a whole and to bring to council's attention anything that would promote the welfare or interests of the municipality;
  - a.1) to promote an integrated and strategic approach to intermunicipal land use planning and service delivery with neighbouring municipalities;

- b) to participate generally in developing and evaluating the policies and programs of the municipality;
- c) to participate in council meetings and council committee meetings and meetings of other bodies to which they are appointed by the council;
- d) to obtain information about the operation or administration of the municipality from the chief administrative officer or a person designated by the chief administrative officer;
- e) to keep in confidence matters discussed in private at a council or council committee meeting until discussed at a meeting held in public;
  - e.1) to adhere to the code of conduct established by the council under section 146.1(1);
- g) to perform any other duty or function imposed on councillors by the MGA or any other enactment or by the council.

In practice, the CEO is also generally the main spokesperson for the municipality, unless that duty is delegated to a councillor.

These legislated duties supersede any duty to any individual or group of residents.

### **Be familiar with your legislation**

Municipalities are often described as “creatures of province”; the only powers that they have are those set out in provincial legislation and those implied or necessarily incidental to them. If you do not have a grasp of the basics, you will not understand what the municipality can, cannot, must and must not do. Although you can rely on the CAO to inform you of the legislated requirements of the MGA, it is recommended that you have a brief read through the legislation to understand why you are doing what you are doing.

The *Municipal Government Act (MGA)* is the most important Act a councillor should be familiar with. It lays the foundation for how municipalities operate, how municipal councils function, and how citizens can work with their municipalities. The MGA is the legislative framework in which all municipalities and municipal entities across the Province of Alberta operate.

The *Freedom of Information and Protection of Privacy (FOIP) Act* provides the Government of Alberta’s general policy on access to information and the protection of personal information in the public sector. It provides for public accountability through a right of access to records under the control of public bodies and mandates how a public body is to collect, use and disclose an individual’s personal information.

These are the two most important pieces of legislation that apply to municipalities. Some of the more common pieces of legislation that affects municipalities are listed at the end of this document.

### **How you can help**

#### Orientation and Training Opportunities [s. 201.1]

Understanding the relationships, roles and the responsibilities of an elected official and the associated limitations, will be critical to your success in the position. Whether you are newly elected or a returning official, you should take every opportunity to learn about your municipality; key issues affecting the community; and governing processes and procedures. It is mandatory for each municipality to offer orientation training to each councillor, to be held within 90 days after the councillor takes the oath of office.



The orientation training must include:

- the role of municipalities in Alberta;
- municipal organization and functions;
- key municipal plans, policies and projects;
- roles and responsibilities of council and councillors;
  - the municipality's code of conduct;
- roles and responsibilities of the chief administrative officer and staff;
- budgeting and financial administration;
- public participation policy; and
- any other topic prescribed by the regulations.

Your associations, Alberta Urban Municipalities Association (AUMA) and the Alberta Association of Municipal Districts and Counties (AAMDC), jointly offer orientation sessions that cover some of these requirements. They also offer conferences throughout the year that will provide invaluable information and networking opportunities.

In addition, Alberta Municipal Affairs provides workshops on the roles and responsibilities of council, councillors and administration. These workshops are offered on a regional basis in the months following a municipal general election and on an 'as requested' basis through-out your term.

If you are newly elected, attending training, conferences and workshops is an excellent way to obtain the information you need to serve effectively. If you are a returning councillor, your knowledge and experience holds significant value for the new councillor.

### **Understand the financial implications of your decisions**

Almost everything the municipality is engaged in will have a cost associated with it. You will spend a lot of time assessing the financial implications of council policy decisions. You will need to balance the desire for municipal services with the amount of property taxes and user fees that the local residents are willing to pay for those services.

### **Let employees do their jobs**

The CAO is your only employee in most instances. You may have a bylaw which states that designated officers report directly to council. All other municipal employees report to the CAO. Staying out of the day-to-day operation of the municipality allows councillors to concentrate on policy-making and program monitoring. Councillors should work with the CAO to keep informed on what the municipality is doing and will depend on the administrator to provide information so that they can make sound decisions. Effective councils set policy; they do not micro-manage or perform any administrative duties. Refer to section 201(2).

### **Understand and avoid pecuniary interest and conflict of interest**

As a public servant, you are responsible for upholding the public interest ahead of any private interests you may have. These rules are designed to protect the public interest while ensuring that your ability to work is not adversely affected by your election to council. In order that the public interest is served and seen to be served, it is important that you be open and honest about dealing

with the municipality. Be fair to yourself, your electors, and your municipality by keeping your private interests in harmony with the public interest.

Pecuniary interest is a matter which could monetarily affect the councillor or an employer of the councillor, or the councillor's family. Conflict of interest is a situation in which the concerns or aims of two different parties are incompatible or a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

The MGA provides the definition and application of pecuniary interest and the municipality's Code of Conduct for Elected Officials bylaw should define what constitutes a conflict of interest. Know how and when to report either, what to do in each case, and the consequences of not following the provincial legislation or local bylaw. Attempting to influence in any way, any decision in which you have a pecuniary interest is reason for disqualification from council. The municipal code of conduct will also have repercussions for conflict of interest that is not declared. If either is ignored, council decisions may be challenged.

For further information on pecuniary interest, please visit [www.municipalaffairs.alberta.ca/documents/Pecuniary\\_interest\\_%202017.pdf](http://www.municipalaffairs.alberta.ca/documents/Pecuniary_interest_%202017.pdf).

### **Information is public**

All information received, sent, stored or collected by a municipality is public information unless it falls within the limited exceptions under the FOIP Act. Yes, this applies to email and electronic records too. Ask your duly appointed FOIP officer (often the CAO), what the rules are.

### **The municipality's lawyer is not your lawyer**

The municipality's lawyer takes instructions from council as a whole through the CAO. Also, any legal advice received is privileged and is not to be shared outside of council. In a question of pecuniary interest, or if you are facing charges, you will be directed to seek your own counsel.

Municipalities and council members are subject to the laws in force in Alberta. For example, municipalities are subject to workplace safety laws, emergency management laws, environmental law, and employment laws, among many others. Council management decisions have legal consequences, and councils should be aware of legal risks in decision making. Councillors should be open to advice from the CAO and open to obtaining expert legal advice. You are responsible for your own words. Councillors should not make defamatory statements, whether inside or outside of council meetings. You need to be diligent to avoid putting the municipality or yourself at risk of committing an offence or being found liable for civil damages.

### **Team Approach**

Working as a team with the rest of council and administration will contribute to making your time on council a success. It isn't always going to be easy. Your influence as a council member rests on your ability to persuade other members of council to consider your point of view. When an issue is being studied, be sure to express your views as part of the debate.

Disagreements among council members on specific issues are common. The respectful exchange of ideas and opinions leads to good decisions. While working through these debates, keep in mind that

you all share the same desire for your municipality to be strong, safe, and viable. You may have different views about how to get there, but you do share broader common goals.

Most votes on a council resolution do not require a consensus of all councillors. As a result, there will be many occasions where a decision is made that you did not support with your vote. However, once the resolution has been passed, it becomes the official direction of the municipality. The health and ongoing success of a municipality is largely dependent upon the ability of councillors to respect and support the decisions of council in principle, despite your personal views during the debate.

Some municipalities have a communications policy in place that directs media through prescribed channels. Becoming familiar with communications procedures will allow you, council, and administration to work as a team and deliver a cohesive message.

These are things that a councillor must know to do their job with integrity. The remainder of this booklet provides information on other aspects of the legislation that a councillor should be aware of to ensure your municipality is accountable to the taxpayer. As a councillor, you are elected to look after the interests of the entire municipality. Council's effectiveness depends on you providing input as a representative of the people who elected you.

## **Governance**

### **Chief Elected Official (CEO)** [s. 150, 154 and 155]

The title CEO may be changed to one that council believes is appropriate to the office, such as mayor or reeve.

The CEO of a city or town is elected by a vote of a municipality's electors, unless council passes a bylaw requiring council to appoint the CEO from among the councillors. In a village, summer village, or municipal district, council appoints the CEO from among the councillors unless it passes a bylaw providing that the official is to be elected by a vote of the municipality's electors.

### **Code of Conduct for Elected Officials** [s. 146.1 and 153, Alberta Regulation]

A council must have a code of conduct bylaw which applies to each councillor equally. The bylaw must establish how council members will behave with each other, employees, and the public. It must also provide for a complaint and resolution process, and for sanctions as outlined in the regulation. This bylaw will help to ensure that all Albertans have effective and accountable representation, and set province-wide expectations for all elected officials. This bylaw must be reviewed every 4 years as councils are elected.

### **Councillor Liability** [s. 249, 275 and 535]

The question of liability may arise as a result of councillors' actions. However, section 535 of the MGA was written to protect councillors from personal liability while acting in good faith for the municipality. This section does not apply in circumstances of defamation and does not protect the municipal corporation from any such liability.

There are several provisions in the MGA that could potentially create a liability on individual councillors. Section 249 deals with unauthorized expenditures and section 275 which deals with borrowings, loans, or guarantees that cause the municipality to exceed its debt limit.

While it is important to be aware of the potential for personal liabilities there is little precedent for the use of these provisions.

### **Council Meetings** [Alberta Regulation]

A regulation defines a council meeting as, when used in reference to a council, a meeting under section 192, 193 or 194 of the Act, or a meeting under section 195 of the Act if a council committee meeting. These are an organizational meeting, a regular meeting, a special meeting or a committee of council meeting.

### **Organizational Meeting** [s. 159 and 192]

The first meeting of council you attend will be the organizational meeting, held within two weeks of the election, or sooner if an election was not required. This marks the official commencement of the term of office and the completion of the previous council's term. This meeting allows council to address preliminary matters such as appointing a CEO if necessary, appointing a deputy CEO, and appointing people to the various committees and other bodies associated with council. If other regular business is to be conducted, the organizational meeting must be adjourned and the regular meeting convened and recorded as a separate meeting.

**Regular and Special Meetings** [s. 153, 181, 193, 194, 196, 197, 198, and 199]

It is up to council to decide how many meetings are needed to govern the affairs of the municipality. The decision to hold regular meetings must be made at a meeting with all councillors present, normally the organizational meeting. The time and place of a regular meeting can be changed. All councillors do not have to be at the meeting to change the time or place; but all councillors and public must be given 24 hours-notice of the change.

The timing of regular council meetings does not always align with urgent business that requires council attention. There will be times when a special meeting is required. Section 194 of the *MGA* states that a special meeting may be called if the CEO believes one is needed and must be called if a majority of councillors request one in writing.

Council and council committees can hold meetings by means of electronic or other communication facilities, (Section 199) rather than in person. Notice must be given to the public of such a meeting, including the way it will be conducted. The facilities must enable all the meeting's participants to watch or hear each other, and the public to watch or listen.

**Meetings Closed To The Public (In-Camera Meetings)**[s. 1(3), 197, Alberta Regulation]

There are times when council or a council committee must discuss something in private. A meeting or part of a meeting is considered to be closed to the public if:

- a) any members of the public are not permitted to attend the entire meeting or part of the meeting,
- b) the council, committee or other body holding the meeting instructs any member of the public to leave the meeting or part of the meeting, other than for improper conduct, or
- c) the council, committee or other body holding the meeting holds any discussions separate from the public during the meeting or part of the meeting.

The *MGA* and the *FOIP Act* set out some very limited exceptions in which meetings may be closed to the public. Personnel matters, where it would be unfair to the people involved to have the issue discussed in public, are a common example. In order to recognize specific circumstances that necessitate confidentiality of council discussions, section 197(2) of the *MGA* allows meetings that are closed to the public where the subject matter falls within one of the exceptions to disclosure in Division 2 Part 1 of the *FOIP Act*. The exceptions include matters where disclosures could be harmful to personal privacy, individual or public safety, law enforcement, intergovernmental relations, or economic or other interests; reveal confidential evaluations, local public confidences, or advice from officials; or disclose information that is subject to legal privilege.

Even then, before closing all or any part of a meeting to the public, a council or council committee must pass a resolution approving the part of the meeting that is to be closed, and indicate the exception to disclosure in Division 2 of Part 1 of the *FOIP Act*. All resolutions have to be made in a public session.

All public have the right to attend a council meeting except for someone who has been expelled due to improper conduct in that meeting. The provisions of the *MGA* regarding public presence at meetings are intended to promote public involvement and the accountability of the local government process.

**Council Committees** [s. 145 and 203]

If council creates council committees, it must be done by bylaw. The bylaw would establish the reason for the committee, the meeting procedures, and appoint committee members among other things. Council may decide to create a temporary committee to look at a specific issue. There may also be standing committees which run from year to year to deal with ongoing issues.

Council may delegate some of its power making to its committees. Any powers delegated would be outlined in the bylaw that created the committee. Some council decisions, such as passing bylaws or adopting the budget, cannot be delegated.

When council is part of an emergency services committee, it may have specific responsibilities in the case of a local emergency. Council should be aware of what those responsibilities are and how they are to be carried out. The emergency response framework is described in the *Emergency Management Act* and its regulations.

**Procedural Bylaw** [s. 145(b)]

A municipality may have a procedural bylaw to provide a standard format for council meetings and make it easier for members of council, staff, media, and public to understand the decision-making process. A procedural bylaw should set the date and time of regular council meetings, provide for the order of business, set rules regarding the proceedings at regular meetings of council, and describe how items may be put on the council agenda and method of distributing the agenda for council meetings, among other things. This bylaw should be reviewed every four years as councils are elected.

**Policy-Making and Program Monitoring**

Council is responsible for considering the types and levels of services that are necessary or desirable for the municipality. This responsibility involves providing input into the municipality's programs and services (policy-making) and making sure that administration provides the programs and services in the best possible way (program monitoring).

Council policy provides the basis for consistent decisions. Administration is responsible for providing the programs and services to the residents according to council policy.

Program monitoring is staying up to date through information obtained from the CAO and assessing the results against what council planned to achieve.

**Public Participation Policy** [s. 216, Alberta Regulation]

It is always important for a council to work with citizens to request input and address concerns. Each council is required to establish a public participation policy that will tell the electors how they can take part in important decisions of council that are not otherwise regulated. The policy should identify the types or categories of approaches the municipality will use to engage their stakeholders as well as the circumstances in which the opportunity will be exercised. Examples to be considered in the policy could include holding a 'town hall' to discuss the budget process or to explain the auditor's report. This policy is intended to promote consistent expectations and increases public confidence in the local government decision making process.

**Voting** [s. 183, 184, 185, and 172]

Council makes decisions. Under the MGA, a councillor is required to vote on all resolutions and bylaws unless required or permitted to abstain from voting under other legislated provisions or the Code of Conduct Bylaw. Council must ensure that each abstention and the reason for it are recorded in the minutes of the meeting.

If there is a public hearing on a proposed bylaw or resolution, a councillor must abstain from voting on the bylaw or resolution if they were absent from all of a public hearing, and may abstain if absent for a part of a public hearing. Section 172 of the MGA states that councillors must also abstain from voting on matters in which they have a pecuniary interest.

At any time before a vote is taken, a councillor may request that the vote be recorded. The minutes must show the names of the councillors present and how they voted.

Each councillor has one vote. A resolution is passed by receiving the majority of votes from the councillors in attendance at the meeting. When there is a tie vote on a resolution, it is defeated.

A quorum must be present at a council meeting for any resolution or bylaw to be valid. A quorum is a majority of councillors making up the municipal council. For example, if council consists of seven councillors (including the CEO); four councillors would constitute a quorum.

## ***Administration***

### **Chief Administrative Officer (CAO)** [s. 153.1, 205, 205.1, 207, 208, and 209]

Every council must establish, by bylaw, a position of CAO. The CAO is an integral advisor to council in supporting the development and implementation of strategic objectives and policies. The CAO builds strong working relationships with stakeholders and provides mentorship and strategic guidance to their staff by fostering a culture of municipal excellence throughout the organization.

A primary duty of the CAO is to provide the same information to all councillors. When a councillor asks the CAO a question, it is their duty to provide that same information to all other councillors.

The CAO works collaboratively with council in building the community and effectively representing the interest of the municipality. As the administrative leader, the CAO will mentor, coach, and guide the performance of municipal staff to meet the needs of the community through public service excellence and a high degree of personal initiative.

A performance appraisal system for the CAO is a key building block for a lasting and positive relationship between council and the CAO. Even though the current relationship may be good, a formal appraisal process provides the opportunity to discuss opportunities for improvement. The MGA therefore requires that council provide the CAO with an annual written performance evaluation.

### **Designated Officers** (s. 209 and 210)

A CAO may delegate any of his or her powers, duties, or functions to a designated officer or an employee. Designated officer positions are established by bylaw and are under the CAO's supervision, unless otherwise provided by bylaw. A designated officer may also delegate any of those powers, duties, or functions to an employee of the municipality. When a designated officer position has not been assigned, that duty falls back on the CAO.

### **Policies**

The importance of policies is paramount in providing consistency and transparency to the CAO and the tax payer. Most successful municipalities maintain a policy manual with an index to enable easy reference. Policies should be approved by council, and should be periodically reviewed and updated to ensure they are still relevant.

### **Staff Development**

Human resources are as important as financial resources. A variety of educational opportunities are available for both new and experienced municipal administrators. The most successful municipalities encourage staff development and training to ensure that their employees are able to effectively carry out their duties and stay familiar with new developments in the field of municipal administration.



## ***Finance***

The majority of activities that take place in any municipality have a cost associated with them. As a member of council, you will spend a substantial amount of time assessing the financial implications of council decisions on the local taxpayers.

### **Operating and Capital Budgets [s. 242, 243, 244, 245, 246, 247, 283.1]**

The budget is the center of the municipal finance system. The priorities of council will necessarily be reflected in the funding priorities established in the budget. Through the budget, council sets the municipality's priorities for the next year (or number of years) by allocating funding for each program, service, or project. Careful and realistic budget planning and control can translate into better and more cost-effective services for the community.

Best practices indicate that sustainable municipalities have a strategic plan that maps out longer term goals and identifies the municipality's priorities over a number of years. A strategic plan can provide year to year guidance and direction to the annual budget process, and provides the longer-term context for annual goals.

The MGA requires that every municipality adopt an annual operating and a capital budget or a single annual budget that incorporates both operating and capital items. Property and business tax bylaws cannot be passed until a budget has been adopted. Municipal budgets must include sufficient revenues to cover planned expenditures. Reserve funds may be used to balance the budget. Municipalities are not permitted to allow the accumulated surplus, net of equity in tangible capital assets, to be less than zero.

The operating budget is a detailed estimate of how much your municipality needs to spend to meet its ongoing financial obligations and provide programs and services to the residents. The capital budget identifies the sources and uses of funding for fixed assets such as buildings, roads, vehicles, water and sewer facilities, and land.

Beginning in 2020, municipalities are required to have written three-year financial and five year capital plans in addition to the annual budget. Financial plans must identify expected revenues and expenditures as well as project the annual and accumulated surplus or deficit. The capital plan must meet the minimum of five years but a longer term plan is encouraged. The plan must identify planned capital property additions as well as allocated or anticipated sources of funding. Both the capital plan and operational plan must be reviewed and updated annually.

The budget is one of, if not the most, important council policy decision Council should receive regular reports from administration that compare actual financial results to the budget.

### **Procedure for Expenditure Authorization [s. 248 and 249]**

Each council must establish procedures to authorize and verify expenditures that are not included in a budget. Such policies typically set thresholds for at what level the CAO or his/her designate can make an expenditure not included in the budget and when those expenditures must be brought to council for approval.

It is also important to note that if you, as a councillor, make an unauthorized expenditure, or vote to spend granted or borrowed funds for a purpose other than that for which they were granted or

borrowed, you could be held personally liable under section 249 of the MGA for the amount of the expenditure, grant, or borrowing.

**Borrowing** [s. 249, 252, and 275]

The Minister of Municipal Affairs has, by regulation, established municipal debt and debt service limits. As long as a municipality is within the limits, no provincial approvals are required for borrowing, but the Minister's approval is required for any borrowing beyond the debt limits. If you vote for a borrowing that puts the municipality above the regulated debt or debt service limit, you could be held personally liable for the amount of the borrowing, unless the borrowing is approved by the Minister.

**Auditor** [s. 276, 277, 278, and 280; Alberta Regulation 313/2000]

Each council must appoint an auditor for the municipality and must submit audited financial statements and an audited financial information return to the Minister of Municipal Affairs by May 1 of each year. In addition, the financial statements or a summary of them must be made available to the public by May 1 of each year. The financial statements must disclose the municipality's debt limits, as well as the salaries of the CEO, individual councillors, the CAO, and the designated officers of the municipality.

## ***Property Assessment, Taxation, and Other Revenues***

**Assessment** [s. 285, 298, 454, 454.1, 454.2, 454.3, 460, 460.1, 468, and 470]

Property assessment is the process of assigning a dollar value to a property for taxation purposes. In Alberta property is taxed based on the *ad valorem* principle. *Ad valorem* means “according to value.” This means that the amount of tax paid is based on the value of the property.

Assessments for all types of property are prepared by professional, certified assessors. Provincial assessors designated by the Minister of Municipal Affairs assess designated industrial property, while municipal assessors employed or contracted by municipalities assess all other types of property. Under provincial legislation, a council must appoint, by bylaw, a designated municipal assessor. A designated assessor is responsible for the completion of a number of tasks laid out by provincial legislation and regulations.

After the assessed value of a property has been determined, the property is assigned an assessment class. The assessment class determines the tax rate that will be applied to each property, as assessment classes may have different tax rates.

The municipal assessor is responsible for assigning assessment classes to property. Property is classified according to its actual use. The classes set out in the MGA are Class 1 – residential; Class 2 – non-residential; Class 3 – farmland; and Class 4 – machinery and equipment.

To ensure that property owners have a voice in the property assessment system, the MGA has set out a complaints and appeals system for property owners who have concerns about their assessment.

**Property Taxation** [s. 242, 297, 318, 354, 355, 356, and 359.1]

Each year, municipal councils determine the amount of money they need to operate their municipality through the budget process. From this amount, the council then subtracts known revenues (for example, licences, grants, and permits). The remainder is the amount of money the municipality needs to raise through property taxes in order to provide services for the year.

Very simply, the revenue requirement divided by the total assessment equals the tax rate.

The tax rate is applied to each individual property assessment using the following formula:

Property assessment x Tax rate = Taxes payable.

Council is required to pass a property tax bylaw annually (Section 353). Council may set different municipal tax rates for each of the four assessment classes each year; however the difference between non-residential and residential tax rates can be no more than 5:1. Council may also set different tax rates for vacant and improved non-residential property and for different sub-classes of residential property. Council can only affect the tax rate by changing the revenue requirement (budget).

In addition to municipal tax rates, municipalities must set tax rates to raise funds that are requisitioned for cost sharing programs such as the Alberta School Foundation Fund and seniors lodges, etc.

Once the tax notices are mailed, the property tax rate bylaw cannot be amended unless approved by Ministerial Order.

For more information on Property Assessment and Taxation please visit:  
[www.municipalaffairs.gov.ab.ca/mc\\_property\\_assessment\\_and\\_taxation](http://www.municipalaffairs.gov.ab.ca/mc_property_assessment_and_taxation).

**Education Tax and Equalized Assessment**

Property assessment is used as the basis on which to requisition property taxes from all or a number of municipalities for the financial support of several regional and provincial programs. Equalized assessment is a process that levels the playing field for municipalities so that property tax requisitions and grants can be fairly allocated.

Just as property owners pay taxes in proportion to the value of the property they own, municipalities are required to contribute to the provincial education and other requisitions based on the proportion of assessment within their jurisdictions. Equalized assessments are used to determine the specific contributions to be made by each municipality, and they are also used in formulas for provincial grants to municipalities.

Inter-municipal fairness and equity is important when requisitioning property taxes from municipalities or calculating grants. In this regard, it is usually necessary to make some adjustments in the assessment base figures that each municipality reports to the province before those assessments are used to determine each municipality’s contribution to a regional or provincial program, or its equitable share of grant dollars. These adjustments are made through the equalized assessment process.

The MGA requires that most properties be assessed at market value. Ideally, all properties would be assessed at 100 per cent of market value. In practice, however, assessments may vary from market value to a limited degree. Because this variance may occur, equalization is used to adjust each municipality’s assessments to 100 per cent of market value. The equalization process removes the variations in assessment levels to make the assessment bases more comparable among municipalities. The process produces a set of adjusted, or “equalized,” assessments that can then be used to distribute \*requisitions, or allocate grants, among municipalities in a fair and equitable manner.”

Legislative Provisions

Process	Legislation
Equalized Assessment	<i>Municipal Government Act</i> , s. 317-s. 322, s.325 Alberta Regulation 220/2004, s. 10, s.13-s.19 <i>School Act</i> , s. 161(1)-(4)
*Requisitions	<i>Municipal Government Act</i> , s. 326(a)
Education Property Tax Requisitions <ul style="list-style-type: none"> <li>• Alberta School Foundation</li> <li>• School Board Requisitions</li> </ul>	<i>School Act</i> , s. 164(1)-(8), s. 174(1)-(13) <i>Municipal Government Act</i> , s, 359.1(1)-(8) <i>Municipal Government Act</i> , s. 359.2(1)-(8)
Seniors Lodge Requisition (Management Body)	<i>Alberta Housing Act</i> , s. 7

## ***Planning and Development***

Council shapes the physical future of the community through its authority over land-use planning and development control. It is the responsibility of council to focus on the future of the community as a whole while balancing the current rights, needs and concerns of property owners and residents. The purpose of planning is to achieve the orderly, economical and beneficial development, use of land and settlement without infringing on the rights of individuals, except as necessary for the community. A number of tools are available to council for this purpose.

The *MGA* identifies the hierarchy and relationship of statutory plans. The order is:

Intermunicipal Development Plans (IDPs) – all other plans must be consistent with the IDP.

Municipal Development Plans (MDPs) must be consistent with the IDP.

Area Structure Plans (ASPs) and Area Redevelopment Plans (ARDs) must be consistent with any MDP and IDPs. The IDP prevails to the extent of the conflict or inconsistency between the plans.

ALSA Regional Plan (ALSA s. 20, 21, and 22; MGA s. 630.2 and 638.1)

*Alberta Land Stewardship Act (ALSA)* regional plans inform land-use decisions. They build on existing policies and initiatives by establishing a set of strategic directions to achieve the regional vision and outcomes, include regional objectives, strategies and actions undertaken to support achievement of the regional vision and outcomes and indicators to measure and evaluate progress and enable achieving the strategic direction and strategies and actions. Under ALSA, land-use decision-makers and the provincial government will coordinate their planning and decision-making.

The current MGA land-use policies will be phased out as new regional plans under the ALSA come into force. The MGA will provide authority, through regulation, to create land-use policies for municipal planning matters that are not included in a regional plan.

Where there is an approved ALSA regional plan, the subdivision authority, development authority, municipal planning commission, and subdivision and development appeal board of the municipalities within that region must act in accordance with the applicable ALSA regional plan's policies and outcomes.

### **Intermunicipal Development Plan [s. 631]**

Two or more municipalities must adopt an inter-municipal plan (IDP) (within two years of MGA amendments being proclaimed) to address issues of mutual concern with respect to designated lands. The plan must provide for the future use of land, the manner of and proposals for future development, the provision of transportation systems and environmental matters, the co-ordination of intermunicipal programs, or other matters relating to the area. The plan must include a procedure to resolve, or attempt to resolve, conflicts; a procedure to amend or repeal the plan; and provisions relating to plan administration. The Minister may require two (2) or more municipalities to enter into an inter-municipal development plan. A Growth Management Board (GMB) is required to create a framework only for those matters that are not addressed in the growth plan. GMB members must create a framework with non-GMB municipalities where there is a common boundary.

**Municipal Development Plan [s. 632 and 636]**

Every council with a population greater than 3500 must adopt a municipal development plan (MDP). The MDP provides a general framework for development within the municipality and is the official statement of your municipality's policies concerning the desired future pattern of development. The municipality must afford opportunity to affected persons as well as neighbouring municipalities to review and make comment on the plan. Inter-municipal issues such as coordination of land use and infrastructure must be addressed in the municipality's own municipal development plan when there is not an IDP respecting these matters.

**Area Structure and Redevelopment Plans [s. 633, 634, 635, and 636]**

Council may, by bylaw, adopt an area structure plan (ASP) to provide a framework for subdivision and development for a particular area. The area structure plan will generally describe the sequences of development, proposed land use, population density, and the location of major transportation routes and public utilities.

When an area is undergoing redevelopment, council may adopt an area redevelopment plan, (ARP) which, in addition to providing guidelines, may result in a redevelopment levy being used to acquire land for park, school, or recreation purposes in the redevelopment area.

**Listing and Publishing of Policies [s.638.2]**

Every municipality must be more transparent with their planning documentation. They must list, publish and keep updated the list of all planning policy documents, and describe how they relate to each other and to the municipality's statutory plans. The information must be published on their municipal website. A development authority, subdivision authority, subdivision and development appeal board, the Municipal Government Board (MGB) or a court shall not have regard to any policy unless it is listed and published. All documents must be listed and published effective January 1, 2019.

**Land Use Bylaws and Development Decisions [s. 639, 640, 640.1, 641, 642, 683.1, 685, and 686]**

All municipalities must have a land use bylaw (LUB). This bylaw provides a specific means of implementing the policies that are expressed in a general way in the municipal development plan. The bylaw provides for a system of development permits and divides the municipality into land use districts or 'zones', including direct control, prescribing permitted and discretionary uses for land, and development standards for each land use district. Council must establish a development authority to administer the development approval process. Development decisions may be appealed to the Subdivision and Development Appeal Board (SDAB).

**Subdivision [s. 623, 652, 653.1, 654, 655, and 678]**

Dividing a piece of land into two or more parcels generally requires approval from a subdivision authority. The authority ensures that the land to be subdivided is appropriate for its proposed use. Council must establish the subdivision authority by bylaw and delegate powers in accordance with the MGA. Subdivision decisions can be appealed to the SDAB, or in certain situations to the Municipal Government Board. While a subdivision is approved by the subdivision authority, any changes to zoning that accompany the subdivision must be brought to council for approval by bylaw.

**Subdivision or Development Agreements [s. 650 and 655]**

Prior to a subdivision or development having full approval, your municipality may require a developer to enter into a subdivision or development agreement as a condition of approval. These agreements may address construction or payment of a road, walkway, public utility, parking/loading and unloading facilities, off-site levies and security to ensure that the terms of the agreement are carried out. In addition, requirements of inclusionary housing may be addressed in the agreement. After legal consultation, administration will bring the agreement forward to council for acceptance, after which the application can be given final approval.

**Subdivision and Development Appeal Board [s. 627, 678, and 686]**

A municipal council is required to establish a subdivision and development appeal board (SDAB) to act as a quasi-judicial body to deal with subdivision, development and stop order appeals. Members of council cannot form the majority on the SDAB or intermunicipal board.

A council that establishes a SDAB must appoint a clerk as a designated officer. Members and clerks must have completed the mandatory training. Appeal matters are addressed by the MGB. This sets out the jurisdictional matters that the board must act within. The SDAB must hold a public hearing to deal with an appeal.

For more information on the services of the Planning and Development, please refer to [www.municipalaffairs.alberta.ca/am\\_planning\\_and\\_development](http://www.municipalaffairs.alberta.ca/am_planning_and_development).

***Intermunicipal Collaboration Framework (Part 17.2)***

The purpose of this part is to require municipalities to develop an intermunicipal collaboration framework among two or more municipalities to provide for the integrated and strategic planning, delivery and funding of intermunicipal services, to steward scarce resources efficiently in providing local services, and to ensure municipalities contribute funding to services that benefit their residents.

This framework is mandatory and must be in place within three years of proclamation and reviewed every five years to ensure continued application of the documents.

### ***Municipal Collaboration and Mediation (s. 690)***

Alberta Municipal Affairs Intermunicipal Relations team provides assistance in building collaboration and relationships between and within municipalities across Alberta. The team helps municipalities assess what resources and support you may need to collaborate on, or resolve, any internal or intermunicipal issue. In the next three years, this team will have a specific focus to help municipalities create their Intermunicipal Collaboration Frameworks (ICFs) by assisting with access to resources and supports such as facilitation, mediation, and tools.

The Intermunicipal Relations team:

- works with municipalities to assess the most appropriate tools, services and supports they need to proactively collaborate on, or resolve, any internal or intermunicipal issue;
- works with municipalities to ensure that all the necessary preparations are in place to convene a collaborative or dispute resolution process;
- provides a roster of qualified private sector mediators available to work with municipalities;
- works with municipalities to design collaboration, relationship building and dispute resolution training programs, including preparation for collaboration, mediation, internal communication and public participation;
- facilitates applications for grant funding towards the cost of retaining private sector facilitators, mediators or consultants.

It is important to note that the *MGA* requires municipalities to attempt negotiations and mediation before bringing an inter-municipal land use dispute or a contested annexation to the Municipal Government Board. The Intermunicipal Relations team provides support for municipalities wanting or needing to go to mediation for an annexation of intermunicipal land use dispute.

Municipalities can use facilitated negotiations for any inter-municipal service, issue or dispute at any stage in their negotiations.

For more information on these services of the Intermunicipal Relations team, please refer to [www.municipalaffairs.alberta.ca/MDRS.cfm](http://www.municipalaffairs.alberta.ca/MDRS.cfm).

### ***Economic Development***

The Economic Developers Association of Alberta (EDA Alberta) is an incorporated, non-profit organization formed to enhance the economic development profession in the province, providing an active network of communication, information and education. EDA coordinates programs and workshops for municipal councils and economic development committee members to help communities with their economic plans by creating an awareness of what they can do on the local front to enhance their economic development activities. The website is [www.edaalberta.ca](http://www.edaalberta.ca).



## ***Provincial Legislation***

This list is not all-inclusive; however, these additional Acts may impact a municipality.

***Alberta Land Stewardship Act (ALSA)*** sets out the legal basis for regional land use planning in Alberta. It requires decision-making and local government bodies to review their regulatory instruments then make any necessary changes to ensure these instruments comply with the regional plan.

***Cemeteries Act*** controls the disposition of human remains, ensures cemeteries meet requirements of local authorities, and protects consumers who invest in pre-need cemetery supplies and services. Awareness may be necessary as some municipalities own and operate cemeteries.

***Emergency Management Act (EMA)*** governs measures taken during an emergency and requires municipalities to establish an emergency plan. It outlines the roles and responsibilities of the Minister of Municipal Affairs, the provincial government, and local authorities. The *EMA* provides the authority for the granting of additional powers during a state of emergency or a state of local emergency and governs the coming into force, expiration, and termination of these states of emergency.

***Employment Standards Code*** establishes Alberta's minimum standards of employment in many areas including payment of wages, hours of work, overtime, vacation and holidays, leaves and termination of employment. It establishes the processes by which an employee can seek recourse if the standards have not been met.

***Forest and Prairie Protection Act*** enables the protection of the forests and prairies of Alberta from wildfire. This legislation makes the chief elected official, each councillor and the chief administrative officer, by virtue of their offices, fire guardians in and for the municipal district except that part of the municipal district that is within a forest protection area.

***Highways Development and Protection Act*** delineates the responsibilities and powers of the authorities that oversee the various categories of highways and roads in Alberta. It also prohibits and limits certain developments near highways and roads.

***Interpretation Act*** sets out rules for interpreting legislation (various presumptions, definitions, rules of statutory interpretation and construction) that apply to all Alberta Acts and regulations, and who can act under legislation.

***Land Titles Act*** details the legal mechanism for registration of land related documents and establishes priority between them. The government guarantees the title and a fund is established to compensate people who have been deprived of an interest in land, for situations such as an error made by the Registrar, fraud or forgery.

***Local Authorities Elections Act (LAEA)*** governs municipal elections by establishing procedures around campaigning, voting and counting of votes.

***Oaths of Office Act*** applies to oaths of allegiance, official oaths and judicial oaths. All elected officials must take an oath of office before they can fulfill their duties. It provides that any

person required by statute to make an oath is permitted to make a solemn affirmation instead of taking an oath.

**Occupational Health and Safety Act (OHS)** sets out the framework for health and safety in Alberta's workplaces, including municipalities.

**Peace Officers Act** establishes the roles of peace officers (non-police) in Alberta and allows different levels of government the opportunity to obtain peace officer status for community safety enhancement and specialized law enforcement needs. This act establishes the requirement for authorization of employers and appointment of peace officers including the application process, suspension/cancellations, employer liability and responsibility, the role of the Director of Law Enforcement, oversight process and the mechanism for public complaints. It also provides the offences and penalties.

**Safety Codes Act** establishes a unifying framework for the administration of ten safety disciplines which each have their own safety codes and standards. The Public Safety Division of Alberta Municipal Affairs administers the framework, including development of codes and standards adopted in Alberta, providing advice and technical support to the public, industry, all municipalities and the Safety Codes Council, monitoring the work of municipalities, corporations and agencies that administer the Act or provide services under the Act, and managing agencies under contract to provide services such as permits and inspections for municipalities that do not administer the Act in their jurisdiction.

**Traffic Safety Act** promotes safety on the province's highways, the definition of which includes any street, road, sidewalk or bridge that the public is ordinarily entitled or permitted to use.

**Weed Control Act** defines the actions municipalities in Alberta must take with respect to weed control, issuances of notices and the conditions necessary for appeal.

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### **Domestic Trade Agreements**

Alberta municipalities are party to two trade agreements: the New West Partnership Trade Agreement (NWPTA) and the Agreement on Internal Trade (AIT). Through these agreements, the province has sought to reduce trade barriers, enhance labour mobility and open investment opportunities for Albertans and Alberta businesses. The Canadian Free Trade Agreement (CFTA) came into effect on July 1, 2017 replacing the Agreement on Internal Trade (AIT) that had been in force since 1995.

More information on how the procurement practices of Alberta municipalities are impacted by these trade agreements is available at [economic.alberta.ca/trade-agreements.asp](http://economic.alberta.ca/trade-agreements.asp).