



## Regional Services Commissions

Regional services commissions are entities set up by two or more municipalities, First Nations Reserves, Métis Settlements, and armed forces bases that provide services on a regional basis to clients within (and outside with Minister's approval) the members' boundaries.

Members do not have to be adjacent to each other to form or join a regional services commission. The commissions are established through regulation under Part 15.1 of the *Municipal Government Act*.

Regional services commissions have their own distinct legal status with natural person powers, separate from municipalities. This means they can hire staff, administer their own payrolls, own property in their own name, and raise capital.

Regional services commissions are intended to provide services at the lowest cost. Any financial surplus must be used to reduce costs and may not be distributed back to the member municipalities as earnings.

The rates charged by a regional services commission for services must be established by bylaw and be based on a full-cost recovery rate model. Regional services commissions are eligible for loans from the Alberta Capital Finance Authority.

## Municipal Controlled Corporations

Municipal controlled corporations are for-profit corporations that are controlled by a municipality or group of municipalities for the purposes of providing a regional municipal service or facility.

Municipal controlled corporations are regulated by the *Municipal Government Act*, *Business Corporations Act*, Control of Corporations Regulation, and the Debt Limit Regulation.

Approval from the Minister of Municipal Affairs must be obtained by the municipalities that want to establish a municipal controlled corporation prior to the establishment of the corporation. Municipal controlled corporations are incorporated under the *Business Corporations Act* with the Corporate Registry Office (Service Alberta).

A municipal controlled corporation is a separate legal entity from its municipal shareholders. This means that they are able to hire staff, administer payrolls, own property and raise capital independent of the municipalities involved. Municipal controlled corporations are not able to borrow directly from the Alberta Capital Finance Authority.

Unless imposed by the Minister, there are no geographic restrictions on where a municipal controlled corporation can operate within Alberta.



### Part 9 Companies

Part 9 companies are formed to promote art, science, religion, charity or other similar endeavours, or they may be formed solely to promote recreation for their members. A Part 9 company must apply its profits in the promotion of its objects and no dividend should be paid to its members. Part 9 companies are regulated by the *Companies Act*. A Part 9 company may borrow funds for carrying out its objects, but is not eligible for direct loans from the Alberta Capital Finance Authority.



For more information about governance options for municipal services, please contact:

**Municipal Collaboration Unit  
Alberta Municipal Affairs**

Toll-free: 310-0000  
Phone: 780-427-2225  
Fax: 780-420-1016

17th Floor Commerce Place  
10155 102 Street  
Edmonton, AB T5J 4L4

[www.municipalaffairs.alberta.ca](http://www.municipalaffairs.alberta.ca)

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**Government of Alberta**



**Governance Options**  
for Municipal Regional Services in Alberta

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# Key Considerations

Municipalities have a range of governance options to choose from as they consider ways to offer services in their region. These options provide choice and flexibility to municipalities.

A range of factors will determine the governance option most appropriate for the partnering municipalities to use in the delivery of regional services.

The governance options available to your municipality will depend on the answers to the questions below.

- What types of services will be provided?
- Should the services operate at arms-length from the municipality?
- Does the service provider need to own land and property?
- Does the service provider need natural person powers?
- Will services be provided as a business?
- Does the service provider need to borrow funds?
- Will the service provider need to have the ability to expropriate land?
- Will profit be made and distributed to member municipalities?
- Will the organization be providing services outside of the municipal boundaries?

Each governance option provides a unique set of characteristics that allow for varying degrees of operational autonomy, borrowing ability and legal powers. Certain governance options allow the regional services body to assume natural person powers. Others permit business to be conducted and a profit returned to its members. The comparison chart (right) outlines the basic differences.

## Governance Options

The governance options available to municipalities considering regional services delivery

- Intermunicipal agreement
- Regional services commissions
- Municipal controlled corporations
- Cooperatives
- Societies
- Part 9 (not for profit) companies
- Public-private partnerships

## Comparison of Governance Structures for Municipal Services in Alberta

	Inter-municipal Agreement	Regional Services Commission <sup>1</sup>	Municipal Controlled Corporation <sup>2</sup>	Cooperative	Society <sup>3</sup>	Part 9 Company <sup>4</sup>	Public Private Partnership
Separate legal entity		✓	✓	✓	✓	✓	✓ <sup>5</sup>
Can borrow and incur debt servicing costs		✓	✓	✓	✓	✓	
Can directly expropriate land <sup>6</sup>		✓					
Can make a profit and distribute to members			✓	✓			✓
Requires provincial government approval for establishment		✓	✓	✓	✓	✓	✓
Ministry/parties responsible for establishment	Municipalities	Municipal Affairs		Service Alberta			Municipalities and Partners
Legislation restricting types of services provided	Municipal Government Act			Cooperatives Act	Societies Act	Companies Act	Municipal Government Act

- Notes:
1. Regional services commissions are restricted to providing services as described by the commission's regulation.
  2. Municipal controlled corporations may be owned by a municipality or group of municipalities and provide services to a region.
  3. Societies are restricted to any benevolent, philanthropic, charitable, provident, scientific, artistic, literary, social, educational, agricultural, and sporting activities.
  4. Part 9 Companies are restricted to promoting art, science, religion, charity, and recreation activities.
  5. Public-private partnerships may be a separate legal entity depending on the partnership agreement.
  6. Regional services commission is the only governance option that can directly expropriate land. Expropriation of land for intermunicipal agreements, municipal controlled corporations, Part 9 companies and societies may be completed by a municipality who is a member of that organization to enable that organization to carry out a development.

**Disclaimer:** The information in this publication is provided as a public service for information purposes only, it is not legal advice and should not be relied upon in such a manner. Municipalities considering regional services delivery using one of the governance structures listed in this publication should consult a lawyer to address the specific circumstances of your municipality.

## Regional Services in Alberta

Regional service delivery allows municipalities in Alberta to work collaboratively with other municipalities to deliver effective and accessible services that are responsive to the needs of their communities.

Examples of municipal services that are delivered using a regional governance model include:

- Administrative services
- Airport services
- Assessment services
- Economic development services
- Emergency services
- Family and Community Support Services
- Geographic Information Systems (GIS)
- Housing
- Parks management services
- Planning services
- Recreation services
- Solid waste management services
- Transit services
- Water services, or
- Wastewater services

The variety of services that can be provided through a regional model is not restricted to the ones listed here.

## Intermunicipal Agreements

Intermunicipal agreements are entered into between two or more municipalities. Participating municipalities pass a resolution of council to become a part of the agreement. These agreements can lead to the formation of an authority, board or committee that can oversee the provision of services on a regional basis.

Municipal services provided by a regional authority, board or committee which was formed by an intermunicipal agreement are subject to the *Municipal Government Act* as if the municipality was providing the service. The liability of the regional authority, board or committee remains with each municipality.