

To: Councillor Hibbs
Cc: Council
From: Matthew Goudy, CAO
Date: January 22, 2020

RE: City Status

Thank you for your inquiry regarding the City of Lacombe achieving City Status. Lacombe, through an Order in Council, changed its status from Town to City, effective September 5, 2010.

As to the benefits and drawbacks, the CAO at the time prepared a report on the implications and anticipated effects of such a change. The only substantive change relates to responsibility for streets and roads. Otherwise, city status only affects how the community views itself, how it is seen by others and what the expectations are of its citizens. The City is now included in a list of 19 total cities instead of one of many more towns and villages. Some perceive a city to have increased political impact through groups such as Mid-sized Cities Caucus.

As long as the City of Lacombe complies with the Transportation Act, it may qualify for financial assistance from the government. Towns and cities have equal powers with respect to taxation and revenue generation. Aside from specific provincial grants relating to roads, all ongoing operational and infrastructure funding is related to size and other characteristics, most often population. The Municipal Sustainability Initiative provides annual funding to all municipalities based on population, education property tax requisitions, and kilometres of local roads and includes base funding for all municipalities and sustainable investment funding for municipalities with limited local tax bases. Federal funding programs are also related to size and merit of particular applications.

With the change to city status, the provincial government improved Highways 12 and 2A, which saw the twinning of Highway 2A through Lacombe. The total project cost was just under \$15M, of which the Province paid approximately 83%. The City then assumed control and became responsible for maintenance of Highways 2A and 12 through Lacombe, since the MGA gives title to all roads in a city to the city (versus title with the Crown for towns and other municipalities). In the management and control of streets, a city assumes additional powers and responsibilities such as the costs of establishing and maintaining all transportation facilities subject to its direction, control and management. Lacombe was required to develop a comprehensive transportation study report for an integrated transportation system designed to serve the needs of the entire city, to be adopted and amended by bylaw (This is the 2013 Transportation Master Plan). The city has since provided for the control and rerouting of dangerous goods off the primary highways. The City now receives approximately \$50,000 annually to cover maintenance costs for Highways 12 and 2A over approximately 25 kilometers. The maintenance and depreciation of these roadways far exceeds this amount of grant funding.

The City must fund any capital construction work associated with Highway 12 and 2A, outside of funds it receives for capital construction work on the overall road system. Longer term upgrades of the highways will be funded from city revenue and grants including offsite levies.



From a marketing point of view, it may be easier to grab the attention of outside prospects as the City of Lacombe. Municipalities over 10,000 population that remain as towns include Okotoks, Cochrane, Stony Plain, Canmore, Strathmore, Sylvan Lake, and High River.

I hope this satisfies this query. Please let me know if you would like to discuss this matter further, or require any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew Goudy', with a large, sweeping flourish underneath.

Matthew Goudy, P. Eng.
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