

# Amalgamation – Matters to Consider

---

The list below is intended to serve as a guide for the matters that should be considered during amalgamation negotiations and addressed in the resulting report. The issues are listed in a summarized form for your reference. For each one of these items, a more detailed explanation or additional guidance can be provided. For ease of reading, the items are organized into the following groups:

- Group 1: Mandatory Issues
- Group 2: Transitional Matters
- Group 3: Additional Mandatory Requirements for Specialized Municipalities
- Group 4: Public Consultation Requirements

## Group 1: Mandatory Issues

### 1. Municipal Name

The proposed legal name of the municipality is required. Background information and/or other context behind the name is recommended as thorough checks will be completed to ensure that the new name does not:

- match any other municipal jurisdiction's name in Alberta;
- does not infringe on the any existing trademark or registered trademarks in Canada;
- does not use prohibited terms such as "royal", "Alberta", "Alta" or other terms identified in the Trade-marks Act (this is not an exhaustive list)

Traditionally, the name would have two components – the type of municipality, and place name. However, the type of municipality may take a different form if a specialized municipality type is chosen. (Specialized municipalities are formed to recognize unique and special circumstances – Section 3: Municipal Status) For example: the table below shows the names of some specialized municipalities and names of municipalities that have amalgamated since 1995:

Current Name of Municipality	Type of Municipality (Actual)	Type of Municipality (Inferred from name)	Place Name	Previous Name(s) of Municipality
Strathcona County	Specialized Municipality	Municipal District	Strathcona	County of Strathcona No. 30
Mackenzie County	Specialized Municipality	Municipal District	Mackenzie	Municipal District of Mackenzie No. 23
Municipality of Crowsnest Pass	Specialized Municipality	None	Crowsnest Pass	Town of Coleman, Town of Blairmore, Village of Bellevue, Village of Frank, Improvement District No. 5

Municipality of Jasper	Specialized Municipality	None	Jasper	Jasper Improvement District
Regional Municipality of Wood Buffalo	Specialized Municipality	None	Wood Buffalo	Municipality of Wood Buffalo
Lac La Biche County	Municipal District	Municipal District	Lac La Biche	Lakeland County, Town of Lac La Biche
City of Cold Lake	City	City	Cold Lake	Town of Cold Lake, Town of Grand Center
Town of Drumheller	Town	Town	Drumheller	City of Drumheller, Municipal District of Badlands No. 7

## 2. Municipal Boundaries

The legal land descriptions outlining the boundaries of the new municipality along its outer perimeter and any exclusions that may exist. If annexation of another municipality is required, then that information will be required as well. (Note that the addition of annexation to an amalgamation will likely take significantly more time). For example: the boundaries of the new municipality will likely mirror the county's outer boundaries and if there are any urban municipalities within the new outer boundaries, then those need to be identified as well.

## 3. Municipal Status

The desired municipal status (type) of the proposed municipality is required. The types that can be chosen are found in Sections 77 of the Municipal Government Act (MGA). Specialized municipalities are formed to recognize unique and special circumstances, when the status of village, town, city, or MD would not meet the specific needs of the municipality. It is the responsibility of the municipality to demonstrate the reasons that another status would not meet the needs of the residents of the proposed municipality. Please ensure that the population and or parcel sizes within the geographic area of the proposed municipality meet the requirements set out in the MGA. Population figures should be taken from the latest Municipal Affairs Population List or if after February 8, 2017, from Statistics Canada's 2016 Census Program results.

## 4. Electoral Wards

A description of the proposed electoral wards of the proposed municipality, along with the legal land descriptions outlining each ward is required.

## 5. Council Representation

The total number of council members (mayor or reeve and councillors) of the proposed municipality; whether the councillors will be elected at large or by ward, and the number of councillors per ward.

## 6. Location of the Municipal Office

The location of the primary municipal office must be identified. A mailing address would be sufficient for this purpose.

## **7. Proposed Incorporation Date**

The incorporation date of the proposed municipality must be identified in the application. If the date is not specified, the incorporation date will be picked by the Minister and/or Cabinet when they consider the issue.

## **8. Annexation of Land to Achieve Contiguous Boundary**

The notice of amalgamation and the final report should include the land description for the area of land that will be annexed to achieve contiguous boundaries (MGA S. 103(1)).

## **9. Other Matters**

The Order in Council for the amalgamation may include other provisions dealing with assessment and taxation, property, employees, or other matter requested by the amalgamating municipalities in the final amalgamation report submitted to the Minister as the application for amalgamation.

# Group 2: Transitional Matters

## **10. Interim Council**

The names and positions of the interim council members should be identified for the time period between the incorporation date (effective amalgamation date) and next general municipal election (or by-election). The method and rationale for how these individuals were selected should be included with the application.

## **11. Interim Chief Administrative Officer**

The name of the interim chief administrative officer that will be appointed by the Minister to administer the amalgamated municipality until the council of the amalgamated municipality chooses another chief administrative officer using their established processes. The interim chief administrative officer will likely be the lead/manager responsible for running the municipality and for the consolidation and/or transition of the county, town(s), and village(s) into the amalgamated municipality in accordance with council's direction.

## **12. First Election**

The election for the council of the amalgamated municipality may be held prior to the effective date of amalgamation (LAEA S. 8); however the new council may not be sworn into office before the effective date of the amalgamation of the former municipalities.

## **13. 2021 General Municipal Election**

Depending on the desired incorporation date, there may be conflicts with the timing of when election-related bylaws and resolutions have to be passed (some bylaws like voter identification need to be passed six months prior to the election). Any anticipated issues with elections must be identified so that transitional provisions can be added to the incorporation order.

## **14. Appointment of Returning Officer(s)**

Since the timing of the proposed amalgamation will be close to the nomination day and election day, the name of a returning officer(s) may be required. If that is the case, the names of the returning officer(s) will be required.

## **15. Ward Boundaries Review**

Depending on the method used to develop the first set of electoral wards for the proposed municipality, a more formal review of electoral wards may be required prior to the second general municipal elections. If this is desired, please include this as part of the application package.

#### **16. Compensation to other Municipal Authorities**

If there is a need to provide compensation from the proposed municipality to other municipal authorities, then the details of the compensation should be included with the application. Details must include at a minimum, the other party's legal name, the amount of compensation, the timing of the compensation, and any other action(s) to facilitate the compensation.

#### **17. Financial Transition**

A financial audit is required for each of the municipalities that becomes amalgamated following the date of the amalgamation and then a separate audit will likely be required for amalgamated municipality for the period between the date of amalgamation and December 31 of that year. It would be crucial that each municipality's auditors are consulted so that when the consolidation occurs after amalgamation, that potential problems are minimized.

#### **18. Interim Tax Treatment**

If there is a need to treat property taxes differently for all or any portion of the proposed municipality for the current year, this would have to be mentioned and justified (most relevant when effective date is not Jan 1 (start of tax year)).

#### **19. Tax Treatment (for properties previous annexed that have different tax considerations)**

If there are properties that were and are affected by previous annexations, and the property tax exceptions are still in effect, then these properties will need to be identified, along with any special considerations for them. For example, in some annexations, unimproved properties that are annexed may be taxed at the lower rate of the county's tax rate or the annexing municipality's tax rate until development occurs on that property. These exceptions may need to be extended to apply to the tax rates of the urban/rural service area (if a specialized municipality model is desired).

#### **20. Authority to Impose Additional Tax (to service pre-amalgamation debt)**

The MGA provides the ability for the Lieutenant Governor in Council (Cabinet) to establish authority for the amalgamated municipality to impose additional tax(es) to service debt from prior to amalgamation. If approved, the additional taxes may be restricted to the properties of an area/community and the authority will be time-limited to ensure that the additional tax revenues are used to service that debt and nothing else.

#### **21. Assessment Matters**

If there is a need to treat current year property assessments differently for all or any portion of the proposed municipality, this would have to be mentioned and justified (most relevant when effective date is not Jan 1).

#### **22. Employees and Labour Agreements**

By default, all employees of the pre-amalgamated municipality will become employees of the new municipality. The MGA provides the ability for the Lieutenant Governor in Council (Cabinet) to deal with employees of the pre-amalgamated municipalities as part of the amalgamation (if required). This may address issues such as how

employees are integrated into the amalgamated municipality, the consolidation of bargaining units and labour (union) agreements, severance, transitional staffing, and any other issues that need to be addressed.

### **23. Bylaws and Resolutions of Existing Municipalities**

By default, all bylaws and resolutions of the existing municipalities will continue to be in effect until the new municipality's council repeals or replaces the bylaws. If a different arrangement is desired, then the desired arrangement should be detailed and justified.

### **24. Continuation of Emergency Services**

By default, the MGA states that all existing staff and all existing bylaws and resolutions of existing municipalities will carry over to the new municipality. This also includes the emergency management bylaws and plans, and the appointment of the directors of emergency management required by the Emergency Management Act. If consolidation of the emergency management roles and responsibilities and plans are required to simplify implementation after amalgamation, then we can address them as part of the amalgamation order.

### **25. Library Services**

By default, the Libraries Act states that when an amalgamation of municipal authorities has been initiated under the MGA and no agreement can be reached among those municipal authorities regarding the rights, assets and liabilities of a municipal library board, the Lieutenant Governor in Council may, by order, dissolve the municipal library board and may make any order the Lieutenant Governor in Council considers appropriate in respect of the disposition of the rights, assets and liabilities of the municipal library board. Ideally, an agreement would be in place to address the future of the municipal libraries and this should be included with the amalgamation application.

## **Group 3: Additional Mandatory Requirements for Specialized Municipalities**

If the municipal status of the proposed municipality is a specialized municipality, then the following are also required:

### **26. Legislative Exemptions**

Section 89(3)(b) of the MGA states that if a specialized municipality is formed, the incorporation order may specify or describe by reference, the provisions of this or other enactments that do not apply to the specialized municipality, or that apply with or without modification. This means that if the proposed municipality wants or needs exemptions from any part of the MGA or the Local Authorities Election Act (LAEA), then those need to be specified and supported by rationale and/or other documentation.

### **27. Legislative Additions or Replacements**

Section 89(3)(c) of the MGA states that if a specialized municipality is formed, the incorporation order may specify or describe by reference any provisions that are to be added to or replace the provisions of this or other enactments. This means that if the proposed municipality wants or needs new authorities in addition to any provided by the MGA or the LAEA, then those need to be specified and supported by rationale and/or other documentation. In past amalgamations, this is where any defined areas like urban service area(s) and rural service area(s) would be defined.

## **28. Prescribed Matters or Conditions**

Section 89(3)(d) of the MGA states that if a specialized municipal is formed, the incorporation order may prescribe matters or conditions that govern the functions, powers and duties of the specialized municipality.

# Group 4: Public Consultation Requirements

## **29. Local Authorities Consultations**

As part of the legislated requirements for an amalgamation, all local authorities should be notified of the amalgamation proceedings and be invited to consultations as part of the amalgamation process. For this requirement, local authorities are considered to be:

- municipalities (involved and not involved in the amalgamation) that may be affected – this could include all neighbouring jurisdictions;
- regional health authorities (currently just Alberta Health Services);
- regional services commissions;
- the board of trustees of a school district or school division.

It is also recommended (but not required) that library boards (municipal and regional), and any other local agencies, boards and commissions be consulted as well.

## **30. Public Consultations**

The MGA provides very simple requirements for public consultations that must be done as part of the amalgamation process. The method of consultation is not specified (e.g. a plebiscite is not required) but whatever method/processes were used must be documented. The amalgamation application must include: a description of the public consultation processes involved in the amalgamation negotiations, and a summary of the views expressed during the public consultation processes (regardless of whether they are positive/support, negative/oppose, or other).