

**ALBERTA MUNICIPAL AFFAIRS
TWO HILLS REGIONAL PARTNERSHIP**

GOVERNANCE REVIEW – FINAL REPORT

In the Spring of 2007 the County of Two Hills, on behalf of the Two Hills Regional Partnership, and as the managing partner applied for and received approval through Alberta Municipal Affairs and Housing for a grant of \$125,000 to complete a review of the governance options for the Town of Two Hills, the Villages of Derwent, Myrnam and Willingdon and the County of Two Hills. In August a request for an extension and amend to grant schedule was submitted. The request was approved based on the following revised activity schedule:

Activity	Target Date: By
a) Confirm agreement to proceed with review (IC)	Complete
b) Working Committee Members Confirmed (IC)	Complete
c) Complete/endorse Terms of Reference for review; finalize budget for amalgamation review (JCC, IC)	Complete
d) Communicate regularly with employees on status of ongoing review (C.A.O.'s)	Ongoing
e) Contact/communicate with MLA and Municipal Affairs Officials and other municipalities with amalgamation experience (Mayor, Reeve, WC, C.A.O.'s)	Ongoing
f) Complete/endorse Information Handouts for dissemination to residents/stakeholders (WC,JCC,IC)	Draft Complete
g) Disseminate Information Handouts to area residents (C.A.O.'s)	November
h) Prepare initial "checklist" of items/tasks needing attention for the plebiscite vote (C.A.O.'s Facilitator)	Complete
i) Hold "first round" of five public community information meetings (Derwent, Myrnam, Willingdon, Two Hills (2))	End November
j) Provide additional Information Handouts if required as a result of first round meetings (JCC, IC)	Mid January 2008
k) Finalize wording of plebiscite question (WC, JCC,IC)	Late January 2008
l) Hold "second round" of five community information meetings	February/March 2008
m) Hold amalgamation plebiscite	Mid April 2008

Governance Steering Committee

Austrom Consulting Ltd. was retained by the partnership to coordinate the governance and to serve as project manager. Terms of Reference for the governance review were prepared and adopted by the Steering Committee. A governance review steering committee, consisting of the Mayor/Reeve and one representative of Council and the CAO from each municipality was

established. In the past year the Steering Committee met 10 times. In addition to the Steering Committee meetings, two Joint Council meetings were held to review the Governance reports and to discuss the options. The Project Coordinator also attended a minimum of one meeting with each Council to review the governance report and the options available to each municipality.

Specialized Municipality Report

During May and June the Project Coordinator and associates with Austrom Consulting Ltd. conducted interviews with the staff of all municipalities and completed the research required to produce an independent analysis of the impact of creating a Specialized Municipality for the Two Hills region. The report included a detailed examination of the following topics as they relate to possible creation of a regional municipality:

- financial analysis of debt and reserves, assessment and taxation, and operating revenues and expenditures;
- intermunicipal agreements between the Villages, the Town and the County of Two Hills;
- existing regional governments in Alberta; and
- regional government considerations:
 - council representation,
 - assessment and municipal taxes,
 - service delivery,
 - provision of utility services,
 - infrastructure and capital requirement,
 - coordination of municipal policies and bylaws, and
 - staffing

The Specialized Municipality Study also included an examination of all of the services provided by the municipalities and an assessment of the services would be impacted by maintaining the status quo, enhanced cooperation between the municipalities and the creation of a specialized municipality.

The specialized municipality report was presented to a Steering Committee meeting and the Steering Committee met with the Honourable Ray Danyluk, Minister of Municipal Affairs on July 11th. Following the meeting with the Minister the committee decided that a fall plebiscite conducted in conjunction with the municipal election would not be in appropriate. The Committee felt there was not enough time to probably inform the public and the Councils needed more time to review all of the governance options

In August a request was submitted to the Minister of Municipal Affairs and Housing for an extension on the deadline for completing the project and to revise the schedule. Approval was received in September. Meetings were held with each of the Councils following the municipal election in October to provide an update for each Council and to discuss the governance options. The project coordinator then prepared a governance review of the options available to each of the municipalities.

Public Consultation

In early November the Steering Committee met to consider the governance options and the decision was made to hold the first round of public meetings in January. Mailouts were prepared that summarized the governance options for each municipality and these were sent to all residents in every community. Public meetings were held in January in community halls in the Villages of Derwent, Myrnam and Willingdon and the Town of Two Hills. The turnout averaged about 60 at each of these Town/Village meetings. A series of public meetings were also held for County residents in Hairy Hill, Two Hills, Myrnam and at the County office, with a combined turnout of about 90 residents. At these public meetings residents were provided with information on the governance options, given an opportunity to ask questions and they broke out into groups to discuss the issues facing their municipalities. A summary of the meetings was prepared and provided to each Council.

In late January a joint Council meeting was held with the Honourable Ray Danyluk, Minister of Municipal Affairs to discuss the governance options and the requirement for holding a plebiscite. A Steering Committee was held on February 13th to consider the plebiscite question and the funding available through the Municipal Restructuring Grant. The decision was made to hold the plebiscite on April 14th, with the advance poll on April 10th.

Plebiscite

A second mailout was produced and sent to every household in the Villages of Derwent, Myrnam and Willingdon, the Town of Two Hills and the County of Two Hills. This mailout provided details on the plebiscite question, funding from the Province, locations of the public meetings and information on the creation of a regional municipality. Advertisements were placed in the area papers and press releases were provided to the local news media. Every effort was made to ensure people were informed about the plebiscite question, the public meetings and the issues related to the formation of the Regional Municipality of Two Hills. The following plebiscite question was asked:

Do you support the (insert municipality name) joining with the Town of Two Hills; the Villages of Derwent, Myrnam and Willingdon; and the County of Two Hills to form the Regional Municipality of Two Hills.

A second round of public meetings was held during the first two weeks of April, with meetings being held in the Villages of Derwent, Myrnam and Willingdon and the Town of Two Hills. The turnout this time was less, with approximately 30 people at each meeting. The project coordinator made a presentation on the possible creation of a regional municipality and then questions were asked by the people in attendance.

In accordance with the Elections Act, the required notices were published at least two issues leading up to the date of the plebiscite. For each municipality the question was adjusted to include the name of their municipality and a different colour ballot was used for each municipality. In general the turnout was low, but the results in each community were clear.

Municipality	<u>For</u>	<u>Against</u>
Town of Two Hills	145(79%)	38 (21%)
County of Two Hills	106(30%)	250(70%)
Village of Derwent	50(94%)	3 (6%)
Village of Willingdon	48(44%)	62 (56%)
Village of Myrnam	31(27%)	82 (73%)
TOTAL	380(47%)	435(53%)

Based on the results of the plebiscite, clearly the majority of the residents of County of Two Hills and the Villages of Myrnam and Willingdon who voted do not support the creation of the Regional Municipality of Two Hills. In contrast there is strong support amongst the people who voted from the Town of Two Hills and the Village of Derwent for the creation of regional municipality.

Project Benefits

The examination of the possibility of creating the Regional Municipality of Two Hills enable the Councils and Administration to come together to examine the governance options available to the municipalities within the Two Hills region. Some of the benefits from this project included

1. Examining the merits of creating a regional municipality, as presented in the Specialized Municipality Study;
2. Completing an assessment of the delivery of services to their residents, including confirming that the five municipalities are already working together in both informal and formal partnerships to delivery services jointly to their residents;
3. Identify possible areas for additional cooperation between the Villages, the Town and the County of Two Hills;
4. Take the issue to their public in the form of public meetings, surveys and ultimately in the form of a plebiscite;
5. Receive an indication from their residents through the plebiscite question of the support for the possible creation of the Regional Municipality of Two Hills; and
6. Improved awareness of the importance of working together to ensure the survival of the region.

Why did the Plebiscite Question Fail?

From the perspective of the Project Coordinator, the plebiscite question failed because the residents of the region are not ready at this time for the creation of a regional municipality;

1. Clearly the residents of County of Two Hills and the Village of Myrnam did not support the creation of a regional municipality based on the information that was provided; and
2. There appeared to be a distrust in the Village of Willingdon for the County and the Town of Two Hills based on some history relating to the closure of the Willingdon school and hospital, resulting in a reluctance to support regionalization.

Where do the Towns Go From Here?

A meeting of the Steering Committee was held in the week following the plebiscite and the committee members agreed that the issue of the creation of the Regional Municipality of Two Hills was closed. They also agreed that the municipalities, through their administrations and

councils, need to continue to work together to explore options for enhancing the sharing of services and for funding services on a regional basis.

With regard to some of the villages the Councils should also consider completing a sustainability plan to properly consider the long term viability of their municipality. These councils will need to address issues relating to staffing requirements, property taxes and capital infrastructure to ensure they can adequately meet the long term needs of their community and their residents. Regional government may be formally off the table for now, but over the long term these communities will carefully have to assess the option of dissolution.

Respectfully Submitted

**Brian Austrom
Project Coordinator**