

Resolution 2-21F

Seniors' Foundation Requisitions

Wheatland County

Three-fifths (3/5) Majority Required
Endorsed by Starland County

WHEREAS the *Housing Act* (hereafter referred to as “the Act”) provides that a management body may annually requisition municipalities for which the management body provides lodge accommodation for the amount of the management body’s annual deficit for the previous fiscal year, and any amounts necessary to establish or continue a reserve fund for the management body; and

WHEREAS the Act provides that the management body shall supply a copy of its calculation of the requisitioned amount for the municipality; and

WHEREAS the Act provides that if a municipality agrees to contribute to the operating costs of any housing accommodation, other than lodge accommodation, provided by a management body, it shall make the contribution agreed to within 90 days after the mailing of the invoice by the management body; and

WHEREAS the Management Body Operation and Administration Regulation (hereafter referred to as “the Regulation”) provides that each year, a management body must prepare and submit to the Minister a business plan that includes the operating budget for the upcoming three-fiscal-year period, a capital plan for the upcoming five-fiscal-year period, and any other information required by the Minister; and

WHEREAS the Regulation places limits on reserve funds, including a requirement for ministerial approval to establish reserves and limits on the amount of reserves in relation to the management body’s estimated capital and operational costs; and

WHEREAS the current Act and Regulation lacks clarity regarding the scope of housing management body requisitions, specifically relating to capital project costs;

WHEREAS this lack of clarity has resulted in situations in which housing management bodies have attempted to requisition municipalities for capital costs, expenses based on the current year’s budget, and to contribute to reserve funds not approved by members, all of which do not align with the intent of the Act and Regulation;

THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta (RMA) request the Government of Alberta to engage municipalities, **and membership associations such as Alberta Seniors & Community Housing Association** in a review of the Alberta Housing Act and provide clarity on requisitioning for capital assets, associated interest costs and debenture payment obligations for member municipalities; and

FURTHER BE IT RESOLVED that the RMA request the Government of Alberta review the oversight of the Ministry of Seniors and Housing over housing management bodies (HMBs) to ensure that all HMBs are correctly and consistently requisitioning municipalities under the requirements of the *Housing Act*; and

FURTHER BE IT RESOLVED that RMA request that the Government of Alberta provide enhanced training and education, including a training guide to Municipal Councils and HMBs on the *Housing Act* and the Management Body Operation and Administration Regulation to ensure they have a clear understanding of their financial powers, limitations and responsibilities, including related to requisitioning and reserve creation; and

FURTHER BE IT RESOLVED that RMA request the Government of Alberta to amend the *Housing Act* to clearly state the ability of municipalities to approve or deny requests for capital projects.

Member Background:

The *Housing Act* provides parameters for how housing management bodies may requisition member municipalities for operating deficits and reserve funds. It is the general understanding that housing management bodies may requisition funds for the operating deficit of the previous year as well as any reserve funds, both capital and operating, as agreed upon between the management body and the member municipalities. There are some housing management bodies across the province that have been requisitioning municipalities for capital funds outside of any agreement that creates an operating or capital reserve between member municipalities and the housing management body.

The discrepancies between housing management bodies' understanding of their requisitioning abilities may be due to a lack of oversight and clarity in the Act and Regulation from Alberta Seniors and Housing. While many housing management bodies appear to be following the correct process in working with their municipal partners to raise capital funds through official agreements for reserve contributions and operating deficits, there are other housing bodies that are not following the proper process and approaching capital projects as a requisition, to which the municipality has no ability to deny.

Further, some housing management bodies have been requisitioning municipalities based on the current year's operational budget. The Act states that the operating requisition must be based on the previous year's operating deficit. This discrepancy should also be rectified under the oversight of Alberta Seniors and Housing or clarified in the Act and Regulation.

RMA Background: RMA has no active resolutions directly related to this issue.

Provincial Ministries: Seniors