



## **Summer Village of Silver Sands Municipal Status Change - Community Survey 2024**

### **Background: Local Governance and the Status of Summer Villages in Alberta**

Alberta is one of the few remaining provincial jurisdictions in Canada to provide for a “Summer Village” as part of its catalogue of authorized local authorities (municipalities). The Municipal Government Act (MGA), which regulates the formation, operation and oversight of local authorities in Alberta, has evolved in regard to summer villages over the past several decades. Recent changes to the regulations, as well as core funding framework formulas, such as the new Local Government Fiscal Framework (LGFF), have reignited the debate on what it means to be a summer village in Alberta, and indeed whether it remains a viable option to keep this special designation.

While Alberta continues to protect the status of existing summer villages under the Act, and summer villages remain a strong and vibrant class of local authority in the province, several significant shifts in the status quo require local councils to reflect on the best path forward for the communities they represent, and the Summer Village of Silver Sands is in this same boat. In considering the options before them, councils need to balance the pros of retaining the “summer village” status – including special protections in the legislation, especially those under the Municipal Government Act and Local Authorities Election Act (see below for more detail) – with the very real drawbacks – chiefly the new LGFF formula which is seen to be unduly discriminatory to the disadvantage of summer villages.

Council wants the community to be aware of this issue and to get feedback from stakeholders on next steps. This survey, which contains several pages of relevant information and dialogue, concludes with a few important questions we are asking you to share your thoughts on. Please take the time to read this survey completely and answer the questions in the space provided. If you require assistance in accessing, completing or submitting the survey please contact the office at 780-967-0271 or by email at [administration@wildwillowenterprises.com](mailto:administration@wildwillowenterprises.com).

**The survey will remain open until 11:59pm on November 27, 2024, so please submit responses before this deadline.** Electronic submissions are preferred, however paper copies of the survey can be obtained through the office on request (780-967-0271 or email [administration@wildwillowenterprises.com](mailto:administration@wildwillowenterprises.com)).



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### **New Legislation and Changes for Summer Villages**

Central to this discussion is understanding how summer villages fit within the legislative framework:

§ Section 77 of the MGA provides for the formation of local authorities (municipalities). Summer Villages have been removed as an authorized local authority that can be created in Alberta. What this means is that no new summer villages can be formed, and if a summer village was to change its status now (say, to a “village”) they would not be able to revert back to a “summer village” in the future.

§ Section 89 of the MGA confirms that while the Act does not allow for the creation of any new summer villages, the rights and privileges of existing summer villages are protected, including special privileges within the legislation.

§ Section 91 of the MGA makes it crystal clear that no municipality from here on, whether newly created, or by virtue of a change of status of an existing municipality, can be referred to as a “summer village.”

§ Sections 93 – 97 of the MGA provide a mechanism by which a municipality can request a status change. To summarize the section, a local council may (by motion) make a request to the Minister, who then seeks the consent of the Lieutenant Governor, who may then approve a status change. There are various criteria noted for consideration when reviewing such a request (for example, was there public engagement by the local council). This part of the Act also makes it clear that the general framework of the local authority remains unchanged in a status change (i.e. current council continues their term under the new status, existing debts, obligations and assets are carried through).

However...

It is also very clear that the special privileges of summer villages do not carry through in a status change. In a practical sense, this effects our normal operation at the administrative level in a very minor way such that the municipality would need to hold our organizational meeting later in the year, rather than on or before August 31st each year (Section 192 of the MGA).

The more impactful concession of special privileges a status change would result in is actually regarding the Local Authority Elections Act. If a municipality changes from a summer village to a village, they will lose certain privileges provided under the LAEA:

- o Section 12 protections, including the ability to hold an election in the summer months, would no longer apply. Regular elections would instead be held on the same schedule as other municipalities (third Monday in October).

- o Section 12 protections for elector eligibility (and by extension candidate eligibility) would no longer apply. This protection allows that property owners in summer villages are considered eligible electors if they own property in the summer village, even if they do not consider it their place of residence. These electors can vote in multiple municipal elections (for example, in the Summer Village in August, and in St. Albert in October). If there is a status change this special protection would no longer apply. This would mean that a property owner could only vote in the municipality that they claim as their permanent residence.

- o Further to the comment above, the forfeit of this residency privilege resulting from a status change would also mean that nominees for councillor would only be eligible for office in a municipality if it is also the location of their permanent residence. Only permanent residents could be elected to Council, if a status change was approved.

There are also ancillary election considerations to note, including having a "nomination period" rather than just one "nomination day," as well as a longer required election day, increasing costs.

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### **So What's the Benefit - Why Consider Changing Status?**

The big issue is funding...

LGFF replaces the MSI funding model. This new model, as did its predecessor, apportions a dedicated amount of grant funds from the provincial budget directly to municipalities. These grants are critical in helping local authorities meet the service standards their communities expect and addressing the recognized public sector infrastructure deficit throughout the province. In the LGFF model, summer villages are subject to a disproportionate reduction in base allocations compared to previous funding levels. While we have, alongside our regional partners and peer organizations, advocated - and continue to advocate - to have this gap addressed, no change is likely.

In fact, the spread between what summer villages receive and what the municipality would get under any other municipal status classification is more significant now than ever before. Summer Villages receive a base funding level of \$60,000/year under LGFF – Villages receive \$150,000/year no matter their relative size, population, infrastructure needs or service level standards. Under the MSI-Capital Model, Summer Villages received 50% of our Village counterparts (\$60,000 vs. \$120,000), and under the LGFF-Capital Model we now receive only 40% (\$60,000 vs. \$150,000).

Moreover, although the new funding model does provide nearly double our previous levels of the operating grant component (an increase from ~\$8,500 per year to ~\$17,000 per year) there is no “base funding” backstop provided under LGFF-Operating. This means that although the municipality can off-set some of their capital funding gap, our ability to do so in the long-term is completely subject to provincial fortunes and policy of the government of the day. Regardless, the gain in operating funding is not sufficient to completely offset the capital funding gap for the Summer Village of Silver Sands.

As a point of reference, the municipal operating budget for Silver Sands is around \$438,000/year (2024 budget). The municipality has as many lots as most villages in Alberta, and one of the largest full-time populations of any summer village. The range of services provided rival our regional peers – summer village or otherwise. While we retain (and wish to continue) our recreational community character, we are also very conscious of mounting fiscal pressures.

In general terms, the municipality would need to consider an operation budget increase (tax increase) of between ~3% and ~21% in the short-term (over the next five years), depending on if the goal is to maintain parity with the old MSI model, or if the goal is to match the new funding model base funding and community service delivery expectations but still retain the "summer village" status.

There is also new growth to consider. Silver Sands is a rare "exception to the rule" in terms of summer villages; we have a variety of existing land uses (residential, commercial, and agricultural lands) and this brings opportunity for growth. The municipality must support the responsible development of these lands. Fostering that growth might require capital investments (new roads and utilities) and will most certainly require a proportional expansion in core services (more equipment/labour) to ensure a consistent service throughout the community as it expands. In the long-term, the development of these lands will grow assessment and the tax base, ultimately reducing pressure for higher tax rates. Access to more grant funding can help spur and manage this future growth including the the golf course lands, and the farmland between the east and west wings of the villages.

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### **Planning For The Future: What's On Council's Mind?**

The primary obligation of a municipality is service delivery. Local councils must address the needs of today, but must also plan for the service expectations of the future so that the next generation can get where they want to go without too many bumps in the road. Councils must find balance in how the municipality maintains the current service level and how we plan for and incorporate new services, or changes to services, to meet emerging needs as communities grow and demographics change.

With an emerging funding gap as obvious and impactful as the LGFF is, municipalities must establish a new balance between the needs and wants of their community and how they are going to pay for it. Do we increase taxes to maintain and grow service levels despite the loss in grant funding? Is it better to scale-back services, or delay asset management plans and push infrastructure replacement out beyond the normal cycle to help close the funding gap? Or is it time to change our status: if our current and future service level expectations more closely align with a year-round community with year round service needs maybe changing status – and accessing the base funding increase for same – is the better path forward?

Based on these considerations, Council must ask the question: “Are the advantages to maintaining our Summer Village status, in terms of electoral rights and administrative processes, worth the sacrifice of \$90,000/year in base grant funding we forgo for not being a Village?”

While Council is not ready to, or in fact even actively pursuing, a request for a status change, this has become a hot topic in the municipal world. Council is participating in general discussions on the pros and cons of the options before them with our peer organizations and ministry staff.



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### **How You Can Help? Let Us Know What's On Your Mind...**

In order to fully engage in this discussion, Council is asking for input from the property owners and residents in the Summer Village of Silver Sands. This is not to be confused with the MGA Section 94 requirement for public engagement, as this is just a simple straw poll of stakeholder opinions. Based on the comments received during this preliminary engagement, Council will consider if it is indeed time to do a more comprehensive study into the impact of changing status, which would involve additional public consultation, service gap analysis and cost (budget and tax) analysis to better inform the discussion on long term impacts.

Enclosed, please find a public survey for your consideration. Additional details on completing this survey are located in the subsequent pages for ease of reference. The survey will remain open until **November 27, 2024** so please submit your comments before then.

Of course, if you have any questions regarding this survey, or the subject matter of this survey, please contact the office to discuss: 780-967-0271 or [administration@wildwillowenterprises.com](mailto:administration@wildwillowenterprises.com).

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