

Flagstaff Intermunicipal Partnership (FIP) Regional Governance Project

Overview and Background Document

From its establishment in 2003, the Flagstaff Intermunicipal Partnership (FIP) has been focused on exploring and identifying areas and opportunities for increased inter-municipal collaboration, all aimed at one overriding goal:

- **Providing effective and efficient delivery of the highest-quality municipal services and infrastructure across the region and delivering this ‘standard of service’ at fair, reasonable and affordable levels of taxation.**

Regional collaboration and cooperation is far from new to Flagstaff region. Informally and now, increasingly on a more formal basis, inter-municipal collaboration has been part of the region’s DNA...dating back to when the Flagstaff region communities were first established over 100 years ago.

Flagstaff region:

We have long been a region of neighbours helping neighbours...

of communities working together to our mutual and collective benefit...

and ALL sharing a vision to better the quality of life for ALL of OUR citizens.

There are numerous examples of areas where FIP communities have partnered and collaborated with each other on shared services delivery – many of which have proven to be incredibly successful. These include:

- Regional Assessment Review Board
- Regional Subdivision and Development Appeal Board
- Regional Water Operators Consortium
- Regional SCADA System for Water Treatment Plants
- Regional Water/Wastewater Feasibility Study

- Regional Emergency Services Communications System
- Regional Emergency Services Coordinator
- Regional Fire Service Agreement
- Flagstaff Regional Waste Management
- Battle River Alliance for Economic Development
- Regional Family and Community Support Services (FCSS)
- Purchasing a Building for the Flagstaff Food Bank
- Flagstaff Initiative for Relationship and Spousal Trauma
- Bylaw Officer Contract
- Regional Council Training
- Regional Administrative/Regulatory Compliance Training and Capacity-Building

There are many other examples of successful regional cooperation, collaboration and ‘amalgamation’ of service delivery outside of our municipal governments...involving sports and recreation, farm implement and other business services, health care and, of course, our churches and the many and valued volunteers we have across the region.

FIP itself is yet another example of the value of partnerships and the many benefits to be realized through joint planning and shared due diligence.

As we have seen in recent years, the Flagstaff region’s collective capacity to respond both proactively and strategically has continued to expand. This will serve all FIP communities well in the increasingly uncertain and highly-competitive world in which **ALL** of us now operate... federal, provincial and municipal governments included.

As with many of the other examples listed above, FIP has proven to be highly-effective when it comes to being the catalyst for leveraging and expanding on the many successes already achieved in inter-municipal cooperation and collaboration.

This is not to say that there is, has been, or will ever be unanimous agreement on issues currently under consideration at FIP, or on new or expanded regional collaboration or shared services delivery opportunities, or on potential new regional governance structures.

Rather, it is to acknowledge that a vehicle clearly exists in and through FIP to thoughtfully explore, assess, evaluate and respectfully discuss these opportunities to determine if collaborative, region approaches are mutually and collectively beneficial.

FIP Regional Governance Project

With a relatively small regional population of 8,500 – and with recent/ongoing declines in population and a relatively low-growth (inflation-adjusted) regional assessment base – Flagstaff region is certainly facing a future that may not look like the past.

This is true with many rural communities and regions across Western Canada.

But as all progressive, forward-looking communities and regions have done in the past, or are currently doing in response to changing circumstances...they adapt, change and reposition themselves. And they do this not just to respond to emerging challenges and threats, but to reposition themselves for the growth, development and business and residential attraction opportunities of the future.

Since 2015, the nine FIP communities have been involved in a fairly comprehensive and ongoing analysis of various governance options aimed at further leveraging inter-municipal collaboration on shared services delivery across the region.

Once again, the goal being to **ensure the effective and efficient delivery of the highest-quality municipal services and infrastructure across the region and delivering this ‘standard of service’ at fair, reasonable and affordable levels of taxation.**

Flagstaff Intermunicipal Partnership (FIP) Communities:

- ❖ Village of Alliance
- ❖ Village of Forestburg
- ❖ Village of Heisler
- ❖ Village of Lougheed
- ❖ Town of Daysland

- ❖ Town of Hardisty
- ❖ Town of Killam
- ❖ Town of Sedgewick*
- ❖ Flagstaff County

**NOTE: The Town of Sedgewick is not currently a “Participating Member Community” in the FIP Regional Governance Project.*

This initiative, known as the ***Regional Governance Project***, has been guided and facilitated by 13 Ways, Inc. – a consulting firm specialized in working with municipalities as they explore these increasingly important, multi-faceted and often complex discussions.

The following three general options were considered, in addition to several specific models in each area. These models covered the full spectrum of available options...from doing more incremental targeted services regionalization, to consideration of a Single-Tier Governance (Amalgamation) Model.

Increased Inter-Municipal Cooperation and Collaboration – increasing the number of formalized agreements, and developing even closer working relationships where formalized shared services delivery agreements exist.

Regionalization – creating a governance model that allows regional decisions to be made, while allowing the day-to-day operational decisions of each municipality to remain subject to existing governance structures and oversight of their locally-elected officials.

Moving to a Single-Tier Government (Amalgamation) – combining all, or some of the nine FIP communities into one (or more) municipality(ies) within a new regionalized governance structure. Clearly, this also involved an initial best practices review and analysis of the complex process of merging and streamlining the administrative functions of a potential ‘new’ single-tier government administration(s).

Informing, Listening and Learning

➤ **PLEASE NOTE:** The Regional Governance Project remains *exploratory in nature only*. Clearly, it reflects FIP's ongoing due diligence efforts to *identify opportunities or areas* for more effective and efficient (regionalized) municipal service delivery across Flagstaff region... and, at this time, the focus remains solely on:

- ✓ exploring,
- ✓ **listening and learning,**
- ✓ assessing and evaluating,
- ✓ identifying all potential 'pros' and 'cons' and, of course,
- ✓ undertaking the appropriate due diligence to fully-inform the decision-making process within each FIP municipality, as well as across all FIP communities and constituencies.

The Single-Tier Governance (Amalgamation) Model outlined in this document, and which is being presented (in detail) at the regional Townhall Meetings and Information Booth Q&A Sessions being set up across Flagstaff region, is the model that is now being brought forward for community/stakeholder review and consultation.

YOU, YOUR VIEWS and **YOUR PERSPECTIVES** are essential to the listening and learning phase of these FIP due diligence efforts...as we aim to not only inform, but to engage and consult with the public and community stakeholders on the Single-Tier Governance (Amalgamation) Model outlined in this document.

- *We want to know what you think about this governance model, or other potential/possible 'Made in Flagstaff' governance models which may come up in our discussions.*
- *And we want to hear your views on the all-important question... **Regionalization: Where to from here?***

Our Overriding Goal: To ensure that FIP continues to receive **INFORMED** public and stakeholder input and feedback on the Regional Governance Project from across all participating member communities.

As part of our commitment to inclusive, transparent, facts-based and fully-informed decision-making – and prior to responding to the Questionnaire included in this Community and Stakeholder Consultations Workbook – we first encourage you to:

- review the background information provided;
- visit FlagstaffUnited.ca to learn more about the evolution of the FIP Regional Governance Project;
- connect directly with us at any of the upcoming Townhall Meetings or Information Booths; and/or
- contact our two Public/Stakeholder Consultations Facilitators directly...either through the MyFlagstaff.ca website or through the contact numbers provided below.

If you would like to discuss the public and stakeholder consultations process further, or to provide your input, feedback or ideas, we'd love to hear from you!

Please feel free to contact our Public/Stakeholder Consultations Facilitators (from New West Opportunities Inc.) directly, or by filling out the Online Information Request Form on the MyFlagstaff.ca website.

- ❖ Mr. Shane Pospisil, Senior Partner, Western Canada, New West Opportunities Inc.
Direct: (780) 860-5100 / Email: Shane@NWOpportunities.com
- ❖ Mr. Jim Padilla, Senior Partner, Community Development, New West Opportunities Inc.
Direct: (780) 701-3459 / Email: Jim@NWOpportunities.com

Single-Tier Governance (Amalgamation) Model

Why are we talking about regionalization and the potential/possibility of a single-tier government?

Like many rural areas across Western Canada, Flagstaff region is facing a future that will be defined by ever-present change, ongoing challenges to longer-term rural community sustainability, and the imperative to adapt and reposition to take full advantage of the growth, development and business and residential attraction opportunities of the future.

And, without doubt, there will be fierce competition as integrated economic 'regions' or trading and service catchment areas, such as Flagstaff region, compete for these opportunities.

Many have often seen the ‘competing interests’ as being within these regions and catchment areas. However, the reality is that the ‘competing interests’ are now most likely to be found among other progressive, forward-looking communities and regions that have successfully repositioned themselves to respond to both current and future challenges, and seize future opportunities.

Other factors and considerations driving the regionalization and single-tier government discussion in Flagstaff region include:

- Ongoing declines in population and a relatively low-growth regional assessment base.
- An emerging taxation ‘capacity’ and affordability challenge in many communities.
- The overall ‘tax burden’ on ratepayers (as measured by equalized municipal tax rates) is already higher than the Alberta average.
- For some FIP communities, limited borrowing capacity and limited reserves/savings.
- Increasing costs of providing municipal services.
- Increasing service expectations of citizens.
- Increasing infrastructure replacement, maintenance and deferred maintenance offset costs.
- Increasing municipal government compliance requirements and costs (e.g., municipal planning and infrastructure/asset management reporting, accounting, legal, training, occupational health and safety, etc.).
- A growing recognition of the efficiencies (tax savings) to be realized through more streamlined regional services delivery.
 - avoids administrative, regulatory and policy overlap and duplication;
 - facilitates ‘economies of scale’ and more effective risk management in the provision of municipal services and infrastructure across the region; and
 - builds and maintains ‘best in class’ regional service delivery capacities.
- A growing realization that Flagstaff region can be much more effective when ‘acting as one,’ rather than as nine different municipalities...particularly when it comes to advocacy with senior levels of government and in working to attract new residents and businesses.

- Recent Alberta Municipal Government Act amendments that clearly recognize and reflect the value and benefits to be had (and ultimately shared with ratepayers) through increased regional and inter-municipal cooperation and collaboration.
 - changes to the mandate of municipalities and municipal councillors to specifically add that their purpose and duty is to work collaboratively with neighbouring municipalities to plan, deliver and fund inter-municipal services, when and where practicable; and
 - a new requirement for municipalities to develop both an Inter-Municipal Development Plan (IDP) and an Inter-Municipal Collaboration Framework (ICF).

 - An Ongoing Commitment to Continuous Improvement and Best Practices Service Delivery** – Overall, the answer to the question of ‘Why?’ is to be found, once again, in the overriding need for **ALL FIP MUNICIPALITIES** to both maintain and ensure effective and efficient delivery of municipal services and infrastructure...all while delivering this ‘standard of service’ at fair, reasonable and affordable levels of taxation.
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What are the specific due diligence activities that have been undertaken by FIP to get us to this point?

As previously mentioned, the Regional Governance Project has been guided and facilitated by 13 Ways, Inc. – a consulting firm specialized in working with municipalities as they explore these increasingly important, multi-faceted and often complex discussions.

Other consulting firms have also been engaged in support of the research, analysis and governance options review phases of the project, including Urban Systems Ltd. (Service Delivery Assessment) and New West Opportunities Inc. (Public/Stakeholder Consultations Facilitators).

Detailed research, analysis and best practices options assessment/evaluation studies and survey work has been focused on:

- Researching Successful (Best Practices) Inter-Municipal Cooperation and Collaboration Practices

- Flagstaff Region Resident Survey on Municipal Services (including four Community Consultation Sessions in 2016)

- Regional Infrastructure and Asset Management Assessment

- Regional Service Delivery Assessment
 - Governance Options and Governance Structures Assessment (Planning Draft)
 - Community Viability Survey and Assessment
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What did you learn through the Flagstaff Region Resident Survey on Municipal Services?

The feedback provided (340 respondents/participants from across Flagstaff region) was diverse but nevertheless outlined a number of common issues, concerns and opportunities.

All in all, the majority of respondents want to see five things:

1. *'Fair and Reasonable Taxes'*
2. *'Good and Affordable Government'*
3. *'Reasonable Services and Service Levels'*
4. *'Service Enhancement When and Where Possible'*
5. *'Region-Based Services When and Where They Make Sense'*

A surprising number of respondents expressed the view that the region's declining population and business base is most likely an indication that taxes will continue to rise and service levels will decline.

Many also commented that they did not see the current situation – the status quo – as being 'sustainable or 'viable' into the future.

While some saw workable, forward-looking solutions in regionalization, others did raise concerns about increased regionalization leading to a loss in local decision-making, municipal autonomy and, ultimately, municipal identity.

What would the Single-Tier Governance or Amalgamation Model look like?

As part of FIP's ongoing (exploratory) due diligence on the Regional Governance Project, and guided by the facilitator –13 Ways, Inc., the following 'Principles of Amalgamation' for a new single-tier government...in effect, a new regional municipality...have been identified.

Principles of Amalgamation:

- ❖ **Governance (Structure and Accountability) Principles**
- ❖ **Taxation and Debt Principles**
- ❖ **Services Principles**
- ❖ **Identity Principles**

❖ **Governance (Structure and Accountability) Principles**

- ✓ Beginning with a Ward System allows security and comfort because it would ensure local representation...but it should not be designed to create new divisions or protectionism over the longer-term.
- ✓ Local leaders should draw the Ward System boundaries with an independent, impartial facilitator to ensure balance, fairness and impartiality.
- ✓ Council size should focus on ensuring successful and constructive regional management and planning, as well as focusing on growth and new opportunities.
- ✓ The new governance structure must be independently reviewed for balance and effectiveness in Year 2 of implementation, and again in Year 6 of implementation. The model is intended to be a tool...reviewing it will ensure that it continues to serve the region well.

❖ **Taxation and Debt Principles**

- ✓ Taxation levels should reflect the infrastructure and service levels provided.
- ✓ The focus must remain on getting the most constructive use of tax dollars...and continuing to provide high-quality services to citizens, within an affordable, efficient administrative and service delivery framework.
- ✓ Reserve funds, savings and assets must remain in place for the same purpose they were raised.
- ✓ Outstanding community debt remains the responsibility of the communities who incurred the debt.
- ✓ Debt considerations should include all debt – financial and infrastructure.

❖ **Services Principles**

- ✓ Service and taxation levels must be correlated; meaning areas that benefit from the service must pay the corresponding taxes and fees.
- ✓ Volunteers have always been a critical part of the ‘people services’ offered in our communities...and will continue to play a critical role in each of our communities.
- ✓ Clearly, a new regional municipality would also be able to provide increased and more coordinated support and services to further assist and help our volunteer groups.

❖ **Identity Principles**

- ✓ Community names and histories need to be embraced and enhanced. Regions don’t attract people, communities with a quality of life do.
- ✓ Regional initiatives on cooperation, collaboration and – potentially – amalgamation enhance the identity of communities, they don’t remove or marginalize them.
- ✓ A focus on community history, names, heroes, traditions and events, and economic opportunity preserves and builds identity.
- ✓ Solutions to address identity should not only focus on internal emotions and history, but also on the external opportunities for more effective marketing, branding and attracting economic opportunities (and new residents seeking a high quality of life and affordability).

What about the so-called ‘Mandatory Issues’ that the Minister of Municipal Affairs must have answers for before approving any request to amalgamate?

Municipal Name: Regional Municipality of Flagstaff has been suggested, but there would certainly be an opportunity for the public to provide other names for consideration.

Municipal Boundaries: The municipal boundaries would be the outside boundaries of the new amalgamated municipality, and would be determined when the municipalities that decide to move forward with amalgamation are identified.

Municipal Status: Options available include: Municipal District or Specialized Municipality. No recommendation for municipal status has been made at this time.

Electoral Wards/Number of Elected Officials: The following two options have been recommended for discussion/consideration.

- *Four (4) Wards/Divisions with two (2) elected officials from each and the Mayor/Reeve elected at large; or*
- *Seven (7) Wards/Divisions with one (1) elected official from each and the Mayor/Reeve appointed from within Council.*

NOTE: *There are currently 9 Chief Administrative Officers (CAOs) and 41 Council members across Flagstaff region...with combined 2018 budgets of \$850,000 and \$500,000, respectively...and serving a combined regional population of 8,500.*

Clearly, these are just two line-item examples of the efficiencies (tax savings) to be realized through regionalized and more streamlined governance, administration, regulatory and municipal services delivery.

However, this is not to say – or suggest – that there are not other important considerations involved outside of achieving better operational efficiencies in municipal service delivery. That is what these public/stakeholder consultations are all about...identifying all the potential ‘pros’ and ‘cons’ associated with the proposed single-tier government model.

In the end, the goal remains one of helping inform a prudent, facts-based course of action for each municipality to follow...one centered on strong and thoughtful due diligence and, ultimately, one that results in decisions that work best and reflect the broader values of each municipality and community within Flagstaff region.

Location of the Municipal Office: The Flagstaff County offices have been recommended for the main municipal office, and various satellite facility options have also been discussed. Again, we are seeking your input and suggestions.

Proposed Incorporation Date: January 1, 2022 has been recommended for discussion/consideration, when and if a decision is made to proceed with the Single-Tier Governance (Amalgamation) Model.

Given that FIP is still in the midst of its ongoing (exploratory) due diligence on the Regional Governance Project, no such decision(s) have yet been made...all municipalities remain focused on the listening, learning and the feedback phase of the ongoing community consultations.

What about proposed levels of service under the Single-Tier Governance (Amalgamation) Model? Will my taxes go up? Will my levels of service go down? What about my utility fees?

Once again, the Single-Tier Governance (Amalgamation) Model is being presented (in detail) at the regional Townhall Meetings and Information Booth Q&A Sessions being set up across Flagstaff region.

- ***We strongly encourage you to attend one of these sessions if you would like to discuss the specific service area options currently under consideration...or if you would like to learn more about the detailed research, analysis and best practices options assessment/ evaluation studies and survey work that has been undertaken to date.***
- ***These sessions are being set-up specifically to address these and other questions you may have, or concerns you would like to raise. We hope you will be able to participate.***

If you can't attend one of these sessions, we still want to hear from you! **YOU, YOUR VIEWS** and **YOUR PERSPECTIVES** are essential to the listening and learning phase of these FIP due diligence efforts...as we aim to not only inform, but to engage and consult with the public and community stakeholders on the Single-Tier Governance (Amalgamation) Model outlined above.

- ***We want to know what you think about this governance model, or other potential/ possible 'Made in Flagstaff' governance models which may come up in our discussions.***
- ***And we want to hear your views on the all-important question... Regionalization: Where to from here?***

Please complete the following Questionnaire or feel free to contact our Public/Stakeholder Consultations Facilitators (from New West Opportunities Inc.) directly, or by filling out the Online Information Request Form on the MyFlagstaff.ca website.

PLEASE NOTE: Questionnaires will be available for online (electronic) completion/ submission by the end of this week. Alternatively, you can print up a copy of the Questionnaire, complete it and either scan and return it to survey@MyFlagstaff.ca, or return by mail to:

**MyFlagstaff.ca Survey
C/O New West Opportunities Inc.
PO Box 4929 (South Edmonton)
7506 Gateway Boulevard
Edmonton, Alberta T6E 5G8**