

Municipal Affairs

Now That You've Been Elected

A Handbook for Elected Officials

Alberta 

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Capacity Building, Municipal Services Branch

Now That You've Been Elected - A Handbook for Elected Officials

Alberta Municipal Affairs

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Introduction

Congratulations on your election to council. 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.

History of Local Government in Alberta

The first local government election in Alberta was held in 1883 under the Northwest Municipal Ordinance. Rural local government began with herd districts in 1883, fire districts in 1886, and statute districts in 1887, which were combined into local improvement districts in 1897. Urban local government began with unincorporated town ordinances in 1888. The village ordinance followed in 1895.

In 1912, separate acts were put in place for towns, villages, rural municipal districts, and improvement districts. Cities were incorporated by special charter.

Municipal Government Act

In 1967, the various pieces of municipal legislation were consolidated into the original *Municipal Government Act*.

In 1994, a further consolidation and revision of municipal legislation took place. The 1994 revisions gave municipalities greater autonomy in local decision making, and incorporated the provisions of the former Planning Act.

The current *Municipal Government Act (MGA)* is the primary statute governing the affairs of your municipality. The *MGA* has undergone an extensive review and amendments. The amended *MGA*, is expected to be proclaimed before the October 2017 election. Training will be offered to municipal administrators and elected officials once the amendments are proclaimed. Your Chief Administrative Officer (CAO) should provide you with a copy.

Section 3 of the *MGA* states the purposes of a municipality are:

- To provide good government,
- 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, and
- To develop and maintain safe and viable communities.

A municipality is a corporation and has the powers of a natural person, except to the extent that those powers are limited by the *MGA* or any other enactment. The introduction of natural person powers provides council with a great deal of flexibility in terms of how the municipality is organized and administered, what services are provided, and how those services are delivered. The power to

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pass bylaws is stated in general terms. This gives councils broad authority and respects their right to govern the municipality in the way that council considers appropriate within the jurisdiction provided under the *MGA*. However, bylaws authorized by the *MGA* or any other enactment are subordinate to federal and provincial legislation and regulations.

Council Roles and Responsibilities

Council is the governing body of the municipal corporation and the custodian of its legislative powers. As a councillor, you will exercise the powers of the municipality through decisions made at council meetings and define the policies and direction that your municipal administration will put into action.

The *MGA* provides that councils can only exercise the powers of the municipal corporation in the proper form, either by bylaw or by resolution. What this means is that no individual or group of councillors can make a decision or ask administration to take action; this can only be done through an appropriate bylaw or resolution passed at a public meeting of council.

Your job as a councillor is to work with other council members to set the overall direction of the municipality through 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.

Councillor Duties

Under section 153 of the *MGA*, all councillors have the following duties:

- to consider the welfare and interests of the municipality as a whole and bring to council's attention anything that would promote the welfare or interests of the municipality
- to participate generally in developing and evaluating the policies and programs of the municipality
- to participate in council meetings, council committee meetings and meetings of other bodies to which they are appointed by council
- to obtain information about the operation or administration of the municipality from the CAO or a person designated by the CAO.
- to keep in confidence matters discussed in private at a council or council committee meeting until discussed at a meeting held in public
- to perform any other duty or function imposed on councillors by this or any other enactment or by council.

Councillor Liability

As you carry out these duties, the question of liability may arise as a result of your actions. However, section 535 of the *MGA* was written to protect you from personal liability while acting in good faith

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for your 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 impose liability on a councillor. One of these is found in section 249 which deals with unauthorized expenditures, and is discussed later in more detail under "Procedure for Expenditure Authorization". Another is found in section 275 which deals with borrowings, loans, or guarantees that cause the municipality to exceed its debt limit, and is discussed later in more detail under "Borrowing".

While it is important to be aware of these liabilities, they should not be a concern as long as the municipality follows appropriate process.

The Chief Elected Official (CEO) (s. 150, 154 and 155)

The CEO, in addition to performing a councillor's duties, must preside when attending a council meeting unless a bylaw provides otherwise. The CEO must also perform any other duty imposed under the *MGA* or any other enactment. In practice, the CEO is also generally the main spokesperson for the municipality, unless that duty is delegated to another councillor. 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.

Orientation and Training Opportunities

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. This 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; *(when proclaimed)*
- roles and responsibilities of the chief administrative officer and staff;
- budgeting and financial administration;
- public participation policy;
- any other topic prescribed by the regulations.

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Your associations, Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties, offer sessions for elected officials. They also offer conferences through-out 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 each 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.

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 regarding 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).

Policy-making provides a way of ensuring that consistent decisions are made on similar matters. Policies should establish general guidelines that council sets for administration to follow. Administration then provides programs and services to the residents according to those policies.

Program monitoring involves staying up to date on the programs and services the municipality offers and assessing the results against what council planned to achieve.

The Entire Municipality

As a councillor, you are elected to look after the interests of the entire municipality. If you are a councillor in a municipality that has wards, you will have to be careful you do not place the interest of the ward or electoral division above the interest of the whole municipality. As difficult as it may be at times, you must base any decision you make on what is best for the entire municipality. Council's effectiveness depends on you providing input as a representative of your area, while thinking and voting for the needs of the whole municipality.

Time Management

As a council member, there will be significant demands on your time. There will be council, council committees, and various other meetings to attend. To participate effectively in all these meetings, you should review meeting materials and become familiar with the issues that will be discussed. Conferences and workshops sponsored by your municipal association or educational institutions will help provide you with the tools to be an effective elected official. If you choose to attend, these will also help you to understand the wider picture on issues affecting the whole province or other municipalities. Telephone calls, visits from your electors, and community events are all important

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components of the job. Managing time in order to adequately deal with both personal and public demands is an important part of becoming an effective member of council.

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 and healthy. The respectful exchange of ideas and opinions will lead 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 their 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.

Oath of Office (s. 156)

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

Organizational Meeting (s.159 and 192)

The first meeting of council 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 your term of office and the completion of the previous council's term. This meeting allows council to address preliminary matters such as electing a CEO if necessary, electing 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.

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Procedural Bylaw

Your municipality may have a procedural bylaw (s. 145(b)) 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 name and describe the responsibilities of council committees, provide for the order of business and method of distributing the agenda for council meetings, set rules regarding the proceedings at regular meetings of council, and describe how items may be put on the council agenda.

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. The time and place of a regular meeting can be changed. While all councillors do not have to be at the meeting to change the time or place, all councillors and public must be given 24 hours notice of the change.

All council and council committee meetings must be open to the public. Only people who have been expelled from the meeting because of improper conduct have no right to attend. The provisions of the MGA regarding public presence at meetings are intended to promote public involvement and the accountability of the local government process.

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)

There are times when council or a council committee must discuss something in private. 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 *Freedom of Information and Protection of Privacy 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.

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Resolutions or bylaws cannot be passed while *in camera*. Any decisions must still be made at a meeting open to the public. Under section 153 of the *MGA*, councillors are required to keep in confidence matters discussed in private at a council or council committee meeting. They must keep this confidence until the matter is discussed at a meeting held in public.

Voting (s. 183, 184, 185, and 172)

You are on council to make decisions. Under the *MGA*, you are required to vote on all resolutions and bylaws unless you are required or permitted to abstain from voting under other legislated provisions. 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, you must abstain from voting on the bylaw or resolution if you were absent from all of a public hearing, and you may abstain if you were absent for a part of a public hearing. Section 172 of the *MGA* states that you must also abstain from voting on matters in which you have a pecuniary (monetary) interest.

At any time before a vote is taken, you 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 motion, the motion 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 your council consists of 7 councillors (including the CEO); 4 councillors would constitute a quorum.

Pecuniary Interest (s. 170 and 172)

Membership on council is a position of public trust. The *MGA* describes pecuniary interest and sets out the procedure you **must** follow if a matter in which you have a pecuniary interest comes up at a meeting in which you are participating as a member of council. Failure to follow these procedures can lead to disqualification. Further information can be found in the handout, "*Pecuniary Interest for Municipal Councillors*". Extra copies are available through your municipal office or Alberta Municipal Affairs (780-427-2225) (toll free: 310-0000) and on the internet at http://www.municipalaffairs.alberta.ca/documents/Pecuniary_interest_%202017.pdf.

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Council Committees (s. 145 and 203)

Council may create council committees and appoint committee members. 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.

Committees can play a bigger role in making decisions on issues for council. If council wants a committee to make decisions, council may delegate some of its powers to the committee. If a committee makes a decision delegated to it by council, it is then as if the council made the decision itself. Some council decisions, such as passing bylaws or adopting the budget, cannot be delegated.

If council is part of an emergency services committee, you may have some specific responsibilities in the case of a local emergency. You need to know what those responsibilities are and how they are to be carried out. The system of emergency response is described in the *Emergency Management Act*.

Municipal Organization and Administration

A vital part of the smooth operation of municipal government is the interaction between council and administration. Understanding how administration works will help you carry out your role as a municipal councillor.

Your administration exists to take care of the everyday work of running a municipal government. This includes providing a variety of programs and services based on the priorities that council has set for the municipality. As a councillor, residents will ask you for information on the municipality's programs and services. Your most important contact is the Chief Administrative Officer (CAO)

Chief Administrative Officer (CAO) (s. 205, 205.1, 207, 208, and 209)

Every council must establish, by bylaw, a position of CAO. Council may give the position an appropriate title. The CAO is the administrative head of the municipality, and is directly responsible to council for the operational performance of the organization. The CAO is responsible to implement the decisions of council, implement the municipality's policies and programs, advise and inform council on the operation of the municipality, and perform any other duties assigned by council. The CAO, together with the administrative team, will also provide advice, information, and recommendations to council on any matters that council is dealing with.

Successful municipalities have found that clear lines of communication and accountability are essential for effective operation. This is generally achieved when the CAO is provided with the authority to take council direction (through resolutions and bylaws) and implement that direction through the administrative team. Although well-intentioned, individual councillor's attempts to become involved by providing direction to the administrative team can blur this accountability. It is important for council to develop a strong working relationship with your CAO based on mutual respect and trust, and allow the CAO to direct and set priorities for the administrative team.

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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 subject to 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.

Policies

The importance of policies will become apparent the first time you try to find out if a past council established guideline on a certain matter. Most successful municipalities maintain a policy manual or files together with an index to enable easy reference. Policies should be approved by council, and should be periodically reviewed and updated to ensure that they continue to be relevant.

Organizational Chart

Most municipalities maintain an organization chart of the administration structure. A review of the organizational chart will help you to understand the types of functions and services that the municipality provides, and how it is organized to deliver those services.

Staff Development

Your human resources are as important as your 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

Almost everything the municipality is engaged in will have a cost associated with it. You will spend a lot of time on council assessing the financial implications of decisions.

Operating and Capital Budgets (s. 242, 243, 244, 245, 246, and 247)

The budget is the center of the municipal finance system. Service delivery and project development are always subject to a number of constraints, but financial constraints are generally the most limiting. As a result, the priorities of council will necessarily be reflected in the funding priorities

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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.

Many 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. Property and business tax bylaws cannot be passed until both budgets have been adopted. Municipalities are not allowed to budget for a deficit. As well, total revenues over a four-year period must be equal to or greater than total actual expenditures.

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.

A long-range capital infrastructure plan, covering at least three to five years, is required in order to receive provincial Municipal Sustainability Initiative grant funding. The plan should set out what capital expenditures are needed and when, the future cost of maintaining the asset, when it has been built or purchased, and how the assets will be financed.

The budget is a plan of council expenditures and revenues over the course of the year. Council needs to keep an eye on what is actually happening to make sure the municipal operations match the budget. It is recommended that council receive regular financial reports from administration that compare actual results to the budget. Financial reports are a good source of information and budget control.

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. 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

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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.

Each municipality is responsible for ensuring that each property owner pays his or her share of taxes. Property assessment is the method used to distribute the tax burden among property owners in a municipality.

The market value based standard is used to determine the assessed values for the majority of properties in Alberta. Market value is the price a property might reasonably be expected to sell for if sold by a willing seller to a willing buyer after appropriate time and exposure in an open market.

Some types of properties are difficult to assess using a market value based assessment standard because: they seldom trade in the marketplace (and when they do trade, the sale price usually includes non-assessable items that are difficult to separate from the sale price); they cross municipalities and municipal boundaries; or they are of a unique nature. Municipal Affairs prescribes rates and procedures to assess these types of properties, which are referred to as "regulated property". Rates and procedures are determined by what a type of property is used for, its activity, or its production capability. There are four types of regulated property:

1. Farmland
2. Linear property
3. Machinery and equipment
4. Railway property

Assessments for all types of property are prepared by professional, certified assessors. Assessors receive training in a variety of areas including property valuation techniques, legislation, and quality assurance. The assessor designated by the Minister of Municipal Affairs assesses linear property, while assessors employed or contracted by municipalities assess all other types of property. Under

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provincial legislation, a municipality must appoint, by bylaw, a designated 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 assessor for the municipality is responsible for assigning the assessment classes to property. Property is classified according to its actual use. The classes are set out in the *Municipal Government Act*. They are:

- Class 1 – residential
- Class 2 – non-residential
- Class 3 – farmland
- Class 4 – machinery and equipment

Each year every municipality is required to send an assessment notice to every assessed person listed on the assessment roll. Each municipality must publish a notification in one issue of a local newspaper to announce that the assessment notices have been mailed to property owners within the municipality.

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

The process involves filing a complaint with the municipality's assessment review board. The type of property the complaint is about will determine the type of assessment review board that will hear the complaint. Residential property with three or fewer dwelling units, farmland, or a tax notice other than a property tax notice will be heard by a Local Assessment Review Board (LARB). Residential property with four or more dwelling units or non-residential property will be heard by a Composite Assessment Review Board (CARB). If the taxpayer believes that an error in law or jurisdiction has been made by the assessment review board, the decision may be appealed to the Court of Queen's Bench of Alberta (CQB).

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.

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This revenue requirement is then used to calculate the tax rate. The tax rate is the percentage of assessed value at which each property is taxed in a municipality. The revenue requirement is divided by the assessment base (the total value of all assessed properties in the municipality).

The tax rate calculation is expressed in the following formula:

$$\text{Revenue requirement} / \text{Assessment base} = \text{Tax rate.}$$

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

$$\text{Property assessment} \times \text{Tax rate} = \text{Taxes payable.}$$

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 once 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.

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

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. This is discussed in the next section.

For more information on Property Assessment and Taxation please visit:
www.municipalaffairs.gov.ab.ca/mc_property_assessment_and_taxation.

Education Tax and Equalized Assessment (MGA s. 318, 359.1 and 359.2; School Act: Part 6 Division 3, s. 174; Alberta Regulation 22/2004-Sec 10)

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

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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.

Alberta's Municipal Government Act 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.

For more information on Equalized Assessment please visit:

www.municipalaffairs.alberta.ca/1571.cfm

Other Taxes and Revenues (s. 7, 360, 371, 381, 382, 388, 393, and 399)

In addition to the property tax levy, a municipality may impose a business tax, a special tax, or a local improvement tax. As well, the *MGA* provides for taxes within a business revitalization zone and on well drilling equipment.

Under section 360 of the *MGA*, franchise agreements may exist between a municipality and a utility service (power, gas, cable, telephone) that among other things, provide for the payment of a franchise fee. The fee is usually a percentage of the distribution charges levied by the utility company, and is a rate set for rent of the municipal rights-of-way, the exclusive franchise rights granted within a municipality, and the property taxes that would otherwise be paid by the utility.

There are other sources of revenue available, mainly user fees. Utility charges for water, sewer treatment, and garbage collection are common in Alberta municipalities. Council may want to develop a policy setting the rates based on the degree of cost recovery considered desirable (full cost recovery is normal for utilities). Fees can also be set for other services, such as recreational facilities, photocopying, or meeting room rentals.

Municipal Grants Web Portal

Information on all provincial grant programs supporting municipalities is available on the Municipal Grants Web Portal at: www.municipalaffairs.alberta.ca/municipalgrants.cfm.

Within this portal, each municipal grant program has its own information page. These pages contain:

- a description of the program, including the type of projects supported and the eligibility requirements;
- links to copies of program guidelines, application forms, and reporting documents;

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- a downloadable key dates calendar;
- links to program websites; and
- contact information for provincial program staff should you have any questions.

Contact the Municipal Assessment and Grants Division at 780-422-7125 or toll free in Alberta at 310-0000 for more details about the grant programs.

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. A number of tools are available to council for this purpose.

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

If an ALSA regional plan is approved or amended, municipalities within an applicable ALSA regional plan, are required to review their regulatory instruments, such as but not limited to, existing statutory plans, land-use bylaws, policies and procedures, and make any amendments to comply with the ALSA regional plan. After the review, municipalities are required to file a statutory declaration with the Land Use Secretariat stating that the review is complete and that the municipality is in compliance with the regional plan. The ALSA regional plan establishes the time within which municipalities must review and amend the plans to achieve compliance.

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.

Municipal Development Plan (s. 632 and 636)

A municipality with a population of 3,500 or more 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.

Inter-municipal Development Plan (s. 631 and 636)

Two or more municipalities may adopt an inter-municipal plan (IDP) to address issues of mutual concern with respect to designated lands. The plan may provide for the future use of land, the manner of and proposals for future development, or other matters relating to the area. The plan

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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.

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.

Land Use Bylaws (s. 639, 640, 642, 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. For instance, if a council wishes to adopt a direct control district in the land use bylaw, council must also adopt a municipal development plan that establishes that direction. All statutory documents must be consistent with each other. The bylaw provides for a system of development permits and divides the municipality into land use districts or 'zones' 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.

When an application conforms to the provisions of the bylaw and is of a permitted use, a development permit must be issued. If an application is refused because it does not conform to the bylaw or because the neighbours are concerned over a proposed development approval, the applicant may appeal to the subdivision and development appeal board (SDAB).

Subdivision (s. 623, 652, 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 decide on its membership. Decisions can be appealed to the subdivision and development appeal board, 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. These agreements ensure that certain

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conditions of the proposed development are documented and met. 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 and development appeals. Members of council cannot form the majority of membership on the SDAB or on any SDAB committee hearing appeals. Appeals are usually made by the applicant for a subdivision approval or a development permit, or by persons affected by the development authority's decision. The SDAB must hold a public hearing to deal with an appeal.

Municipal Collaboration and Mediation (s. 690)

Alberta Municipal Affairs Municipal Dispute Resolution Services team provides assistance in building collaboration between and within municipalities across Alberta.

The team provides a number of courses to build knowledge in the fields of negotiation, public input and workplace conflict, and helps municipalities to work within their own organization and inter-municipally to build capacity to collaborate.

The team also provides mediation/facilitated negotiation services to municipalities who have disputes with another municipality or with a regional entity such as a regional services commission. The team:

- works with municipalities to determine whether or not disputes are suitable for mediation
- works with municipalities to ensure that all the necessary preparations are in place to convene a dispute resolution process
- provides a roster of qualified private sector mediators available to work with municipalities
- works with municipalities to design dispute resolution training programs, including preparation for mediation, best practices for municipalities, when to use mediation, etc.
- provides funding, on a proportional basis, to the parties to cover the costs of retaining the private sector mediator(s).

Section 690 of the *MGA* requires municipalities to attempt negotiations and consider mediation before bringing an inter-municipal dispute or a contested annexation to the Municipal Government Board.

Municipalities can use facilitated negotiations for any inter-municipal matters at any stage in their negotiations.

For more information on the services of the Municipal Dispute Resolution team, please refer to www.municipalaffairs.alberta.ca/MDRS.cfm.

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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 of Alberta, 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. You can visit their website at www.edaalberta.ca.

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Conclusion

"Now That You've Been Elected" is a starting point, not the final word. 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 *MGA* and request your own legal advice. Copies can be purchased from Alberta Queen's Printer Bookstore:

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Appendix 1 - Municipal Government Act

Section 3 Municipal Purposes

The purposes of a municipality are:

- (a) to provide good government,
- (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, and
- (c) to develop and maintain safe and viable communities.

Section 153 General Duties of Councillors

Councillors have the following general 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;
- (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;
- (f) to perform any other duty or function imposed on councillors by this or any other enactment or by the council.

Section 201 Council's Principal Role in the Organization

A council is responsible for:

- (a) developing and evaluating the policies and programs of the municipality;
- (b) making sure that the powers, duties and functions of the municipality are appropriately carried out;
- (c) carrying out the powers, duties and functions expressly given to it under this or any other enactment.

Section 207 CAO Responsibilities

The chief administrative officer

- (a) is the administrative head of the municipality;
- (b) ensures that the policies and programs of the municipality are implemented;
- (c) advises and informs the council on the operation and affairs of the municipality;

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(d) performs the duties and exercises the powers and functions assigned to a chief administrative officer by this and other enactments or assigned by council.

Section 208 Major Administrative Duties

(1) The chief administrative officer must ensure that

(a) all minutes of council meetings are recorded in the English language, without note or comment;

(b) the names of the councillors present at council meetings are recorded;

(c) the minutes of each council meeting are given to council for adoption at a subsequent council meeting;

(d) the bylaws and minutes of council meetings and all other records and documents of the municipality are kept safe;

(e) the Minister is sent a list of the councillors and any other information the Minister requires within 5 days after the term of the councillors beings;

(f) the corporate seal, if any, is kept in the custody of the chief administrative officer;

(g) the revenues of the municipality are collected and controlled and receipts are issued in the manner directed by council;

(h) all money belonging to or held by the municipality is deposited in a bank, credit union, loan corporation, treasury branch or trust corporation designated by council;

(i) the accounts for authorized expenditures referred to in section 248 are paid;

(j) accurate records and accounts are kept of the financial affairs of the municipality, including the things on which a municipality's debt limit is based and the things included in the definition of debt for that municipality;

(k) the actual revenues and expenditures of the municipality compared with the estimates in the operating or capital budget approved by council are reported to council as often as council directs;

(l) money invested by the municipality is invested in accordance with section 250;

(m) assessments, assessment rolls and tax rolls for the purposes of Parts 9 and 10 are prepared;

(n) public auctions held to recover taxes are carried out in accordance with Part 10;

(o) the council is advised in writing of its legislative responsibilities under this Act.

(2) Subsection 1(a) to (d) and (o) apply to the chief administrative officer in respect of council committees that are carrying out powers, duties or functions delegated to them by the council.

Section 249 Civil Liability of Councillors

(1) A councillor who

(a) makes an expenditure that is not authorized under section 248,

(b) votes to spend money that has been obtained under a borrowing on something that is not within the purpose for which the money was borrowed, or

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(c) votes to spend money that has been obtained under a grant on something that is not within the purpose for which the grant was given,

is liable to the municipality for the expenditure or amount spent.

(3) If more than one councillor is liable to the municipality under this section in respect of a particular expenditure or vote, the councillors are jointly and severally liable to the municipality for the expenditure or amount spent.

Section 275 Civil Liability of Councillors

(1) When a municipality makes a borrowing, loan or guarantees the repayment of a loan that causes the municipality to exceed its debt limit, a councillor who voted for the bylaw authorizing the borrowing, loan or guarantee is liable to the municipality for the amount borrowed, loaned or guaranteed, unless the borrowing, loan or guarantee has been approved by the Minister.

(2) If subsection (1) applies to more than one councillor in respect of a bylaw, the councillors are jointly and severally liable to the municipality for the amount borrowed, loaned or guaranteed under the bylaw.

Section 535 Protection of Councillors and Municipal Officers

(1) In this section,

(a) “municipal officers” means

(i) the chief administrative officer and designated officers, and

(ii) employees of the municipality

(b) “volunteer worker” means a volunteer member of a fire or ambulance service or emergency measures organization established by the municipality, or any other volunteer performing duties under the direction of the municipality.

(2) Councillors, council committee members, municipal officers and volunteer workers are not liable for loss or damage caused by anything said or done or omitted to be done in good faith in the performance or intended performance of their functions, duties or powers under this Act or any other enactment.

(3) Subsection (2) is not a defence if the cause of action is defamation.

(4) This section does not affect the legal liability of a municipality.

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Appendix 2 - Alberta Municipal Affairs

Alberta Municipal Affairs works in partnership with Alberta's municipalities, other government departments, local authorities, various organizations focused on local issues, and the private sector to ensure Albertans live in safe and sustainable communities, are served by open, effective and accountable governments, and have their privacy protected.

Under the general direction of the Minister of Municipal Affairs, the department is managed by the Deputy Minister. The business units are as follows: Municipal Services and Legislation Division, Municipal Grants and Assessment Division, Public Safety Division, Public Library Services, Corporate Strategic Services Division, and includes Alberta Emergency Management Agency, Municipal Government Board, Special Areas Board and seven Improvement Districts. While municipalities work with all business units, you may have the most contact with Municipal Services and Legislation Division.

The Municipal Services and Legislation Division administers the principal legislation and regulations governing municipalities. The division is continually monitoring this legislation and its attendant regulations to ensure that they are current, relevant, and support modern approaches to governance and service delivery. The division also monitors other ministries' legislative initiatives to ensure that impacts on municipalities and the department are brought to the attention and addressed by the respective department.

Municipal Services Branch

This branch facilitates responsive, accountable and transparent local government in Alberta communities by helping build municipal capacity, encouraging regional collaboration, carrying out strategic policy research and development, and by implementing the Government of Alberta's Municipal Sustainability Strategy.

The branch helps to build the capacity of municipalities through advisory support in areas such as governance, administration and land-use planning, the provision of training and internship programs, and other tools that help municipalities operate efficiently.

Municipal co-operation is a significant priority, and is fostered through dispute resolution training and assistance, support for regional services commissions, and support for regional planning initiatives. The branch also facilitates processes involved in voluntary municipal restructuring, such as dissolution or amalgamation of municipalities. Municipal review and inspections are carried out at the request of councils or in response to electors' petitions.

Major Legislative Projects and Strategic Planning Branch

This branch is responsible for all legislative initiatives in the Municipal Services and Legislation Division, and ensures that the division maintains a planned and co-ordinated approach to the management of municipal statutes and regulations. The branch is leading the comprehensive review

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for the Municipal Government Act, a key piece of legislation that sets out the roles, responsibilities and powers of Alberta's municipalities.

The branch develops, implements, and interprets strategic directions for the division through the assessment of emerging issues and subsequent management of divisional responses.

The Special Areas Board

The Special Areas Board provides municipal services and long-term land management for the three special areas located in southeast Alberta. The board is appointed by the Lieutenant Governor in Council.

Municipal Services and Legislation provides support and advice to assist municipalities in providing Albertans with strong and effective local government. The division provides advisory support, training and internship programs, and other tools in support of enhanced municipal capacity and sustainability.

Municipal co-operation is fostered through land-use planning assistance, mediation programming, and financial support for regional collaboration. The division also administers grant programs, including the Municipal Sustainability Initiative, which reflects the government's funding commitments to municipalities.

Assistance and advice is also provided to municipalities on assessment and tax-related issues. It also oversees the policies and procedures for the assessment of property in Alberta; determines each municipality's share of the education tax; reviews and audits municipal assessments; and assesses linear property such as oil and gas wells, pipelines, electric power systems (generation, transmission, distribution) and telecommunication systems for Alberta municipalities. Equalized assessments are generated for requisitioning taxes for intermunicipal cost-sharing programs, and in formulas for calculating various grants to municipalities.

We encourage you to visit the Alberta Municipal Affairs Home Page at www.municipalaffairs.alberta.ca/. Under the Municipalities and Communities tab you will find valuable information to help you in serving your municipality. This includes the Municipal Resource Handbook which contains documents pertaining to pecuniary interest, petitions, and municipal elections. Information and contacts for the Municipal Government Board and the Alberta Emergency Management Agency, the department's Business Plan, and department News Releases are also available.