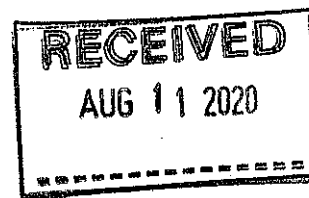




ALBERTA  
MUNICIPAL AFFAIRS

*Office of the Minister  
MLA, Edmonton - South West*



AR101497

JUL 24 2020

Mr. Wes Brodhead  
Chair  
Regional Transit Services Commission  
Transit Team  
5 St. Anne Street  
St. Albert AB T8N 3Z9

Mr. Michael Walters  
Vice-Chair  
Regional Transit Services Commission  
Transit Team  
2nd Floor, City Hall  
1 Sir Winston Churchill Square  
Edmonton AB T5J 2R7

Dear Mr. Brodhead and Mr. Walters,

Thank you for the letter from Alan Thom, Associate Partner, Ernst and Young, submitting the business case and other information pertaining to an application for the establishment of a Regional Services Commission (RSC), the Regional Transit Services Commission, to provide transit services in the Edmonton metropolitan region.

As part of our government's efforts to reduce red tape, I am pleased to inform you that recent amendments to the *Municipal Government Act* have been passed by the Legislative Assembly as part of Bill 22: *Red Tape Reduction Implementation Act*. The amendments reduce many administrative burdens while maintaining most of the substance of the legislation that has enabled RSCs to be so successful. The changes also ensure greater accountability to member municipalities by reducing the role of the province in approving many business decisions. The legislative and regulatory changes take effect September 1, 2020.

Under the new provisions, municipal authorities wishing to establish an RSC are no longer required to seek approval for a new provincial regulation. Rather, the municipal authorities will pass corresponding resolutions that specify the name of the proposed RSC, the names of the proposed municipal authority members, the names of the proposed appointees to the first board of directors, and the name of the proposed first chair of the RSC. These proposed resolutions must be advertised in accordance with Section 606 of the *Municipal Government Act* before they are passed.

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In the case of your Regional Transit Services Commission group, and recognizing your wish to move forward as quickly as possible, these resolutions could be advertised and passed at any time, should you wish to do so.

Following submission of the passed resolutions to Municipal Affairs, the new process for RSCs will require a ministerial order, which I am pleased to grant once the new legislation has taken effect.

My ministry is available to assist you in moving forward with the establishment of the Regional Transit Services Commission. Please contact one of our municipal viability advisors toll-free at 310-0000, then 780-427-2225.

Attached for your information is a fact sheet, which explains the new provisions for the establishment of RSCs.

Finally, I want to acknowledge the work you have accomplished in the development of the business case and governance framework in support of the vision for regional transit services in the Edmonton metropolitan region. I commend the eight municipalities for the creation of this partnership that will provide seamless transit services to its residents.

I wish you continued success as you work towards the establishment of an RSC under the new provisions.

Yours very truly,



Kaycee Madu, QC  
Minister

Attachment: Regional Service Commission Fact Sheet

cc: Honourable Ric McIver, Minister of Transportation  
His Worship Don Iveson, Mayor, City of Edmonton  
His Worship John Stewart, Mayor, City of Beaumont  
Her Worship Gale Katchur, Mayor, City of Fort Saskatchewan  
His Worship Robert Young, Mayor, City of Leduc  
Her Worship Cathy Heron, Mayor, City of St. Albert  
His Worship Stuart Houston, Mayor, City of Spruce Grove  
His Worship Raymond Thomas S. Ralph, Mayor, Town of Devon  
His Worship William Choy, Mayor, Town of Stony Plain  
Alan Thom, Associate Partner, Advisory Services, Ernst and Young

# Regional Services Commissions

## Establishing New Commissions

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Amendments to Part 15.1 of the *Municipal Government Act (MGA)* will come into force on September 1, 2020. The changes include the process by which new regional services commissions (RSCs) can be formed.

### What are RSCs?

An RSC is one of the regional service delivery options available to municipalities in Alberta and is governed by the *MGA*. An RSC is a separate legal entity that enables municipal authorities to jointly deliver effective services to their communities. Examples of local services currently delivered through RSC model include: municipal utilities, such as water services, wastewater treatment and solid waste management, land-use planning, administration, assessment, emergency and transit services.

RSCs are expected to operate on a non-profit, full cost-recovery basis. They are prohibited from operating with the intention of making a profit and are not able to distribute funds to members. If profitable financial outcomes are preferred, other corporate structures, such as a municipally controlled corporation, may be more appropriate.

Powers and duties of RSCs include:

- the legal status of a corporation;
- natural person powers, except as limited by the *MGA* or an RSC's bylaws;
- eligibility for capital borrowing through the Alberta Capital Finance Authority; and
- ability to acquire or expropriate land.

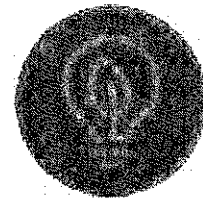
### Why were changes made to RSCs?

As part of the Government of Alberta's efforts to reduce red tape, changes were made to reduce the required amount of provincial approvals for RSCs. The changes will ensure RSCs are accountable to their member municipal authorities and enable more streamlined operations.

### Who can form RSCs?

Two or more municipal authorities may agree to jointly establish an RSC.

For the purposes of RSCs, municipal authority is defined as a municipality, improvement district, special area, Metis settlement, Indian reserve or an armed forces base.



### What are the new steps to form RSCs?

As of September 1, 2020, municipal authorities have the autonomy to agree on the establishment of an RSC through the passing of a council or band resolution.

The Minister of Municipal Affairs must be notified within 60 days of the resolutions being passed. Notification to the Minister includes copies of resolutions from all member authorities, the RSC's office location, and contact information.

The RSC is formally established once the ministerial order listing the names of all RSCs in Alberta is updated to include the new commission.

## What must be included in the resolution by municipal authorities?

Municipal authorities wishing to establish a RSC must specify within their resolutions:

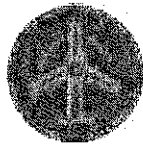
- the name of the RSC;
- the names of the members;
- the first board of directors; and
- the first chair of the commission.

Municipal authorities should consult with Municipal Affairs prior to bringing forward resolutions to confirm that the proposed RSC name complies with applicable naming conventions and does not duplicate an existing RSC name.

## What are other governance requirements for RSCs?

RSCs will be required to ensure they adopt bylaws that address:

- the services provided;
- the service area;
- administration;
- the process for changing directors of the board and the chair, as well as setting the terms of office;
- the process for adding and removing members;
- the fees to be charged for services provided to its customers or to any class of its customers;
- the disposal of assets; and
- the process for disestablishment, including the treatment of assets and liabilities.



Similarly to municipalities, ongoing financial requirements include:

- preparation of an annual financial information return and annual audited financial statement, both to be submitted to the Minister and each RSC member by May 1 each year;
- debt and debt services limits defined under the Regional Services Commission Debt Limit Regulation; and
- Minister approval for debt or debt service limit extensions.

## How will the public be informed?

Proposed resolutions for new RSCs must be advertised in accordance with Section 606 of the *MGA* before they are passed. This includes the proposed name of the RSC, proposed member municipal authorities, and the proposed first board of directors and chair.

Municipal authorities may complete further public engagement at their discretion. For example, the public may be interested to know about the proposed services to be provided by the commission.

## What about changes to RSC information?

RSCs must notify the Minister within 60 days of changes to the information given in the original notification of establishment.

For substantive changes to RSCs, such as name changes or disestablishment, notice must be given to the Minister so it can be reflected in the ministerial order which formally lists all RSCs in Alberta.

For administrative changes, such as the RSC's office location and contact information, notice can be emailed to [lgs.update@gov.ab.ca](mailto:lgs.update@gov.ab.ca)

For questions about regional services commissions, please contact Municipal Services Division at [780-427-2225](tel:780-427-2225) or toll-free by first dialing 310-0000.