

Mackenzie County
Municipal Ward
Boundary and Council
Structure Review

2024

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Introduction

Transitional Solutions Inc. (TSI) was engaged by Alberta Municipal Affairs in March 2024 to undertake an in-depth Governance Review of Mackenzie County, Alberta, including a Ward Boundary Review. This project was officially kicked off with an initiation meeting on March 21, 2024, ensuring a shared understanding of project scope, deliverables and expectations between Alberta Municipal Affairs and the TSI project team.

The project scope agreed upon includes:

- Conducting extensive research on Mackenzie County’s Council structure, ward boundaries, and municipal designation as a Specialized Municipality.
- Assessing how Mackenzie County has changed over time, and the impacts of those changes on historical structures.
- Reviewing the conditions which led to the County’s designation as a Specialized Municipality in 1999, including assessing whether that designation remains appropriate.
- Engaging government stakeholders – County Council, County Administration, and members of Municipal Affairs – through interviews to further explore what is and what is not currently working in the County from a governance perspective.
- Identifying potential changes of perceived positive impact to:
 - Mackenzie County ward boundaries and governance structures.
 - Orders in Council 264/99 and 54/2001, which could improve County governance.
- Conducting a jurisdictional and municipal comparator analysis through a cross-jurisdictional scan of relevance to the County’s current situation.

To properly implement the full scope of work associated with completing this project in a timely, efficient, and effective manner, the TSI team broke this project into four core areas of deliverables:

1. Project Start-up and Initial Planning
2. Discovery, Document Review and Research, Data Analysis, and Comparator Analysis
3. Member Engagement
4. Final Analysis and Report Development

This process was undertaken in a fully objective manner, without bias or preconceived notion. The TSI team has developed recommendations for the Minister of Municipal Affairs which fulfil the requests of the Ministry in engaging TSI to undertake this process. All recommendations were developed based on the most current information provided to TSI, and our understanding of current circumstances, along with input obtained through research, engagement, and comparator analysis. In addition to recommendations, this report outlines options for consideration, which may be of value to Municipal Affairs in addressing Mackenzie County’s needs, but which would require more work to be undertaken beyond the scope of this project or beyond what is currently legislated within the *Municipal Government Act (MGA)*.

Current State

This project began with a review of current state, including the current governance structure of 10 wards within Mackenzie County, with each ward represented by one Councillor serving a four-year term, unless elected through by-election. The elected Council then appoints a Reeve and a Deputy Reeve on an annual basis, as is consistent with legislative requirements outlined in the MGA s.150(3), and which is comparable to the manner in which the chief elected official is selected in many other municipalities throughout Alberta. It is, by nature, not comparable to how the chief elected official is selected in all Specialized Municipalities; each municipality throughout the province is empowered through the MGA to pass bylaws that establish whether the chief elected official is elected by the community at large, or appointed from within – unless modified through specialized status.

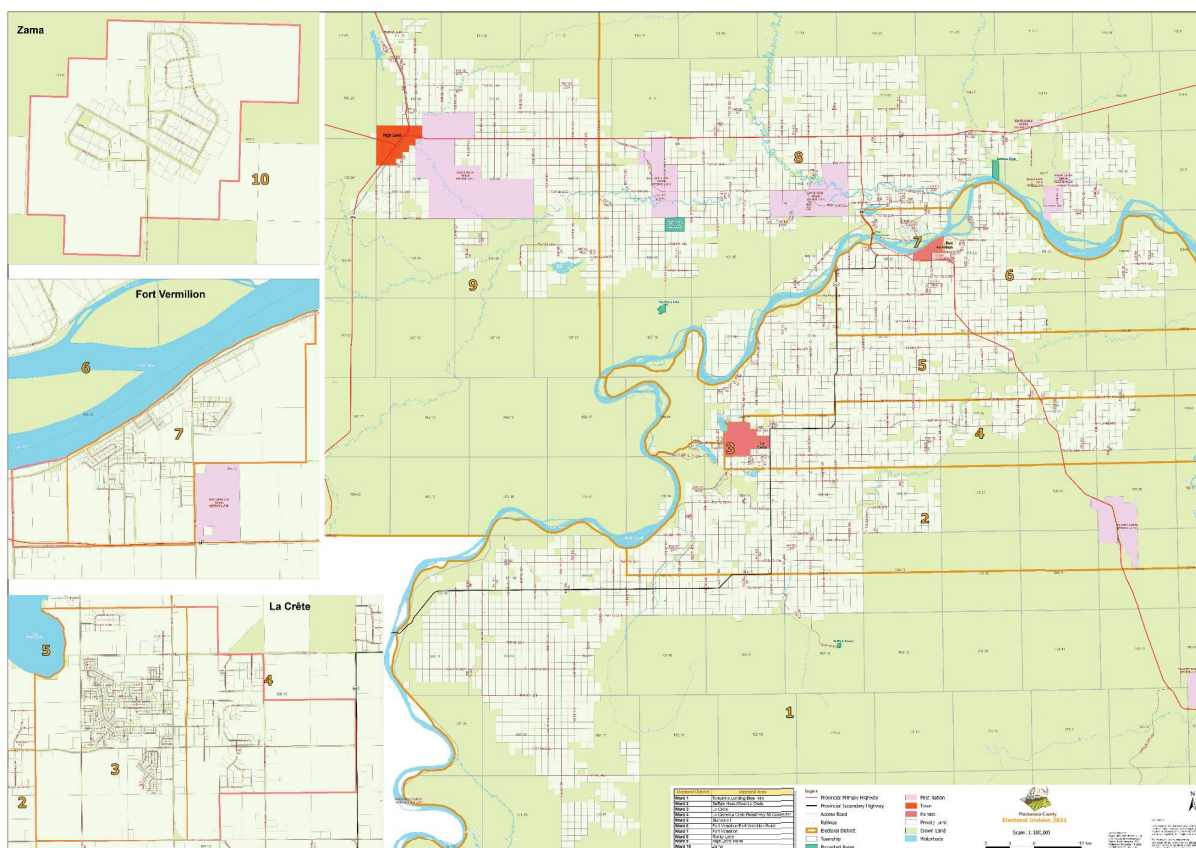


Figure 1 Current Mackenzie County electoral wards

Overall, the County has seen a significant population increase of 12.3% over a five-year span leading up to 2022 (avg. annual increase of 3.36%) for a population of 13,204. The majority of this growth is being experienced in urban areas within the County, representing the two Hamlets, with a significant amount of growth specifically taking place in La Crête, hosting a population of 3,856 in 2021¹, surrounded by country residential areas. This marks a notable population increase for La Crête of 6.3% during a five-

¹ [Statistics Canada Census Profile – La Crête](#). February 1, 2023. Accessed April 7, 2024.

year period dating back to 2016, exceeding the full County growth rate. Though it has a smaller population, with a five-year growth rate of 17.8%, Fort Vermilion is the fastest-growing area of the County, climbing to 753 residents in 2021 from 639 in 2016².

Research and engagement indicated a declining population in specific parts of Mackenzie County – particularly in rural areas, with emphasis placed on Zama City, which hosts a current population hovering somewhere around 40 residents, based on anecdotal information obtained through engagement. Official figures point to a 2021 population of 52 residents in Zama, down nearly 30% over the course of five years, dating back to 2016³. This population decrease is attributed largely to a mass exodus of industry in the Zama area, and carries particular impact to the electoral representation of Ward 10, which is currently overrepresented.

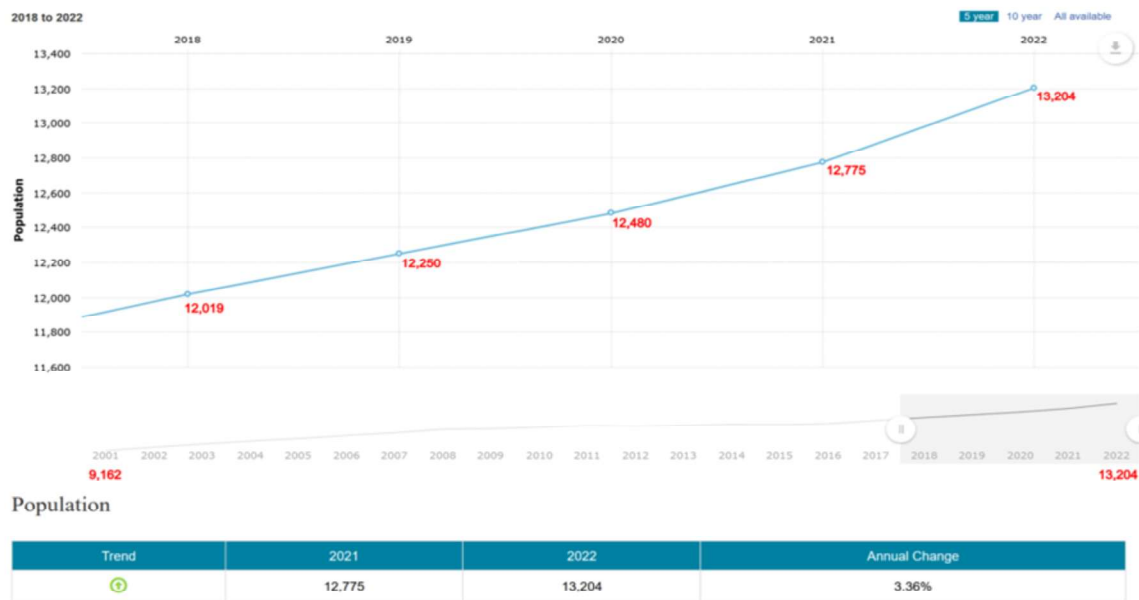


Figure 2 Mackenzie County five-year population change – 2018-2022

The population disparity between the urban areas (Hamlets) and rural settings within the County are comparable to what is being experienced in other areas of Alberta, with a significant population decline across rural settings⁴. In 2022, the province’s 18 cities accounted for 70.4% of Alberta’s total population – up nearly 5% over a 20-year span. Similarly, between 2011 and 2021, close to half of all Alberta villages and one-quarter of the province’s towns witnessed a population decrease of more than 5%. This rural

² [Statistics Canada Census Profile – Fort Vermilion](#). February 1, 2023. Accessed April 7, 2024.

³ [Statistics Canada Census Profile – Zama City](#). February 1, 2023. Accessed April 7, 2024.

⁴ McQuillan, K. & M. Laszlo, University of Calgary School of Public Policy. “[Population Growth and Population Aging in Alberta Municipalities](#).” *Future of Municipal Government Series*. Volume 15:17. June 2022. Retrieved March 17, 2024.

population decline is expected to accelerate in the coming years, as a median age of 61 in Alberta villages and towns means seniors significantly outnumber younger residents.

Fort Vermilion's growth goes against this trend, with the Hamlet's senior population (65+) representing just 10.6% of the population; and La Crete's senior population representing just 13.9% of the Hamlet's population. Meanwhile, the two communities have a youth (0-14 years) population that accounts for 29.8% and 27.4% of the total resident makeup, respectively.

These figures are based on the most recent data available at the time of this report's creation. Mackenzie County is currently executing a municipal census, the results of which were not available by the time at which this report was developed. It is anticipated that municipal census figures for Mackenzie County will be available for review sometime near the end of August 2024.

A great majority of the industrial/linear/M&E assessments are located within Wards 9 and 10, representing the largest land mass of the County, while the majority of the County's population resides in Wards 1 through 5. The challenges this creates were acknowledged by Alberta Municipal Affairs in its 2021 Viability Assessment and Restructuring report for the Mackenzie Region⁵, which states the following key findings:

Conclusions

- 1) The Eastside municipality would not be financially viable without a combination of:
 - a. a significant residential and non-residential tax increase;
 - b. a significant reduction in costs and service levels; and
 - c. ongoing funding from the Westside municipality.
- 2) Restructuring will create a have/have not relationship between the two municipalities resulting in inequitable treatment of the majority of the population situated within Eastside.
- 3) The current economic volatility in the region threatens the stability of a municipal viability that would be heavily reliant on revenue sharing.
- 4) Due to the long-standing issues and conflict contributing to the current request, it may be appropriate for Municipal Affairs to lead the Eastside ward boundary review, if the restructuring were to proceed.

Figure 3 Conclusions outlined in 2021 Viability Assessment and Restructuring Report for the Mackenzie Region

Even at the time that viability assessment was undertaken, however, there was a great population disparity between Wards 1-5 and Wards 6-10 (see Fig. 6). All members interviewed as part of engagement conducted through this process were emphatic in stating this disparity has worsened since that time.

⁵ [2021 Mackenzie Region Municipal Restructuring Project Viability Assessment](#). Alberta Municipal Affairs. November 2021. Retrieved April 2, 2024.

Specialized Municipality

Noted as the “largest County in Canada,” Mackenzie County was formed as the Municipal District of Mackenzie No. 23 in January 1995 (O.C. 757/94), from Improvement District No. 23. The municipality’s status was officially changed from a Municipal District to that of a Specialized Municipality in 1999 (O.C. 264/99).

Per Alberta Municipal Affairs, this change was made “to address concerns about municipal government and management in a municipality that serves a number of unique communities within a very large territory⁶.” This is recognition of Mackenzie County’s urban municipalities of the Hamlet of Fort Vermilion, the Hamlet of La Crete, and the Hamlet of Zama City. It was not until 2007 that the name of the Municipal District of Mackenzie No. 23 was changed to Mackenzie County (O.C. 72/2007), as a result of a request made to the Government of Alberta by the then-Council of the Municipal District of Mackenzie No. 23.

Related to Mackenzie County’s designation as a Specialized Municipality, decisions brought before Council require a 2/3rd majority vote for a motion to be passed on issues including⁷:

- a. Procedures of the Council of the new municipality;
- b. Remuneration of the Councillors;
- c. Property tax;
- d. Changing the number of Councillors, the boundaries of wards or the method of selecting any chief elected official subsequent to the first chief elected official;
- e. Appointing and terminating the Chief Administrative Officer;
- f. Adopting a budget;
- g. Any other matter designated by the Council pursuant to procedure established under this clause (a).

Though Council Members voiced support for the 2/3rd majority vote requirement, it is the assessment of this report’s project team that this requirement exists only to balance the current overrepresentation of rural areas, and the underrepresentation of some of the urban areas, as evidenced by the current population disparity between Wards 1-5 and Wards 6-10. The supermajority requirement therefore satisfies more of a political purpose than it does any specific procedural benefit, as voiced by multiple members interviewed through this review process. More than one member interviewed alleged that the 2/3rd majority requirement is used as a bargaining chip of sorts, with Council Members agreeing to vote in favour of a motion so that they can secure another Member’s support on another motion. Though this was expressed anecdotally, and no record of such an agreement was provided in project discovery, the allegation shows some of the risk inherent to the requirement for a supermajority vote on Council.

⁶ [Location and History Profile – Mackenzie County](#), Alberta Municipal Affairs. October 15, 2021. Retrieved April 3, 2024.

⁷ [Order in Council 54/2001](#). Alberta Municipal Affairs. March 15, 2021. Retrieved April 3, 2024.

If this allegation is true, the actions associated with the claim would conflict with Mackenzie County's Code of Conduct Bylaw⁸ s.4.1(i): that Council, "Debate in a manner that is respectful, considerate and healthy and will be limited to the topic that is directly related to the motion on the table"; s.4.1(j): that Council, "Shall take all points of view into account when making decisions"; and s.4.1(o): that Members, "Preserve the integrity and impartiality of Council."

A 2/3rd majority vote requirement is not necessarily bound to the designation of Specialized Municipality. Though it is legislatively tied to Mackenzie County's status for specific motions, such a voting requirement could be passed by any Council in Alberta as a procedure, either for all decisions or for specific areas of decision-making. Doing so aligns with MGA s.145(1), which states that "A Council may, by bylaw, establish the procedures to be followed by Council." The local procedural requirement for a Council supermajority vote on all or specific motions would not be in contravention of any existing portions of the MGA at the time of this report's creation.

Each Specialized Municipality is designated as such so that an exception can be given to the general rules applied to municipalities within Alberta. For example, through O.C. 761/95⁹, Strathcona County was given the designation of Specialized Municipality, separating the Hamlet of Sherwood Park as an Urban Service Area and the rest of Strathcona County as a Rural Service Area. To allow for the provisions permitted through O.C. 761/95, as stated in the Order in Council, "Sections 271(1)(a) and 605(c) of the *Municipal Government Act* do not apply to Strathcona County."

Mackenzie County is in a different position. Under "Requirement of Valid Bylaw or Resolution," O.C. 54/2001 notes that the allowance for a 2/3rd Council voting requirement on numerous areas of governance is "despite section 181 of the *Municipal Government Act*." However, there is nothing in MGA s.181 that precludes a Council from establishing, through procedure, a 2/3rd voting requirement on all or some areas of governance.

Requirements for valid bylaw or resolution

181(1) A bylaw or resolution of council is not valid unless passed at a council meeting held in public at which there is a quorum present.

(2) A resolution of a council committee is not valid unless passed at a meeting of that committee held in public at which there is a quorum present.

Figure 4 Municipal Government Act, Section 181

Based on the results of engagement conducted as part of this review process, the majority of interviewees did not state support of the 2/3rd voting requirement; as noted, some alluded specifically to the politicized nature of this provision. Further, the majority of engagement participants stated their belief that the Specialized Municipality designation was associated solely with the inclusion of both urban and rural areas within municipal borders.

⁸ [Bylaw 1105-18 Council Code of Conduct](#). Mackenzie County.

⁹ [O.C. 761/95](#). Special Provisions for the Organization and Operation of Strathcona County. December 6, 1995. Retrieved May 30, 2024.

Overview Of the Review Process

As noted, the TSI team reviewed Mackenzie County's governance structures and ward boundaries comprehensively, as well as the County's existing status as a Specialized Municipality. A four-part project approach included project kickoff and planning, research and discovery, engagement, and analysis and reporting. As part of the review process, a comparative analysis was also conducted for those regions in the province and outside of Alberta which are of pertinence to Mackenzie County and its governance structures in one form or another.

This comparative analysis included other Specialized Municipalities within the province, along with Municipal Districts and Counties; as well as governance structures put in place outside of Alberta, where municipalities include both urban and rural settings.

Efforts undertaken in completing this process include:

1. Reviewing historical documents, rationale, and records relating to Mackenzie County's:
 - a. Council structure;
 - b. Ward boundaries; and,
 - c. Status as a Specialized Municipality.
2. Assessing how the County has changed over time, including undertaking an assessment that considers:
 - a. Both specific wards within Mackenzie County and regional areas; and,
 - b. Internal and external migration, population growth and decline, development patterns and opportunities, economic trends, and other topics as necessary.
3. Reviewing conditions that led to the designation of the County becoming a Specialized Municipality in 1999, and determining whether those conditions still exist today;
4. Conducting interviews with County Council, County staff, and Ministry staff to better understand ongoing governance challenges and ward boundary concerns;
5. Identifying potential ward boundary and Council governance changes that could improve elector representation by elected officials;
6. Identifying potential amendments to Orders in Council (O.C.) 264/99 and 54/2001 that could improve municipal governance and decision-making within the County; and,
7. Conducting a cross-jurisdictional scan to understand new and novel ways comparable municipalities in other provinces address ward boundary and Council structure challenges.

Throughout this process, Municipal Affairs and Mackenzie County were engaged not only through interviews, but also to provide documentation and data as relevant to their roles. All parties were compliant in providing requested information in a timely and professional manner.

Engagement Summary

For the purposes of this report, TSI is pleased to provide an overview of the engagement process conducted with Mackenzie County staff, Municipal Affairs staff, and Mackenzie County Council. Each member interviewed was asked the same questions to ensure consistency amongst interviews, making

it easier to pull trends amongst the responses provided by interviewees. However, as interviews were conducted, follow-up questions to respondents' input may have differed to explore specific topics and/or information more in-depth, as required and appropriate to the full process being undertaken. There were also instances in which questions were skipped if respondents had already addressed the subject matter of those questions in previous responses.

The questions posed to each interviewee from Mackenzie County are as follows:

1. Why do you think this boundary review is being done?
2. Do you think the current ward system in the County provides fair representation for the entire County? Why or why not?
3. Do you believe that the boundaries need to be changed? If yes, how?
4. What issues do you hope will be resolved if the boundaries were to be revised?
5. Do you think residents feel well-represented by their ward Councillor?
 - a. *For Council Members only:* Do you think your ward is well represented? If not, why?
 - b. *For Council Members only:* Do you feel you have an equal voice at Council?
 - i. If not, what would make you feel like you had more of a voice at the Council table?
 - c. Which ward do you feel is most underrepresented?
 - d. Which ward do you feel is most represented?
 - e. Would more or fewer wards be beneficial? If yes, please explain.
6. Do you feel there are any underrepresented groups within the County or within certain wards?
7. Do you feel there are any overrepresented groups within the county or within a certain ward?
8. What areas of the County do you feel will see the most growth over the coming years? Why?
9. Do you feel there are natural boundaries that should be considered as part of this review? If so, what are those natural boundaries?
10. Is there anything else you would like to talk to us about regarding wards? If so, please expand.
11. In relation to the general composition of the existing Council, do you feel that there are any issues which need to be considered in this review?
12. What are your thoughts related to:
 - a. The current number of Council Members?
 - b. Voting structure and/or voting requirements?
 - c. Other matters relating to the Council structure in the Procedural Bylaw?
13. Is the Specialized Municipality designation still appropriate for Mackenzie County? Why or why not?
14. In relation to County governance, do you feel that there are any issues which need to be considered as part of this review?
15. What are your thoughts related to:
 - a. General governance?
 - b. Improvement of elector representation?
 - c. Changing from a Specialized Municipality to another municipal status?

Questions posed to interviewees from Municipal Affairs include but are not limited to:

1. What are the advantages of being a Specialized Municipality?
2. For Alberta Municipal Affairs, what would be the impact if Mackenzie County became a non-specialized municipality?
3. Do you have any suggestions for municipalities that we should use as direct comparators to Mackenzie County?
4. Please provide any additional information or comments pertinent to this review.

In total, 20 interviews were conducted, with each facilitated by two members of the project team assigned to this governance and ward boundary review for Mackenzie County.

Additionally, a total of 14 participants completed a survey disseminated as part of this project to obtain quantitative data to be considered alongside the mainly qualitative responses obtained through interviews.

Survey questions included:

1. Please rate the following statements:
 - a. Mackenzie County's current Council model works from a perspective of executing good governance.
 - b. Mackenzie County's current Council model works in terms of the entire County being well represented overall.
 - c. The current level of rural population representation is appropriate, within the existing governance model.
 - d. The current level of urban population representation is appropriate, within the existing governance model.
 - e. The current ward boundary system ensures that residents are equally represented across all wards within the county.
 - f. The current ward boundary system ensures that Council Members' workloads are shared relatively evenly.
 - g. Mackenzie County's designation as a Specialized Municipality is appropriate.
2. What are the strengths of Mackenzie County's current governance model?
3. What are the challenges of Mackenzie County's current governance model?
4. What changes do you believe would strengthen the County's execution of good governance?
5. What results would you hope to be an outcome of our review and report to the Minister?
6. Please rank the following potential outcomes in the order in which you believe they would benefit the County:
 - a. Ward boundary realignment
 - b. Change in the number of elected members on Council
 - c. Change from the County's designation as a Specialized Municipality
 - d. More rural representation on Council
 - e. More urban representation on Council
 - f. At-large municipal electoral system

In consulting relevant parties and analyzing responses provided by engagement participants, certain trends became clear. Each of the following was expressed either unanimously or by a significant majority of interview participants who held an opinion on the relevant topic, unless otherwise stated. These trends were drawn in review of interview responses from all County interviewees (staff and County combined).

- **We heard that** there is a need for a ward boundary realignment.
- **We heard that** there is a need for more balanced ward representation on Council, reflective of the higher population in Mackenzie County's urban Hamlet areas.
- **We heard that** population decline in rural areas of Mackenzie County, simultaneous to a sharp population increase in the County's Hamlets, has resulted in significant over-representation of rural wards in the County, with the most glaring case of overrepresentation seen in Ward 10.
- **We heard that** there is an unspoken but clear expectation that all areas of Mackenzie County receive equal or comparable municipal funding, despite certain areas holding the majority of municipal assessment and others the largest population share.
- **We heard that** there is a sentiment that all residents feel appropriately represented by their Councillor.
- **We heard that** there is a desire by Mackenzie County staff and Council to remain a Specialized Municipality.
- **We heard that** the desire for Mackenzie County to remain a Specialized Municipality is not tied to the current 2/3rd voting requirement put in place by O.C. 54/2001.
- **We heard that** there is a historical division between those who live north of the river and those who live south of the river.
- **We heard that** fewer wards would be of benefit to County governance and elector representation.
- **We heard that** the Hamlet of La Crete, specifically, is growing at a rapid pace, which is expected to sustain over the coming years.
- **We heard that** there is a concern that not all Council Members will respond well to a reduction in the number of electoral wards within Mackenzie County.
- **We heard that** because of the discrepancy in population by ward, the workload from one Council Member to the next is not proportional.

- **We heard that**, by a slight majority of interviewees, the river should be maintained as a natural boundary to be considered in any ward boundary revision completed.

Additional insights gained from engagement are incorporated throughout this report. Input obtained through engagement is incredibly valuable to this process, adding local context and a better understanding of circumstances related to the data and research undertaken; however, engagement results are considered as one input of many. We appreciate the openness and candor with which members from the County and Municipal Affairs alike responded to interview questions and surveys.

Factors in Considering Ward Boundaries

The main consideration in assessing potential options for a ward boundary realignment came down to population dispersion amongst and between wards. At the time of this report, rural wards are significantly overrepresented, with some wards housing just 52 residents, representing 0.4% of the County's population. In wards including urban Hamlets or more heavily-populated areas, Councillors represent upwards of 3,000 residents, which would amount to nearly a quarter of the County's total population. The current population discrepancy amongst wards conflicts with *s.15(1)* of the *Proposed Electoral Division Areas, boundaries and Names for Alberta*¹⁰: "The population of a proposed electoral division must not be more than 25% above nor more than 25% below the average population of all the proposed electoral divisions."

Notably for Mackenzie County, *s.15(1)* can be superseded by *s.15(2)* of the same report, which states that "as much as 50% below the average population of all the proposed electoral divisions" is appropriate in certain cases, including that which is outlined in *s.15(1)(2)(a)*: "the area of the proposed electoral division exceeds 20,000 square kilometres or the total surveyed area of the proposed electoral division exceeds 15,000 square kilometres," amongst others. The current population discrepancy amongst wards, however, goes beyond that 50% mark, as well. To divide the wards appropriately by population, those amended ward boundaries which have been recommended within this report adhere, as much as possible, to the +/- 25% stipulation set out in *s.15(1)*.

This is due, as well, to the Alberta Court of Appeal decision tied to the 1991 *Reference re Electoral Boundaries Commission Act (Alta.)*, 1991 ABCA 217 (CanLII) (the "1991 Alberta Reference"), which states that "no argument for effective representation of one group legitimizes under-representation of another group."

Specific consideration was given, too, to the same decision which, as outlined in the 2017 Alberta Electoral Boundaries Commission report, states "there are only three possible solutions to a situation of historical disparity between urban and rural ridings: hybrid ridings, adding more seats overall, or fewer non-urban seats." Amongst these, it was deemed that adding more seats overall was

¹⁰ 2016-17 Alberta Electoral Boundaries Commission. [Proposed Electoral Division Areas, Boundaries, and Names for Alberta](#). Final Report to the Speaker of the Legislative Assembly of Alberta. October 2017. Retrieved May 23, 2024.

not suitable for Mackenzie County, based on population dispersion throughout the County. In effect, adding more wards would result either in deeper population disparity between rural and Hamlet/dense-population wards than exists already, or in numerous hybrid wards that would break the Hamlets into multiple wards and likely create confusion amongst residents. The latter would also result further issues of electoral representation for those living in Hamlets. Deciding that more seats overall would not be appropriate for Mackenzie County, consideration was then still given to the potential of hybrid ridings and fewer non-urban seats.

Guiding legislation for municipal governance, including the MGA, was weighed heavily, as well. Per MGA s.143(3): “The council of a municipal district or specialized municipality consists of the number of councillors specified in the order forming it unless, after its formation, the council passes a bylaw specifying an odd number of 3 or more.” Though Mackenzie County was established with a Council of 10, it is best practice for a Council to comprise an odd number of Council Members. Options for potential ward boundary realignment were considered in adherence to MGA s.148(1) and s.148(2).

Finally, recommendations tied to ward boundaries were developed in accordance with the provisions of Canada’s *Charter of Rights and Freedoms*, as relevant and appropriate, including s.3: “Every citizen of Canada has the right to vote in an election of members... and to be qualified for membership therein.” This was done to the extent that this section of the Charter was considered and reviewed by the Supreme Court of Canada in the *Reference re. Prov. Electoral Boundaries (Sask.)*, [1991] 2 SCR 158¹¹ (the “*Saskatchewan Reference*”). As part of the *Saskatchewan Reference*, as outlined in the 2017 Alberta Electoral Boundaries Commission report in question, Madam Justice McLachlin wrote:

It is my conclusion that the purpose of the right to vote enshrined in s.3 of the Charter is not equality of voting power per se, but the right to “effective representation”.... What are the conditions of effective representation? The first is relative voting power. A system which dilutes one citizen’s vote unduly as compared with another citizen’s vote runs the risk of providing inadequate representation to the citizen whose vote is diluted. The legislative power of the citizen whose vote is diluted will be reduced, as may be access to and assistance from his or her representative. The result will be uneven and unfair representation.

In developing recommendations for the ward boundary review for Mackenzie County, it was determined that the current population discrepancy amongst wards may, in fact, create the “uneven and unfair representation” referenced by Madam Justice McLachlin. It was also determined that a reduction in the number of wards, and greater population parity amongst wards, would create more even and fair representation, without the need for a legislated provision to implement special voting requirements.

Factors in Assessing Municipal Designation

Part of this process included an analysis of the County’s designation as a Specialized Municipality, including whether that designation remains appropriate for Mackenzie County. As part of this process,

¹¹ Supreme Court Judgments. [Reference re Prov. Electoral Boundaries \(Sask.\)](#) [1991] 2 SCR 159, Pages 183-185. June 6, 1991. Retrieved May 30, 2024.

TSI conducted a review of the unique provision specific to Mackenzie County as a Specialized Municipality, through O.C. 54/2001, which allows for legislated 2/3rd voting requirement. This provision was evaluated for relevance under current circumstances, and in consideration of changes that have occurred in Mackenzie County since the Order in Council was initially created.

Additional effort was put into conducting a comparator analysis of other Specialized Municipalities throughout the province; a review of comparable municipalities which are not designated as Specialized Municipalities; and an assessment of how comparable municipalities are designated and structured outside of Alberta. Specifically, the comparables evaluated which were not Specialized Municipalities included those which include both rural and urban centres within the municipality. Additional effort was put into finding comparables that aligned with Mackenzie County in other areas of municipal structure, population, size, and more.

History of Mackenzie County and Ward Boundaries

Mackenzie County holds the distinction of being the largest county in Canada. In 2021, Statistics Canada reported the following statistics for Mackenzie County:

- Area: 79,629 km²
- Population: 12,804
- Occupied private dwellings: 3,516
- Average number of persons per dwelling unit: 3.6
- Number of people living in private households: 12,720

The main office of Mackenzie County is located in the Hamlet of Fort Vermilion, with regional offices located in the Town of High Level and the Hamlets of La Crete and Zama City.

As part of this analysis, the following reports and documents were considered:

1997 Cuff Report

In 1997, George B. Cuff and Associates Ltd. completed an inspection report which found concerns in public confidence in the Council's ability to govern effectively. Significant concerns were raised over Council's decision-making process at the time, and it was found that Council's efforts were compromised by inconsistent treatment of different areas within the MD.

Of relevance, it was found at the time that the Municipality did not appear to be functional from a governance perspective, due to disparity in population centres; the focus of decision-making at the time was noted as areas south of the river. Additionally, the County's assessment base was mainly located in sparsely populated northern areas of the Municipality.

This report noted that the County could not operate effectively without a change in ward boundaries and assessment redistribution.

1998 La Crete Chamber of Commerce Proposal

In 1998, the La Crete Chamber of Commerce provided a proposal for consideration of La Crete to be re-structured as a municipality. Rationale for the proposal is summarized as follows:

- Local autonomy, noting the desire to make decisions more aligned with, or for the protection of, the values of La Crete as a community.
- Increased accountability from Council Members to the residents of La Crete.
- Strengthened governance.

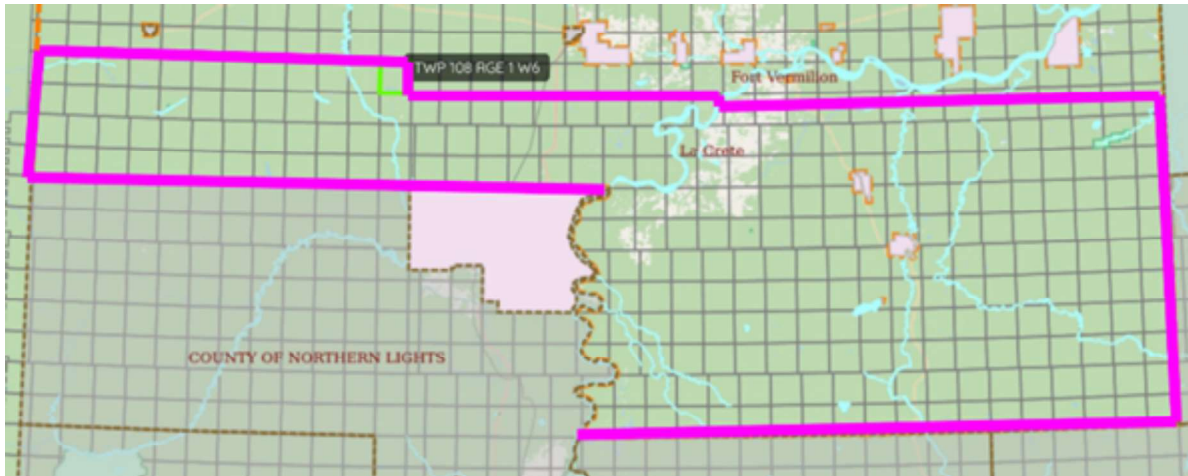


Figure 5 Proposed La Crete Municipal Boundary (1998)

In 1999, the Mackenzie Area Restructuring Committee (MARC) reviewed the La Crete Chamber of Commerce proposal. In the resulting report, MARC considered a number of additional restructuring options, including regionalized service delivery and resourcing. MARC concluded the regionalization model was the best option long-term, with the hopes of addressing underlying issues and concerns.

The report proposed an interim structure as a Specialized Municipality comprised of an appointed Official Administrator and 3 wards, with a total of eight Councillors:

- Four Councillors south of the Blumenort Road
- Three Councillors for the area of Fort Vermilion, Rocky Lane, and High Level
- One Councillor for Zama City, west of the 6th meridian

The temporary structure was intended to be utilized for the 2001 elections.

O.C. 264/99

On June 23, 1999, O.C. 264/99 ordered that the Municipality change from the Municipal District of Mackenzie No. 23, to the status of Specialized Municipality. The intent of this status change was to address concerns related to the current municipal government, and for the effective management of a municipality serving a number of unique communities within a very large territory.

This O.C. included the appointment of an Official Administrator (ended Nov. 1, 2001), and the establishment of a 10-ward electoral structure, with 10 total Members of Council, including a chief elected official appointed from within.

O.C. 54/2001

On January 30, 2001, O.C. 54/2001 rescinded and replaced Schedule 1 of O.C. 264/99, putting in place that some matters put before Council would not pass unless voted in favour of by a 2/3rd supermajority of Council Members in favour of a bylaw or resolution, including those associated with:

- Procedures of Council
- Council remuneration
- Property taxes
- Changing ward boundaries, number of Councillors, or chief elected official
- Appointing and terminating the CAO
- Adopting a budget

O.C. 72/2007

On March 7, 2007, O.C. 72/2007 resulted in the municipal name change from Municipal District of Mackenzie to Mackenzie County.

2021 Mackenzie Region Municipal Restructuring Project/Viability Assessment

In November 2021, Alberta Municipal Affairs prepared a report to assess the viability of a proposed new municipality. This report was in response to a petition received in 2019, which would essentially result in the amalgamation of the Town of Rainbow Lake with Mackenzie County’s Ward 9 and Ward 10.

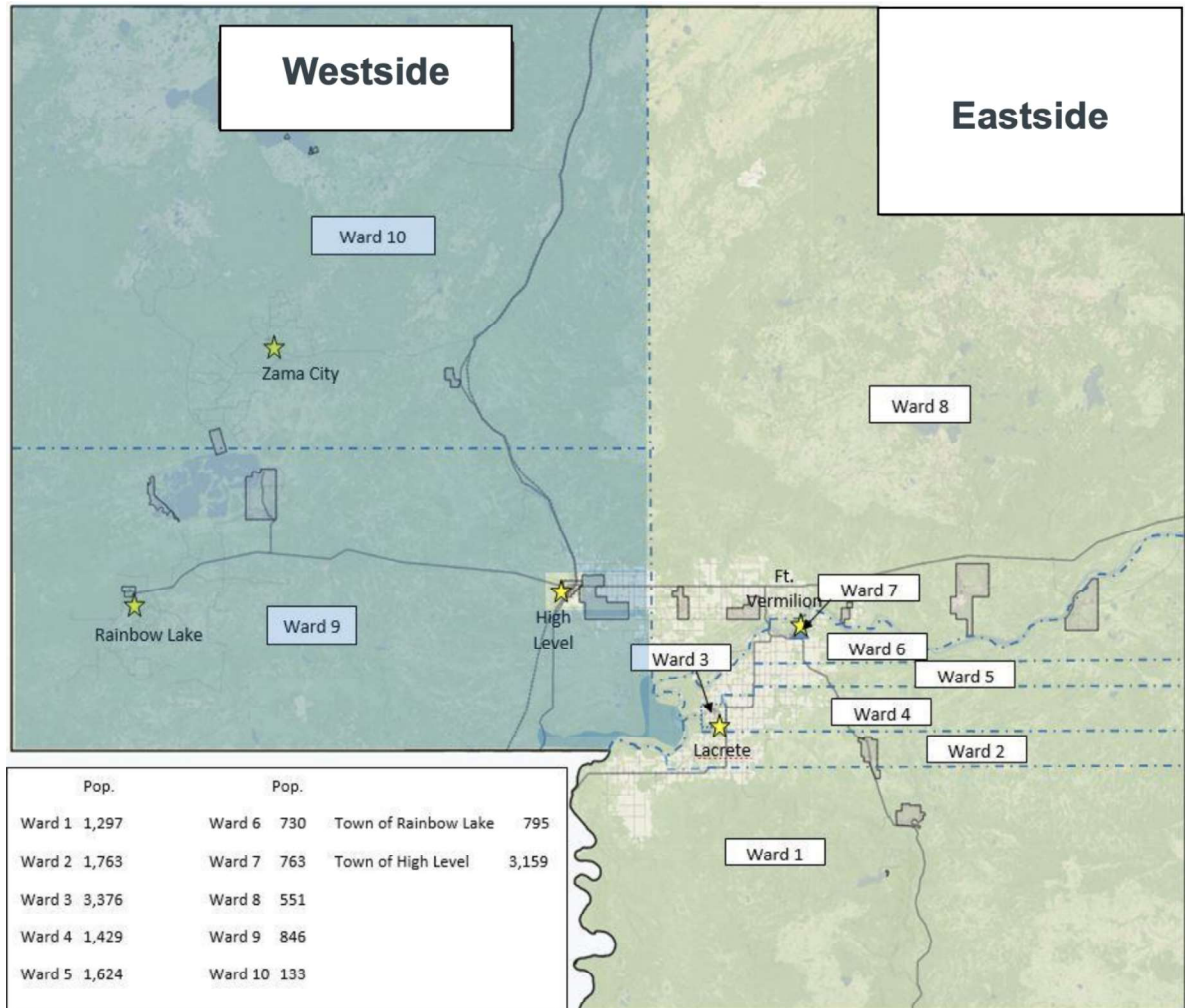


Figure 6 West/East Proposal for Municipal Restructuring (2019)

The report concluded that the Eastside municipality would not be financially viable without a combination of significant taxation increases, reduction of service levels and/or costs, and ongoing funding from the Westside.

The report also concluded that there would be a disparity between the two resulting municipalities if the proposal was accepted as-is. It was concluded that a realignment of this nature would be further complicated by the volatility of oil and gas assessment in the region.

Proposed Solutions

As noted, a number of considerations were accounted for in determining, first, whether a ward boundary realignment would best serve Mackenzie County; and second, how to redraw ward boundaries in a manner that best serves the County if one is required.

At this time, it has been determined that a ward boundary realignment is appropriate and necessary for Mackenzie County.

This is based on numerous factors, not the least of which concerns current levels of elector representation within the County. As noted, there is a discrepancy in population amongst the County’s 10 wards, creating a situation in which there is unequal elector representation at a significant level. The County is currently undertaking a municipal census, to be completed in August 2024. However, at the time of this report’s creation, current ward population data was not available. Instead, analysis was conducted based on Hamlet population numbers from 2021 and 2022, available through Statistics Canada; and ward-specific populations dating back to 2018, made available by Mackenzie County.

	2015	2018	% Change
Ward			
1	1284	1297	1%
2	1694	1763	4%
3	3376	3376	0%
4	1073	1429	33%
5	1515	1624	7%
6	615	730	19%
7	603	763	27%
8	526	551	5%
9	864	846	-2%
10	200	133	-33%
Total	11750	12512	6.5%

Figure 7 Population by Ward (2018)

Numbers presented in Figure 5 are no longer accurate, with anecdotal evidence suggesting a population between 40 and 60 residents in Ward 10 for 2024; however, these are the most recent official figures available through Mackenzie County.

The data discrepancy was accounted for in the decision to redraw wards, despite no hard figures, as it was echoed by so many who participated in the engagement process. Still, even in the 2018 ward population breakdown, there was a significant three-year shift in Ward 10, falling by 33% in population from 2015 to 2018. Similarly, Ward 9 has seen a population decrease; while no 2023 population figures for Ward 9 are available, anecdotal evidence obtained through research and engagement suggests the ward has continued to host a sharp population decline.

In 2018, Wards 1 through 5 – which includes the Hamlet of La Crete, and hybrid urban-rural areas – were home to a population approaching 9,500, accounting for nearly 76% of Mackenzie County’s total population. Wards 6 through 10, meanwhile, account for just over 3,000 residents – including the Hamlet of Fort Vermilion and large rural areas – representing the remaining 24% of the total population. This discrepancy is significant, and goes beyond the +/- 25% variance deemed appropriate for Mackenzie County. It goes beyond even the +/- 50% variance deemed permissible in certain circumstances, as outlined in the *Proposed Electoral Division Areas, Boundaries, and Names for Alberta*.

Though population numbers by ward have changed since 2018, anecdotal evidence and research conducted throughout this process suggest the discrepancy between rural and urban population has only widened further over the past six years. Further, engagement conducted with County staff and Council resulted in a clear picture that this trend is only expected to continue into the future, particularly considering La Crete’s current and projected growth.

A discrepancy in elector representation as significant as that being experienced in Mackenzie County demands that a ward boundary realignment be completed.

This realignment must be undertaken in a manner that brings Mackenzie County closer to aligning with the principles and practicalities of good governance, including better elector representation. Such an approach would also ensure the County’s ward boundary realignment is congruent with Madam Justice McLachlin’s determination related to s.3 of the *Charter of Rights and Freedoms*, pointing to the right to effective representation rather than equity in voting power.

Governance Structure

It is recommended that Mackenzie County’s electoral wards be reduced from 10 wards to seven.

There are numerous factors which have contributed to this recommendation, including that best practice points to a well-functioning Council containing an odd number of Council Members, as alluded to in MGA s.143(3), which calls for “an odd number of 3 or more,” unless otherwise specified in the formation of a municipality. As it is necessary to redraw ward boundaries at this time, it is also necessary to draw the new ward boundaries with an odd number of Council Members to represent local electors.

Aiming to achieve best practice in governance, it is also important that an odd number of Council Members be elected to ensure as few gridlocked Council votes as possible. As such, the chief elected official must still be appointed from amongst Council Members. Naturally, split votes are still a potential outcome if one Council Member is absent from a meeting during which a vote occurs; however, the likelihood of agreements made to ‘swap votes,’ so to speak – as alluded to through engagement as a result of the current 2/3rd voting requirement – is diminished significantly with an odd number of votes.

Mackenzie County is the third-largest Specialized Municipality in Alberta by population, behind the Regional Municipality of Wood Buffalo and Strathcona County – both of which have populations so high compared to that of Mackenzie County that they are unfair comparators in terms of electoral representation. Municipal comparators were analyzed in terms of number of wards and Council Members, municipal status, population, and land mass. Due to the sheer size of Mackenzie County, it is

difficult to find a direct size comparator. Those comparators listed below were selected either by population (shaded in green) or land mass (shaded in yellow).

Municipality	Population (2021)	Land Mass	Number of Wards	Number on Council
Mackenzie County	13,204	71,629 km²	10	10
Leduc County	13,780	2,503 km ²	7	7
Mountain View County	12,981	3,779 km ²	7	7
Municipal District of Bonnyville	12,912	6,005 km ²	6	7
Clearwater County*	11,816	18,606 km ²	7	7
Wetaskiwin County No. 10	11,212	3,122 km ²	7	7
Lac Ste. Anne County	10,862	2,850 km ²	7	7
Red Deer County	19,993	3,962 km ²	6	7
Regional Municipality of Wood Buffalo	72,326	60,844 km ²	4	10
Municipal District of Greenview	8,545	32,926 km ²	9	11 (2 Members represent the urban area of Grande Cache)
Lac La Biche County	7,673	12,527 km ²	7	9 (2 Members represent one urban ward)

*Clearwater County and the Village of Caroline are currently in negotiations for amalgamation

Based on these comparators, and what has been deemed appropriate considering the makeup of Mackenzie County, seven wards is appropriate, with a chief elected official appointed from within.

It is recommended that five Council Members are elected to represent the Hamlets and urban-rural hybrid areas of Mackenzie County, with the remaining two Council Members representing areas which are completely or the majority rural.

This is in recognition of the population disparity between rural and urban areas of the County, with residents in Wards 1-5 representing approximately 75% of the total County population. While this does leave the door open for an urban-rural divide, it is expected that all Members of Council act in good faith, in accordance with MGA s.153(a): *“To consider the welfare and interests of the municipality as a whole.”*

Municipal governance structure cannot be determined based on the potential of poor governance, or based on existing culture issues amongst Members of Council.

There are long-standing concerns related to the execution of good governance in Mackenzie County, including an urban-rural divide which has long been entrenched in the County’s governance. These issues contributed as factors leading up to Mackenzie County’s designation as a Specialized Municipality in 1999, as evidenced by an Inspection Report developed on the then-Municipal District of Mackenzie No. 23 in 1997. These issues were confirmed still by interviewees’ acknowledgment of the divide amongst those north and south of the river.

Long-standing issues of this nature cannot be solved by a ward boundary redrawing on its own; however, it is believed that the recommendations in this report will go a long way in promoting good governance within the County, and limiting the breadth of potential future governance issues.

Municipal Designation

This project included a full review of the rationale for the 1999 designation of Mackenzie County as a Specialized Municipality, which is stated as follows, as outlined in O.C. 264/99:

“The status of the old municipality is changed to a specialized municipality to address concerns about municipal government and management in a municipality that serves a number of unique communities within a very large territory.”

This Order in Council also established a ward system of 10 wards, with the chief elected officer appointed by Council from amongst those 10 Members. This O.C. also put in place the 2/3rd supermajority voting requirement, which extends to *“changing the number of councillors, the boundaries of wards or the method of selecting any chief elected official.”*

The 2/3rd voting requirement is not necessary once the County is set up under a seven-ward structure.

It is expected that in a seven-ward system structured as recommended within this report – with five wards specific to the urban Hamlets or hybrid areas, and two dedicated either majority or completely to rural areas – a simple majority will work well, and is completely appropriate.

In reviewing O.C. 264/99 and O.C. 54/2001, it appears as though this supermajority voting structure is the core basis of Mackenzie County's municipal designation. Additional reference was made to the County's large land base, combined with its unique makeup of both urban and rural areas; however, there are many well-functioning municipalities in Alberta with significant urban and rural components, and numerous unique attributes of varying nature. These considerations in mind, **it is recommended that Mackenzie County no longer hold the status of Specialized Municipality.**

It is further recommended that Mackenzie County revert to the designation of Municipal District.

When looking at comparator organizations, municipal structures were considered as a factor in determining what governance structure is most appropriate for Mackenzie County moving forward. Though Specialized Municipality status is no longer required, the County's unique position of serving both urban and rural communities must still be accounted for. The main Alberta comparator of relevance considered under this lens is the Municipal District of Greenview. The MD of Greenview's population is roughly 66% that of Mackenzie County, and its land mass is approximately 46% of the County's, making Greenview the largest MD in Alberta.

The MD had faced some challenges similar to those experienced by Mackenzie County in the past, which led to the change of Greenview's status from Improvement District (ID No. 16) to Municipal District in 1996. At that time, Grande Cache had not yet dissolved, which meant that Greenview lacked a distinct urban centre. However, the MD of Greenview now maintains a defined rural-urban split since it absorbed Grande Cache as an urban centre, following the Town of Grande Cache's dissolution in 2019. Notably, Grande Cache's population of 3,307 (2021) is comparable to that of La Crete, at 2,911 (2021). The MD has operated effectively over the past five years since the Town of Grande Cache's dissolution, without requiring the status of Specialized Municipality.

Local Governance

This report is based on the process defined by Alberta Municipal Affairs for a governance and ward boundary review of Mackenzie County. Any governance and ward boundary restructuring should be completed prior to the next general election, which means that work would need to be completed before nomination period opens in January 2025. This results in a tight timeline for implementation, especially considering the need for public engagement to be undertaken prior to changes in governance structure being made. However, if recommendations are embraced but not adopted prior to the next general municipal election, they would have to wait until the following election in 2029. This is likely not ideal, and could result in deepened governance issues in that four-year span.

If the recommendations within this report are accepted and acted upon, it is more than likely that work towards good governance will need to continue at the local level. This will begin with the mandatory post-election orientation, held within 90 days following Council taking the oath of office, per MGA s.201(1), including – among other areas of focus – a review of Council roles and responsibilities, and the County's Code of Conduct. This post-election orientation should focus heavily on the principles and execution of good governance.

It is recommended that post-election orientations be designed and facilitated by a third-party governance expert.

This helps to ensure that the orientation content is designed and addressed in a fully objective manner, free of local history and potential bias.

Additional Considerations

Numerous options were considered in determining what governance structure would best suit Mackenzie County moving forward, including many which would likely serve the County well despite not landing as recommendations in this report. There is one or more reasons that each of these options was not selected as a recommendation; however, there was consensus amongst the project team that these options should still be included as considerations, recognizing that there are numerous complexities at play in completing this project.

The options outlined below do not qualify as or constitute recommendations, nor is it believed that any of these options would better serve Mackenzie County than those recommendations which have been presented in this report.

Alternative Ward Structure

It is a key recommendation of this report that Mackenzie County's governance structure include seven wards, with seven total Members of Council – each down from the current figure of 10. That said, if it is deemed that the shift from 10 to seven is too jarring a change, it would be acceptable by governance standards for the County to shift to a nine-ward structure, with nine total Members of Council.

While some engagement participants stated that this could be achieved by simply combining the existing Wards 9 and 10, this would not resolve the broader issues of representation by population. If it is decided that it is most appropriate to shift to a nine-ward system, that change would undoubtedly still require a full redrawing of ward boundaries.

Incorporating La Crete as a Town

One option which was weighed heavily was the incorporation of La Crete as a town. This is largely due to the La Crete area having the ability to self-sustain as a municipality, along with existing growth – and the likelihood of sustained growth – in that particular Hamlet of Mackenzie County. Ultimately, however, it was determined this scenario would not best suit either Mackenzie County or La Crete at this time.

First and foremost, there are too many financial considerations for Mackenzie County to soundly be able to say that La Crete's incorporation as a town would not result in significant financial impacts for the rest of Mackenzie County. In 1998, 1999 and 2021, the Province considered numerous options and variations of municipal restructuring, which were rejected for various reasons, including the financial viability of the municipality, and the potential unintended consequences of creating regional financial disparities as a result of change.

Two-Tiered System of Government

In conducting jurisdictional scans and comparisons of municipal structures outside of Alberta, one of the key areas of interest that emerged is Ontario's two-tiered system of municipal government. Notably, this is a different system from the regional district structure that exists in B.C., though it, too, would be considered a two-tiered system of government.

Under the Ontario two-tier system, the upper tier typically takes on the title of county, formed by two or more lower-tier municipalities. Municipal responsibilities and service provision are then set out under the Government of Ontario's *Municipal Act* – akin to Alberta's MGA – with those duties split between the upper-tier and lower-tier municipalities. The upper-tier (county) council is then made up of representatives from each of the municipalities that exist within the county, as lower-tier municipalities.

A two-tier system of this nature could serve Mackenzie County well, and it could solve some of the historical governance problems that have existed in the County – particularly those related to the urban-rural divide.

That said, this option was not considered beyond initial discussions, as it would require much more detailed evaluation, analysis and public input, which is well outside of the scope of work associated with this project.

If determined as the best option for Mackenzie County, implementation could take place in two ways, with the first being an Order in Council tied to the status of Specialized Municipality.

The second option for implementation could require significant changes to the MGA to allow for two-tier systems of municipal government within Alberta. It is cautioned that any proposed amendments to the MGA of this nature could create potential consequences for other municipalities throughout the province and for Alberta Municipal Affairs. A change this significant in nature could result in a fundamental shift in how local government operates in Alberta, which goes far beyond the scope of work associated with this review of Mackenzie County.

As noted, these additional considerations do not constitute any recommendations.

Recommendations

This project has resulted in the development of nine core recommendations, the first eight of which are tied specifically to the consideration of governance structure tied to this review. The final recommendation would help strengthen the state of local governance after recommended restructuring is completed.

The following represent the consensus recommendations of this project.

- 1. That Mackenzie County undergo a realignment of municipal electoral ward boundaries.**
- 2. That Mackenzie County's electoral wards be reduced from 10 wards to seven.**
- 3. That wards are realigned to assign five wards to Hamlet or hybrid wards, while the other two are assigned primarily or completely to rural areas.**
- 4. That new electoral ward boundaries are established in reflection of the County's population distribution, ensuring equitable representation amongst wards, with a variance of +/- 25%.**
- 5. That Mackenzie County cease to hold the status of Specialized Municipality.**
- 6. That Mackenzie County revert to the status of Municipal District.**
- 7. That the 2/3rd voting requirement established through O.C. 54/2001 be rescinded.**
- 8. That each of the above recommendations be implemented prior to the next Alberta general municipal election's nomination period opening in January 2025.**
- 9. That Mackenzie County engage a third-party contractor to design and facilitate its Council orientation following the next municipal election, scheduled for October 2025, in accordance with timelines and subject matter required in the MGA.**

Appendix A – Proposed Ward Boundaries

This report contains a core recommendation that Mackenzie County be restructured as a seven-ward electoral system, and that the County have an equal number of Council Members, with the chief elected officer appointed by Council. The following map represents the proposed ward boundary realignment that reflects this reduction in number of wards from 10 to seven.

These ward boundaries were developed based on a number of considerations, the main one being equitable elector representation amongst wards, with a +/- 25% variance in population for each ward against the average of all wards. Respect was also given to the opinion of interviewees engaged through this process that the river ought to be maintained as a natural boundary to consider in ward realignment. Finally, these seven wards are divided in such a manner that five are either specific to the urban Hamlets within the County or that they cover hybrid areas, with the remaining two wards representing mainly rural areas of the County.

This proposed realignment does not account for current ward boundary population numbers, given that the County's most recent data is from 2018. The County is currently in the process of undertaking a municipal census, the results of which are not expected to be available until late-August 2024.

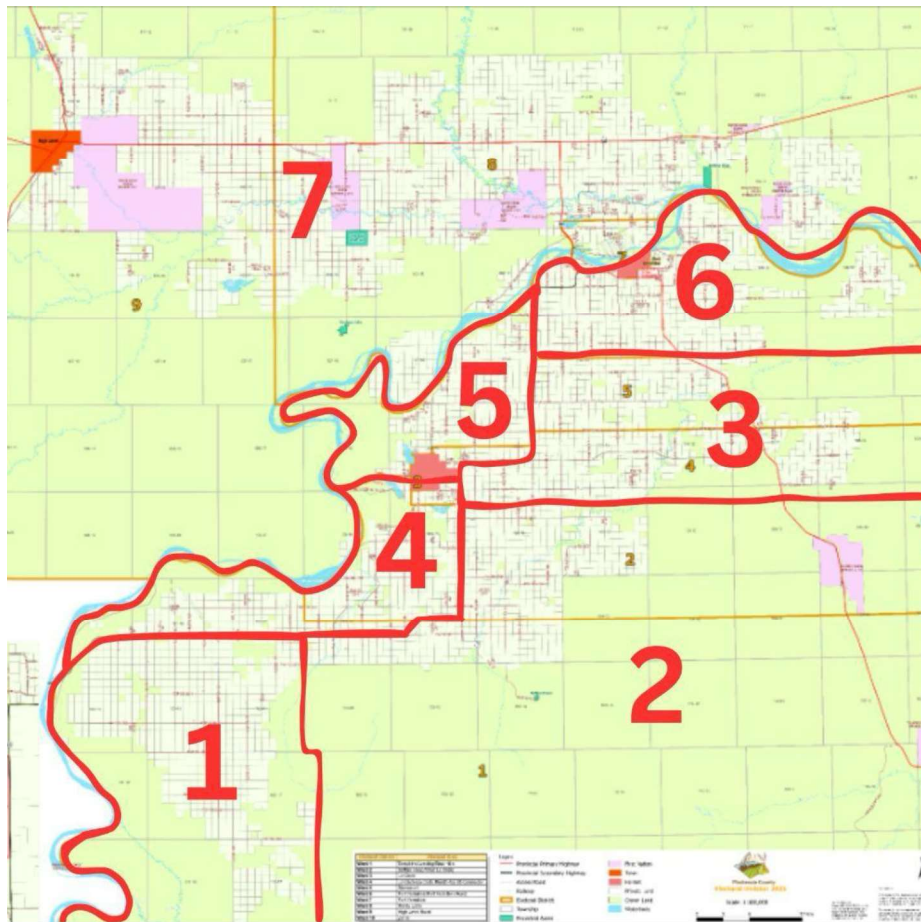


Figure 8 Proposed ward boundary realignment – Mackenzie County