CITIES AND THEIR RELATIONSHIP WITH PROVINCIAL-MUNICIPAL ASSOCIATIONS

OPTIONS FOR CONSIDERATION

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1. INTRODUCTION

1.1 Background

There are over 3500 incorporated municipalities in Canada. An overwhelming majority of them belong to at least one municipal association in the province (or territory) to which they are established. Canada’s largest city, Toronto, is the most notable exception to this group. It is not a member of a provincial-municipal association, but is a member of the national association, the Federation of Canadian Municipalities (FCM).¹

Municipal associations provide two primary functions: (1) advocacy and (2) the delivery of services to its members. The advocacy role is largely the reason why many of them were established. However, many associations have evolved into diversified service delivery organizations who provide various programs and services for the benefit of their members.

Today, there are 18 municipal associations that exist in Canada’s provinces (excluding the FCM). Some have over 400 members, while others have a few as 8 members. Despite their varying sizes and structures, many municipal associations include both Canada’s largest cities and its smallest villages as members in the same association.

However, not all associations are created equally. Most Canadian provinces have one major municipal association that represents all types of municipalities. A few provinces have adopted multiple municipal associations to represent a sub-set of municipalities. In Saskatchewan, for example, there are two large primary municipal associations. The Saskatchewan Urban Municipalities Association (SUMA) represents only urban municipalities in the province. Conversely, the Saskatchewan Association of Rural Municipalities (SARM) exclusively represents rural municipalities. In New Brunswick, there are three municipal associations, one for cities, one for Francophone municipalities, and one for Anglophone municipalities.

Like all cities in Saskatchewan, the City of Saskatoon is a member of SUMA. It has been an active member of the association for over a century. More recently, however, that relationship has been showing signs of tension due to policy, advocacy, and organizational differences between the two. The recent relationship between Saskatoon and SUMA raises important questions for municipal associations and their larger city members:

- If City issues are not properly represented by the association, what motivates them to continue to hold a membership?
- Do municipal associations adopt special policies or measures to accommodate its cities or largest members?
- If not, should associations be concerned about the potential exit of large cities, who may believe they can advocate more effectively on their own or with a group of similar-sized municipalities?

¹ About 55% of the incorporated municipalities in Canada are members of FCM. FCM’s corporate bylaws do not require that member municipalities must be a member of a provincial association. See Federation of Canadian Municipalities, Bylaw No.1, at https://data.fcm.ca/Documents/corporate-resources/Board-Elections/FCM-bylaw.pdf
1.2 Purpose and Scope
With those questions in mind, the central purpose of this paper is to explore the relationships that large cities in a province have with the municipal associations to which they belong. However, as noted, different types of associations have been established in the provinces to represent municipalities.

Some provinces have primary and secondary municipal associations. Primary associations, as defined in section 3, are associations to which municipalities have no other choice to belong to. Primary associations can be characterized as “unified” or “split”. A unified association is one to which all municipalities are eligible to belong. A split association is one where only a specific type of municipalities—urban or rural—can belong. Secondary associations, which are not the focus of this paper, are associations to which a specific type of municipality may join, but it is not the largest or only association a municipality may join (see section 3 for more).

Given these important distinctions, this paper focuses on exploring the relationships cities have with a select group of four primary municipal associations: two “unified” associations and two “split” associations. The unified associations are the Union of British Columbia Municipalities (UBCM) and the Association of Manitoba Municipalities (AMM). The split associations are SUMA and the Alberta Urban Municipalities Association (AUMA).

The paper offers a comparative analysis of how these associations are structured and how they function, paying particular attention to how they accommodate cities. While the sample size is not exhaustive, it does attempt to provide a good cross sectional analysis of the main types of municipal associations. SUMA is included for obvious reasons. The three other associations are chosen for the analysis because they are considered large groups (each over 100 members) and have among their membership one or two, large, population-dominant cities.

There is very little research or published material on the relationship that cities have with their provincial-municipal associations. Research that does exist focuses on Ontario, but it was not with the largest city in the province, and the city is unknown. As a result, in order to address the central purpose of this paper, interviews were conducted with representatives from the cities of Vancouver, Calgary, Edmonton, and Regina. Invitations were extended to the City of Winnipeg, but unfortunately schedules did not align. Interviews were also conducted with the Executive Directors of AMM and SUMA to obtain perspective and fill in any information gaps.

1.3 Organization of Paper
In order to appropriately address the purpose of this paper, the rest of this document is organized as follows:

- Section 2 provides a brief review of the literature to help establish a framework for analysis that will be applied later in the paper. It reviews the theory of collective and the association behavior literature in an attempt to show how associations accommodate members, especially those with a diverse membership.
- Section 3 establishes a typology and terminology to assist the reader in understanding the structure of municipal associations. Here, the focus is to distinguish between the different types of municipal associations.
• Section 4 conducts a comparative analysis of various features about the four main associations that are within the scope of this research. Special attention is paid to analyzing membership composition and dispersion of the four associations, but it also focuses on governance structures, member services, association finances, and membership fee structures.

• Section 5 addresses the primary purpose of this report. It reveals how the cities describe their relationship with municipal associations and in some cases the relationship the association has with a large city. The section also briefly describes the Saskatoon-SUMA relationship.

• Section 6 provides an analysis of five options for consideration. The options fall along a continuum ranging from keeping the status quo to major reform with the so-called “Toronto approach.” While this section does not make any recommendations, it does analyze each option, how it could be implemented, its implications, and its advantages or disadvantages.

• Section 7 summarizes the paper and offers some concluding comments.

1.4 Key Findings of the Paper
Although this paper does not propose recommendations, the research and analysis reveal that:

• In general, municipalities join associations to pursue common objectives and take advantage of selective incentives.
• Cities or larger members of an association join and maintain membership for advocacy. Smaller members join to take advantages of member services.
• In Canada, there are 14 primary and 4 secondary municipal associations operating in the provinces. The primary associations are either unified or split. Split associations can be further classified as urban or rural associations.
• Of the four associations, SUMA has the most members, represents the fewest people, has relatively lower membership dispersion, and has one dominant type of municipalities (villages) in its membership. SUMA is the most homogenous of the four associations.
• Associations use the Boards and other structural mechanisms to accommodate membership cleavages. SUMA has one of the larger boards among the associations and has strong city representation. SUMA and AMM are the only two associations with caucuses dedicated to city mayors.
• Some associations offer a broad suite of member services. Some have also established sophisticated special purpose bodies to deliver member services.
• The services can help generate revenues and reduce reliance on membership fees to fund operations. Fees are 28% of SUMA’s revenues and less than 4% of AUMA’s.
• Most associations generally use a regressive rate structure to charge membership fees. Saskatoon pays the highest membership fees per capita.
• Cities outside of Saskatchewan report that they have a strong relationship with their provincial-municipal association.
• Some associations have established protocol agreements with the city to enhance the working relationship.

2.1 Introduction

The purpose of this section is to explore why municipalities join associations. Minimal research has been conducted on provincial-municipal associations in Canada, and in particular, reasons why municipalities join and remain members of associations and how they accommodate members. The literature has traditionally, focused on the workings of individual associations or the lobbying efforts and tactics they employ.

More recently, Shott conducted the most extensive and empirical study on municipal associations in Canada.2 Her contribution provides a deeper understanding of why municipalities join associations in Canada, and particularly, how associations are composed. As she confirms, “the results of analysis provide strong evidence that associational behaviour is not determined by the external environment alone, but also by internal composition of membership.”3

As a result, this section of the paper builds on Shott’s work and develops a framework to better understand why municipalities join associations and why they remain as members. In doing so, this section reviews collective action theory and the literature on association behavior.

2.2 Theory of Collective Action

The foundation for collective action was established almost a half a century ago by Mancur Olson. In his widely-cited work, *The Logic of Collective Action: Public Good and the Theory of Groups*, Olson argues that it is illogical for individuals to join into groups that pursue a common interest.4 This is because individuals will always pursue their own self-interest, an interest that does not typically align with broader communal goals.

Using rational choice to underpin his perspective, Olson contends that it is also irrational for an individual to join an interest group because regardless how much the individual supports the advocacy efforts of the organization, they will likely not enjoy the benefits of a successful campaign.5 That is, the outcome of a successful public policy advocacy are an improvement to the common good, and thus, no individual or group, regardless of effort, is excluded from reaping the rewards. This leads to Olson identifying two core functions of groups: achieving common goals and providing selective incentives.6

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3 See ibid, 3.
5 Ibid., 12.
6 Ibid., 15-16.
Olson’s work focuses on the measure composition of group size as a determinant of behaviour. Larger groups need selective incentives to motivate members to act in a group-orientated way. In general, Olson argues that although groups form on the basis of common interests, they are only able to maintain cohesiveness because of the selective incentives they provide to their members. He refers to common interests as a public good because of their non-excludability and non-rival characteristics. Thus, associations provide public goods (e.g., advocacy), but the large organizations cannot “…support themselves without providing some sanction, some attraction distinct from public good itself, that will lead individuals to help bear the burdens of maintaining the organization.”

In Olson’s view, this creates an incentive for members to free-ride. That is, an individual’s efforts, he contends, will not have a noticeable effect on the situation of the organization. “The individual can enjoy any improvements brought about by others whether or not he or she was working in support of the organization.” This free-rider problem is especially apparent in organizations like FCM. It advocates on behalf of all municipalities, yet it represents about 60% of them. Ironically, the public policy changes that FCM achieves can benefit all municipalities, not simply its members.

The primary limitation of Olson’s analysis of groups is that he considers group members as individuals, rather than businesses or governments that represent multiple people. In other words, he did not account for the potential of greater variation of interests and internal capacities when group members represent populations. Do members that represent populations prioritize the balance of public goods and selective incentives differently than individuals? Do larger populations prioritize public goods and selective incentives differently than less populous members?

Terry Moe attempts to address these concepts by explaining how the competing demands of large and small members interact. He theorizes about internal group dynamics and how they influence an association’s goals. His work both compliments and criticizes Olson’s perspectives.

In large groups, as Olson argues, the focus of group behavior is on the provision of member services, but he does not attempt to analyze internal politics. Moe addresses this gap by considering the interactions of small and large members’ competing interests, and the distribution of member sizes. Internal group dynamics shape the goals that associations pursue.

Moe argues that groups offer services to small organizations to attract and retain members, but these services are also sold at a cost. The profits of service provision can be used to carry out advocacy. Group members that are small organizations create the need for service provision, but large organizations are motivated to join groups because of their advocacy. They can self-provide services, but groups need them in order to have collective weight in advocacy.

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7 See ibid., 16.
8 See Ibid.
10 Ibid, 76.
Therefore, they must direct profits made from the services provided for small organizations to carry out advocacy on behalf of large organizations.

Moe also identifies that the competing demands of small organization members for services and of large organization members for advocacy can create tensions between the goals of the group and the goals of the individual member. Small organization members are driven by service provision, but the presence of large organizations within a group make the provision of services more economical, due to economies of scale.

Clearly then, groups must be responsive to the advocacy goals of large organizations in order to meet the service goals of small organizations. From this, the advocacy goals of a group may not reflect the advocacy interests of most of its members. Rather, they will reflect the goals of its largest members. Taken together, Olson and Moe suggest that associations must balance the provision of member services and advocacy, and that this balance is dependent on the sizes of its members.

2.3 Association Behaviour
Collective action describes the theoretical constructs of group behaviour and in particular the tension between the pursuit of common goals and selective incentives. Another strand of related group research, focuses on association behaviour. It provides a more practical perspective on how associations who represent a collection of governments or businesses behave.

According to this strand of the literature, composition of membership is a determinant of associational behaviour. Although composition can be determined in several ways, Shott’s work describes three common measures have been used to determine the variation in groups’ memberships: (1) group size; (2) dominant member type; and (3) extent of heterogeneity.11

Group size simply refers to the number of members in a group. Dominant member type measures whether one kind of member (e.g., cities, towns, villages) are the primary kind of member within a group. This category is concerned with how a dominant member type can influence the agenda and activities of a group. Finally, heterogeneity measures the dispersion and diversity of group members, and how the extent of dispersion influences a group’s approach to issues and jurisdictional control.

Given these measures, research has also shown that membership composition certainly influences support. One study in the United States, for example, found that larger municipalities are more likely to pursue individual lobbying rather than rely on municipal leagues.12 Others have suggested that large cities should pursue individual, rather than collective, advocacy.13 In this case, the argument is that the only way the interests of large municipalities can be

11 See Shott, note 2 at 164
articulated is through individual lobbying and that collective action diminishes the overall power of these large urban areas.

Another study investigated whether or not smaller or larger cities are best served by collective advocacy.\textsuperscript{14} The study found that smaller cities perceived municipal associations as big-city oriented. This perception translated into ambivalent attitudes towards associations' lobbying activities. Thus, smaller municipalities placed greater value on the member services that associations offered, rather than their lobbying efforts.

This research was further confirmed in a recent study in Ontario. According to this study, “research confirms that when municipalities are members of municipal associations, small municipalities value services that save them money, and large municipalities value advocacy activities that could support their own policy priorities.”\textsuperscript{15}

2.4 Conclusion
Together, the collective action and association behaviour literature provide an important perspective in gaining an understanding how large groups function. This body of literature contends that group composition plays a significant role in how individual members of a group and how the overall group behaves. As a result, municipal associations must be aware of these differences in order to serve their membership base.

The following sections of this paper will apply this framework to help understand how municipal associations operate and the structures they create to accommodate their members. The application is particularly important to the comparative analysis in section 4.


3. A GENERAL OVERVIEW OF PROVINCIAL-MUNICIPAL ASSOCIATIONS IN CANADA

3.1 Introduction
The objective of this section is to provide a brief conceptual overview of municipal associations operating at the provincial level in Canada. More specifically, it explains terminology and establishes a typology for municipal associations. This section will lay the foundation for the description and analysis of the selected associations used in this paper.

3.2 A Taxonomy of Municipal Associations
There are 18 independent provincial-municipal associations in Canada today. Table 3.2.1 lists these existing associations.

<table>
<thead>
<tr>
<th>Name</th>
<th>Province</th>
<th>Year Established</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union of British Columbia Municipalities (UBCM)</td>
<td>BC</td>
<td>1905</td>
<td>Unified</td>
</tr>
<tr>
<td>Alberta Urban Municipalities Association (AUMA)</td>
<td>AB</td>
<td>1905</td>
<td>Split - Urban</td>
</tr>
<tr>
<td>Rural Municipalities of Alberta (RMA)*</td>
<td>AB</td>
<td>1909</td>
<td>Split - Rural</td>
</tr>
<tr>
<td>Saskatchewan Urban Municipalities Association (SUMA)</td>
<td>SK</td>
<td>1906</td>
<td>Split - Urban</td>
</tr>
<tr>
<td>Saskatchewan Association of Rural Municipalities (SARM)</td>
<td>SK</td>
<td>1905</td>
<td>Split - Rural</td>
</tr>
<tr>
<td>Association of Manitoba Municipalities (AMM)</td>
<td>MB</td>
<td>1999</td>
<td>Unified</td>
</tr>
<tr>
<td>Association of Municipalities of Ontario (AMO)</td>
<td>ON</td>
<td>1972</td>
<td>Unified</td>
</tr>
<tr>
<td>Union des municipalités de Quebec (UMQ)</td>
<td>PQ</td>
<td>1919</td>
<td>Split - Urban</td>
</tr>
<tr>
<td>Fédération québécoise des municipalités (FQM)</td>
<td>PQ</td>
<td>1944</td>
<td>Split - Rural</td>
</tr>
<tr>
<td>Nova Scotia Federation of Municipalities (NSFM)*</td>
<td>NS</td>
<td>1906</td>
<td>Unified</td>
</tr>
<tr>
<td>Federation of Prince Edward Island Municipalities (FPEIM)</td>
<td>PEI</td>
<td>1957</td>
<td>Unified</td>
</tr>
<tr>
<td>Municipalities Newfoundland Labrador (MNL)</td>
<td>NL</td>
<td>1957</td>
<td>Unified</td>
</tr>
<tr>
<td>Union of Municipalities of New Brunswick (UMNB)</td>
<td>NB</td>
<td>1995</td>
<td>Split Linguistic (Anglophone)</td>
</tr>
<tr>
<td>Association francophone des municipalités du Nouveau-Brunswick (AFMNB)</td>
<td>NB</td>
<td>1989</td>
<td>Split Linguistic (Francophone)</td>
</tr>
</tbody>
</table>

Secondary Associations

<table>
<thead>
<tr>
<th>Name</th>
<th>Province</th>
<th>Year Established</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cities of New Brunswick Association (CNBA)</td>
<td>NB</td>
<td>1949</td>
<td>Cities</td>
</tr>
<tr>
<td>Association des municipalités bilingues du Manitoba (AMBM)</td>
<td>MB</td>
<td>1995</td>
<td>Linguistic</td>
</tr>
<tr>
<td>Saskatchewan Association of Northern Communities (New North)</td>
<td>SK</td>
<td>1995</td>
<td>Northern-Based</td>
</tr>
<tr>
<td>Provincial Association of Resort Communities of Saskatchewan (PARCS)</td>
<td>SK</td>
<td>1986</td>
<td>Resort-Based</td>
</tr>
</tbody>
</table>

*denotes recent name change.

As the table reveals, Saskatchewan has the most independent municipal associations. To clarify, an independent association is one that has its own board of directors, administrative
staff, and created through some established legal mechanism. It runs its affairs and operates independently from any other municipal association in the province. Some associations, such as those in British Columbia and Ontario, have sub-associations, but they are not considered to be independent for the reasons stated earlier.

These independent municipal associations, as highlighted in the table, can also be placed into two main categories: primary and secondary (or section). The main difference between the two categories is that primary associations are the largest and only association to which municipalities are eligible to join. Secondary associations, by contrast, are sub-associations to which a niche group of members are eligible to join (see the discussion below).

Saskatchewan has two primary and two secondary associations. Again, the secondary associations have no affiliation to the primary association, but their members can and do belong to both. The most unique secondary association is the Cities of New Brunswick Association (CNBA). It has eight members comprised of all cities in the province. All members can join the Francophone and Anglophone associations, but only a few belong to both.

3.2.1 Primary Associations
In her comprehensive analysis of municipal associations in Canada, Shott provides a useful description of primary associations, defining them as:

*The broadest, largest provincial association available for a municipality to join. All municipalities in a province can be eligible for membership in a primary association, or a primary association’s membership can be restricted on a rural/urban or linguistic basis. An association is primary when there is no larger association that its members are eligible to join.*

Given this definition, primary associations can also be categorized further. They can either be unified or split associations. A unified association is the only primary association in a province and all types of municipalities are eligible for membership. The AMM is an example of a primary, unified association because all municipalities in the province are eligible to join the association.

Primary - split associations have similar characteristics to unified ones, but the main difference is that they restrict membership to specific types or classes of municipalities.

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16 Individual members of PARCS can be members of either SUMA or SARM. New North, the organization is an affiliate member of SUMA, but its members join on their own terms.
17 This is association is described in more detail in section 6.
18 See Shott, note 2 at 56.
19 In Manitoba and BC all incorporated municipalities are members of the provincial association.
SUMA is an example of a primary, split association because it restricts its members to urban municipalities. This leads to an additional categorization.

Primary-split associations can be broken down further into, urban, rural or linguistic associations. Thus, SUMA can be described as a “primary-split-urban” association. Its rural counterpart SARM can obviously be described as a “primary-split-rural” association. This taxonomy is graphically illustrated in the Figure 3.2.1

**FIGURE 3.2.1**

### 3.2.2 Secondary Associations

As alluded to earlier in this section, secondary or section associations are those that represent a specific group of municipalities and whose membership is small. As Shott explains: “the association represents a particular type of municipality within a province, but it is not the largest municipal association available for its members to join.” She goes on to explain that, “All of their members are eligible to join a larger municipal association, but the section and the primary associations do not have formal, legal relationships with each other.”

According to this taxonomy, there are six provinces with unified associations (Ontario, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Manitoba, and British Columbia) and three provinces with separate rural and urban associations (Quebec,  

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20 In Saskatchewan, urban municipalities are classified as cities, towns, villages, and resort villages. See *The Cities Act.*
21 See Shott, note 2 at 57.
22 See ibid.
Saskatchewan, and Alberta). New Brunswick has distinct Anglophone and Francophone associations.

While municipal association mergers and splits are not addressed in this report, the majority of provinces have had stable associations over time. According to research conducted by Shott, in four provinces, there has been one association that has remained unified since its formation (Newfoundland and Labrador, Nova Scotia, Prince Edward Island, and British Columbia). The provinces of New Brunswick, Quebec, Ontario, and Manitoba all started with one unified association, but have undergone changes in the number and type of associations formed by their municipalities. For example, in 1999 the AMM merged into one unified association from two split urban and rural associations.

In Saskatchewan and Alberta, the founding urban and rural associations have remained split over time. More recently, however, the AUMA passed a resolution that seeks to merge it with the rural association, RMA, ultimately creating a unified association in Alberta. So far, the RMA has rejected the proposal, but negotiations are still underway.

3.4 Conclusion
There are 18 municipal associations operating in Canada’s 10 provinces. They can be classified as primary and secondary associations. The primary associations can be unified, like British Columbia or split, like in Saskatchewan. The split associations are divided along urban and rural lines, or linguistically. While this section did not compare or contrast these associations, the goal was to establish a taxonomy of the different types to set the stage of the next section of this report.

In the following section, the paper takes a comparative analysis of four primary associations: two unified and two split. It is in that section where the paper compares and contrasts the composition and operation of these associations.

23 See ibid at 58.
24 See http://www.amm.mb.ca/about/history/ for more.
25 See https://auma.ca/advocacy-services/resolutions/resolutions-index/collaborative-discussions-between-auma-and-aamdc-opportunity-merge
26 See https://rmalberta.com/resolutions/9-17f-aamdc-refusal-to-engage-in-exploratory-discussion-to-merge-with-auma/. The RMA used to be known as the Alberta Association of Municipal Districts and Counties.
4. Comparative Analysis of Selected Municipal Associations

4.1 Introduction
In the previous section, this paper established a taxonomy or typology of municipal associations. That section showed how there are primary and secondary associations. It drew a distinction between the different types of primary associations, concluding that they are either unified or split. As a reminder, split associations can be distinguished along legal status (i.e., urban and rural) or linguistic lines (i.e., Anglophone and Francophone).

With those important distinctions in mind, this section of the paper addresses the fundamental characteristics of four primary municipal associations: two unified (UBCM and AMM) and two split (SUMA and AUMA). Rather than describing the features of each association separately, this section provides a comparative analysis of these associations along five key themes:

1. Membership Composition and Dispersion
2. Association Governance
3. Core Functions
4. Finances
5. Membership Fee Structure

Thus, the objective for this section is to highlight the similarities and differences among the four associations.

4.2. Membership Composition and Dispersion
Recalling the discussion in section two, membership composition and dispersion have important implications for municipal associations. As Shott’s research found, membership composition helps determine how associations balance their core functions. A greater presence of less populous members tends to result in a greater focus on member services.

As shown in table 4.2.1, the four provincial-municipal associations vary by number of members. Ironically, the two unified associations have the least amount of members with UBCM and AMM having 198 and 136 members respectively. SUMA, whose membership is limited to urban municipalities, has by far the most members at 439, but its members represent the fewest people.

Table 4.2.1: Comparative Statistics: Selected Municipal Associations

<table>
<thead>
<tr>
<th>Association</th>
<th># of Members</th>
<th>Member Population Minimum</th>
<th>Median</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUMA</td>
<td>439</td>
<td>862,382</td>
<td>10</td>
<td>272</td>
<td>247,191</td>
<td>1,964</td>
</tr>
<tr>
<td>AUMA</td>
<td>267</td>
<td>3,642,524</td>
<td>10</td>
<td>830</td>
<td>1,267,334</td>
<td>13,642</td>
</tr>
<tr>
<td>UBCM</td>
<td>198</td>
<td>4,991,687</td>
<td>22</td>
<td>4,935</td>
<td>672,963</td>
<td>27,519</td>
</tr>
<tr>
<td>AMM</td>
<td>136</td>
<td>1,203,789</td>
<td>268</td>
<td>1,933</td>
<td>705,244</td>
<td>8,851</td>
</tr>
</tbody>
</table>

27 Member information is obtained from association websites. Population statistics were obtained from either provincial population databases, or the 2016 Census of the Population. The statistical analysis was conducted by the author.
The descriptive statistics in the table reveal some important distinctions between the associations. AUMA and SUMA each have members with a minimum population of 10. On the other hand, AUMA, has the most populous municipality, Calgary, representing 1.3 million people. SUMA has the largest presence of small members, and the least amount of variation, as represented by most of the statistics in the table. Specifically, SUMA has the lowest mean, median, and standard deviation among the four associations. These statistics indicate that SUMA has a more homogeneous membership than the other associations.

This data becomes clearer from the descriptive statistics contained in Table 4.2.2. As the table reveals, SUMA’s dominant member type is villages. By adding resort villages to the mix, all village types of municipalities account for about 60% of the membership, but represent about 5.2% of the member population. Moreover, the variation in sizes is relatively small. In contrast, cities, who represent 76% of SUMA’s member population, account for less than 4% of SUMA’s membership, but have a wide population dispersion.

Table 4.2.2: SUMA Descriptive Statistics

<table>
<thead>
<tr>
<th>Member Type</th>
<th>Number</th>
<th>Share (%) of Members</th>
<th>Total Population</th>
<th>Share (%) of Membership Population</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Members</td>
<td>439</td>
<td>100</td>
<td>862,382</td>
<td>100</td>
<td>10</td>
<td>247,201</td>
<td>272</td>
<td>1,964</td>
<td>15,838</td>
</tr>
<tr>
<td>Cities</td>
<td>16</td>
<td>3.6</td>
<td>655,935</td>
<td>76.1</td>
<td>4,562</td>
<td>247,201</td>
<td>11,624</td>
<td>40,996</td>
<td>75,010</td>
</tr>
<tr>
<td>Towns</td>
<td>148</td>
<td>33.7</td>
<td>149,717</td>
<td>17.4</td>
<td>73</td>
<td>4,571</td>
<td>700</td>
<td>1,012</td>
<td>819</td>
</tr>
<tr>
<td>Villages</td>
<td>229</td>
<td>52.2</td>
<td>40,957</td>
<td>4.7</td>
<td>15</td>
<td>994</td>
<td>152</td>
<td>180</td>
<td>133</td>
</tr>
<tr>
<td>Resort Villages</td>
<td>32</td>
<td>7.3</td>
<td>4,430</td>
<td>0.5</td>
<td>10</td>
<td>840</td>
<td>89</td>
<td>138</td>
<td>153</td>
</tr>
<tr>
<td>Northern Municipalities</td>
<td>14</td>
<td>3.2</td>
<td>11,140</td>
<td>1.3</td>
<td>47</td>
<td>2,372</td>
<td>684</td>
<td>796</td>
<td>596</td>
</tr>
</tbody>
</table>

Tables 4.2.3 through 4.2.5 show similar statistics for the three other municipal associations. The other split association, AUMA, has a large presence of small members, but there is no dominant legal type of municipality in the association. Towns represent 40% of AUMA’s membership and about 13% of AUMA members’ population. Cities have a larger presence in AUMA’s membership when compared to SUMA’s, accounting for 7% of all members, but representing almost 80% of the member population. However, AUMA’s membership is the most dispersed among the four associations.

Table 4.2.3: AUMA Descriptive Statistics

<table>
<thead>
<tr>
<th>Member Type</th>
<th>Number</th>
<th>Share (%) of Members</th>
<th>Total Population</th>
<th>Share (%) of Membership Population</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Members</td>
<td>267</td>
<td>100</td>
<td>3,642,524</td>
<td>100</td>
<td>10</td>
<td>1,267,344</td>
<td>830</td>
<td>13,642</td>
<td>96,873</td>
</tr>
<tr>
<td>Cities</td>
<td>19</td>
<td>7.1</td>
<td>2,894,212</td>
<td>79.5</td>
<td>12,655</td>
<td>1,267,344</td>
<td>32,448</td>
<td>152,327</td>
<td>339,776</td>
</tr>
<tr>
<td>Towns</td>
<td>107</td>
<td>40.1</td>
<td>462,577</td>
<td>12.7</td>
<td>406</td>
<td>29,002</td>
<td>2,564</td>
<td>4,323</td>
<td>4,876</td>
</tr>
<tr>
<td>Villages</td>
<td>85</td>
<td>31.8</td>
<td>36,545</td>
<td>1.0</td>
<td>91</td>
<td>1,269</td>
<td>345</td>
<td>430</td>
<td>268</td>
</tr>
<tr>
<td>Summer Villages</td>
<td>48</td>
<td>18.0</td>
<td>4,792</td>
<td>0.1</td>
<td>10</td>
<td>278</td>
<td>83</td>
<td>100</td>
<td>70</td>
</tr>
<tr>
<td>Special Municipalities</td>
<td>8</td>
<td>3.0</td>
<td>244,398</td>
<td>6.7</td>
<td>1,028</td>
<td>111,687</td>
<td>7,560</td>
<td>30,550</td>
<td>46,273</td>
</tr>
</tbody>
</table>
UBCM’s membership is composed of over six different legal types, including, uniquely, eight First Nation’s members. The First Nation members, are not municipalities, but are regular members of the association. There is no dominant member type in the UBCM, but cities have a large presence and account for 26% of the membership and almost 70% of the population.

Table 4.2.4: UBCM Descriptive Statistics

<table>
<thead>
<tr>
<th>Member Type</th>
<th>Number</th>
<th>Share (%) of Members</th>
<th>Total Population</th>
<th>Share (%) of Membership Population</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Members</td>
<td>195</td>
<td>100</td>
<td>4,991,687</td>
<td>100</td>
<td>85</td>
<td>19,840</td>
<td>19,607</td>
<td>70,807</td>
<td></td>
</tr>
<tr>
<td>Cities</td>
<td>50</td>
<td>25.6</td>
<td>3,437,457</td>
<td>68.9</td>
<td>666</td>
<td>21,339</td>
<td>68,749</td>
<td>126,890</td>
<td></td>
</tr>
<tr>
<td>District Municipalities</td>
<td>53</td>
<td>27.2</td>
<td>874,963</td>
<td>17.5</td>
<td>233</td>
<td>4,644</td>
<td>16,509</td>
<td>29,732</td>
<td></td>
</tr>
<tr>
<td>Towns</td>
<td>14</td>
<td>7.2</td>
<td>97,271</td>
<td>1.9</td>
<td>2,413</td>
<td>14,999</td>
<td>6,948</td>
<td>3,904</td>
<td></td>
</tr>
<tr>
<td>Villages</td>
<td>43</td>
<td>22.1</td>
<td>47,654</td>
<td>1.0</td>
<td>102</td>
<td>4,134</td>
<td>939</td>
<td>1,108</td>
<td></td>
</tr>
<tr>
<td>Regional Districts</td>
<td>27</td>
<td>13.8</td>
<td>529,394</td>
<td>10.6</td>
<td>598</td>
<td>42,950</td>
<td>19,840</td>
<td>11,262</td>
<td></td>
</tr>
<tr>
<td>(unincorporated)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Nations</td>
<td>8</td>
<td>4.1</td>
<td>3,088</td>
<td>0.06</td>
<td>85</td>
<td>750</td>
<td>386</td>
<td>242</td>
<td></td>
</tr>
</tbody>
</table>

In contrast, AMM’s membership has the fewest member types, but is dominated by rural municipalities who account for 72% of its members and 25% of its member population. AMM also has a dominant city presence, Winnipeg, unlike the other associations, who have at least two large members. Winnipeg skews the statistical data for the association resulting in a higher mean, median, and standard deviation. Winnipeg accounts for 60% of Manitoba’s population.

Table 4.2.5: AMM Descriptive Statistics

<table>
<thead>
<tr>
<th>Member Type</th>
<th>Number</th>
<th>Share (%) of Members</th>
<th>Total Population</th>
<th>Share (%) of Membership Population</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Members</td>
<td>195</td>
<td>100</td>
<td>4,991,687</td>
<td>100</td>
<td>268</td>
<td>705,244</td>
<td>1,933</td>
<td>8,851</td>
<td>60,378</td>
</tr>
<tr>
<td>Cities</td>
<td>50</td>
<td>25.6</td>
<td>3,437,457</td>
<td>69.9</td>
<td>4,991</td>
<td>705,244</td>
<td>12,982</td>
<td>64,197</td>
<td>218,563</td>
</tr>
<tr>
<td>District Municipalities</td>
<td>53</td>
<td>27.2</td>
<td>874,963</td>
<td>17.5</td>
<td>233</td>
<td>4,644</td>
<td>16,509</td>
<td>29,732</td>
<td></td>
</tr>
<tr>
<td>Towns</td>
<td>14</td>
<td>7.2</td>
<td>97,271</td>
<td>1.9</td>
<td>2,413</td>
<td>14,999</td>
<td>6,948</td>
<td>3,904</td>
<td></td>
</tr>
<tr>
<td>Villages</td>
<td>43</td>
<td>22.1</td>
<td>47,654</td>
<td>1.0</td>
<td>102</td>
<td>4,134</td>
<td>939</td>
<td>1,108</td>
<td></td>
</tr>
<tr>
<td>Regional Districts</td>
<td>27</td>
<td>13.8</td>
<td>529,394</td>
<td>10.6</td>
<td>598</td>
<td>42,950</td>
<td>19,840</td>
<td>11,262</td>
<td></td>
</tr>
<tr>
<td>(unincorporated)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Nations</td>
<td>8</td>
<td>4.1</td>
<td>3,088</td>
<td>0.06</td>
<td>85</td>
<td>750</td>
<td>386</td>
<td>242</td>
<td></td>
</tr>
<tr>
<td>Rural Municipalities</td>
<td>98</td>
<td>72.1</td>
<td>301,438</td>
<td>25.0</td>
<td>398</td>
<td>15,733</td>
<td>1,338</td>
<td>1,772</td>
<td>3,001</td>
</tr>
</tbody>
</table>

AMM and UBCM share another common feature: every incorporated municipality in BC and Manitoba are members of the unified associations. This is obviously not the case in SUMA or AUMA, given that they are split associations. They each, however, represent over 92% of those municipalities who are eligible to join the respective associations.

Given the membership composition and dispersion of these associations, what governance structures have they adopted to accommodate its members? How similar or different are they? Are there special accommodations made for cities?

---

28 There are approximately 453 urban municipalities in Saskatchewan. So, 14 (very small villages) that are not members of SUMA who are eligible to be members. Saskatchewan has approximately 774 incorporated municipalities and about 57% are members of SUMA, while the remaining belong to SARM.
4.3 Association Governance

The four municipal associations are governed by a board of directors, almost entirely composed of elected officials from member municipalities. Only the AMM has a non-elected official on its board. Positions on association boards of directors are used to represent different groups within an association’s membership. All boards include a president and one or more vice president. They also include other directors who can represent both legal types (e.g., cities, or towns) and geographic regions (e.g., southwest) in the province where the association exists.

Table 4.3.1 compares the governance structures of the four associations. Board sizes range from 14 for AUMA to 21 for UBCM. Despite similar sizes, board composition tends to vary and the role that cities have on such boards are stronger in the split associations and weaker in the unified associations.

**TABLE 4.3.1: Municipal Association Governance**

<table>
<thead>
<tr>
<th>Governance Topics</th>
<th>AUMA</th>
<th>SUMA</th>
<th>UBCM</th>
<th>AMM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Association</strong></td>
<td>Split (Urban)</td>
<td>Split (Urban)</td>
<td>Unitary</td>
<td>Unitary</td>
</tr>
<tr>
<td><strong>Board of Directors Size</strong></td>
<td>14</td>
<td>18</td>
<td>21</td>
<td>19*</td>
</tr>
<tr>
<td><strong>Designated City Reps on Board</strong></td>
<td>7</td>
<td>(2 Calgary, 2 Edmonton, 3 Cities up to 500,000)</td>
<td>(2 Saskatoon, 2 Regina, 1 Prince Albert, 1 Moose Jaw, 1 VP City Mayors Caucus)</td>
<td>1 (Vancouver); also includes 1 position for a Metro Vancouver Rep</td>
</tr>
<tr>
<td><strong>Nested Positions</strong></td>
<td>14</td>
<td>18</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td><strong>At Large Members</strong></td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td><strong>Regional Members</strong></td>
<td>10</td>
<td>14</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td><strong>Municipal Status Members</strong></td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Executive Committee Size/Composition</strong></td>
<td>6 members consisting of President, 1 VP representing Calgary, 1 VP representing Edmonton; 1 VP for Cities up to 500,000; 1 VP for Towns, 1 VP for Villages</td>
<td>5 members consisting of: President, the VP’s for Cities, Towns, Villages; and 1 Regina or Saskatoon representative from the SUMA Board</td>
<td>6 members called Presidents Committee; Consists of President, 3 VPs, 1 past president and 1 Metro Vancouver director</td>
<td>3 members President and two VPs (first and second vice presidents).</td>
</tr>
<tr>
<td><strong>President Term</strong></td>
<td>2 years</td>
<td>4 years</td>
<td>1 Year</td>
<td>2 years</td>
</tr>
<tr>
<td><strong>Special City Caucus</strong></td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Staff (including CEO)</strong></td>
<td>90</td>
<td>16</td>
<td>25</td>
<td>8**</td>
</tr>
<tr>
<td><strong>Policy/ Advocacy Staff</strong></td>
<td>13</td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
</tbody>
</table>

*Includes a member of the Manitoba Municipal Administrators Association.
**Services are contracted out resulting in less internal staffing requirements

Generally, the four associations designate more board seats for regional representation than the representation of different legal types of municipalities. Of course, most provinces have more regions than legal types of municipalities. Enabling legislation in the four provinces set out five or fewer legal municipal statuses, whereas most associations divide themselves into six or more geographic areas. These differences can affect the nature of board representation between regions and status types, but it appears that the associations ensure some representation for both regional and legal type cleavages.

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29 The AMM Board has an ex-officio position dedicated to the President of the Manitoba Municipal Administrators Position.
30 Data obtained from Association Bylaws, websites, and most recent Annual Reports.
31 See Shott, note 2 at 43.
Both AUMA and SUMA have seven designated City positions on their respective boards. However, only the AUMA Executive Committee includes a seat for each of its two largest members, Calgary and Edmonton. SUMA and AMM allocate most director positions on a geographic basis. UBCM allocates about one-third of its positions on a regional basis, while AUMA uses a blended approach. Director positions for towns and villages on the AUMA Board are allocated on a regional basis (e.g., Towns South or Villages East).

UBCM has the most unique board as it includes six at-large members as voted on by the delegates. Unlike nested positions, at-large positions do not represent any particular municipal status or geographic region. UBCM also has five internal area associations that represent the various regions in BC. Each of these internal sub-associations are allocated one seat on the UBCM board.

SUMA is unique in that it is the only association that permits the president to serve a four year term. AUMA and AMM terms are two years, while UBCM has a one year term. SUMA uses this approach to ensure continuity over a municipal electoral cycle. UBCM is structured more like that of FCM, whereby it has first, second, and third vice presidents that do not represent legal types of municipalities. The vice president positions at SUMA and AUMA represent municipal types.

The four associations have established different caucuses, but they are restricted to mayors. For example, as Table 4.3.1 shows, AMM has a Cities Caucus and SUMA has City Mayors’ Caucus. Despite the different names, they are for city mayors. In contrast, AUMA has three caucuses for mayors from small, medium, and large municipalities. UBCM has one caucus that is open to mayors from all municipalities. The AUMA and UBCM caucuses are not shown in the table because they are not dedicated specifically to cities.

Perhaps the starkest differences between the four associations pertain to staffing. By far and away, the AUMA has the most staff among the four associations. In fact, the AUMA has more than double the combined staff of the other three associations. This is largely due to the level of sophistication and the variety of member services that AUMA offers.

Moreover, as Table 4.3.1 reveals, AUMA has the most policy and advocacy staff among the selected associations. SUMA and AMM have two policy and advocacy staff positions (excluding the CEO). Given the number of members SUMA has this appears to be very low in comparison to the other associations. However, it also confirms the findings in the literature indicating that associations that have a large presence of small members place a greater value on selective incentives, or the services they receive.

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32 For more on the area associations please consult https://www.ubcm.ca/EN/main/resources/resources/bc-area-associations.html
4.4 Core Functions
As this paper explained in section 2, the core functions of municipal associations are advocacy and the delivery of member services. Advocacy as a concept is generally straightforward and refers to the promotion of common objectives, typically by lobbying provincial (and federal) governments. Member services, on the other hand, are a bit more difficult to define, but can generally be described as business-related services provided to member municipalities. A gray area emerges with services like the annual convention that associations hold. While they are certainly a service, they do contain a substantial advocacy component. This subsection addresses both functions.

4.4.1 Advocacy
According to their mandates or mission statements, the four associations consider themselves to be advocacy organizations first. For example, UBCM states that it was formed to “provide a common voice for local government”.\(^{33}\) SUMA’s stated mission is to be “the voice of Saskatchewan’s hometowns”. Uniquely, AUMA is the only one that includes services in its mission by stating it is the “voice of urban municipalities and provides visionary leadership, solutions-based advocacy and service excellence.”\(^{34}\)

Of the four associations, UBCM and AUMA have the most formalized advocacy structures and approaches among the four associations. This is partly due to the number of policy and advocacy staff these associations have and partly to the formalization of the relationship the association has with the provincial government. For example, UBCM has several MOUs, agreements or protocols that it has signed with the BC government and actively uses resolutions to advance positions.\(^{35}\)

While AUMA does not have such a formal arrangement with the Government of Alberta, it uses the resolution process, request for decision processes and establishes working groups to develop a united position on a key topic. For example, in 2018 AUMA established a Police Act Working Group to inform its responses to consultations on policing in Alberta. The working groups are a blend of elected and non-elected officials from AUMA member municipalities. On the other hand, SUMA does not utilize these structures and, other than a resolution process, its policy development and advocacy is certainly less formal.

There is no objective way to measure whether an association is successful with its advocacy because advocacy comes in many different forms. There are formal approaches, such as resolutions or written submissions to government ministries or legislative committees, and informal approaches. According to Shott, government associations tend to use the informal approaches as the consensus is that “direct

\(^{33}\) For more on UBCM please consult, https://www.ubcm.ca/EN/main/about/general-information/ubcm-overview.html

\(^{34}\) See, https://auma.ca/about-us/vision-mission-core-values-governance

\(^{35}\) For an overview of these see, https://www.ubcm.ca/EN/main/about/general-information/mou-protocols/agreements-by-year.html
contact with elected officials in senior levels of government is the predominant lobbying strategy of groups that represent elected officials.36

Similarly, there is no way to objectively measure how much resources associations dedicate to the advocacy function. Association financial statements do not include an “advocacy” line item providing no transparent way to determine how much of total expenditures are spent on advocacy. This is largely because much of the advocacy work undertaken by association staff and elected officials is not formally recorded. Also, the informal nature of advocacy work does not produce the same comparable record of work as the delivery of member services.37

4.4.2 Member Services
Table 4.4.2 shows the types of member services that each association offers and how they deliver them.

Table 4.4.2: Member Services

<table>
<thead>
<tr>
<th>SUMA</th>
<th>AUMA</th>
<th>AMM</th>
<th>UBCM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Purpose Service Delivery Body</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUMAssure; SUMAdvantage</td>
<td>Alberta Municipal Services Corporation</td>
<td>AMM Trading Company</td>
<td>None</td>
</tr>
<tr>
<td>Types of Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Benefits</td>
<td>Employee Benefits</td>
<td>Insurance</td>
<td>Group Benefits</td>
</tr>
<tr>
<td>Volunteer Firefighters and First Responders Insurance</td>
<td>Insurance and Risk Services</td>
<td>Fuel Program</td>
<td>Commercial Vehicle Licensing</td>
</tr>
<tr>
<td>General Insurance</td>
<td>Retirement Services</td>
<td>Human Resources</td>
<td>Fuel Discount</td>
</tr>
<tr>
<td>Bulk Purchasing</td>
<td>Energy Retailing and Utility Services</td>
<td>Tire Program</td>
<td></td>
</tr>
<tr>
<td>Legal Services</td>
<td>Short Term Investments</td>
<td>Fleet Management</td>
<td></td>
</tr>
<tr>
<td>Bulk Purchasing</td>
<td>Capital Purchasing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Discount</td>
<td>Fabric Shelter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resources</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What is clear from the table is that associations adapt their services to attract and maintain members. There are a few common services across most associations, but there is also substantial diversity in how these selective incentives are provided by them. For example, AUMA, AMM, and SUMA deliver the most services to members. This is partly due to the more heterogeneous composition of its membership and the larger presence or influence of smaller members in those associations.

On the other hand, the table shows that the UBCM offers the least amount of services to its members. Referring back to subsection 4.2, this is likely because of the presence of larger members in the association. UBCM is also unique among the four associations in

36 See Shott note 2 at 178.
37 Ibid.
that it delivers programs and services on behalf of federal and provincial governments. For example, UBCM distributes the federal Gas Tax Funding on behalf of the Government of Canada to BC municipalities. It also manages a suite of member eligible programs on behalf of the BC government.38

This diversity in member services is also visibly apparent in how associations deliver and structure their selective incentives. The AUMA has the most sophisticated method of service delivery for its suite of programs and services. It is the only association with a separate, wholly owned subsidiary, the Alberta Municipal Services Company (AMSC) that provides services to their members.39

Associations such as SUMA and AMM have established distinct service delivery bodies. For example, SUMA has created SUMAdvantage to procure goods and services from partner vendors. It also co-manages the SUMAssure Program with an independent insurance company to provide a hybrid program of self-funded and traditional insurance coverage for its members.40 The AMM uses the AMM Trading Company to deliver its services and offer member municipalities group discounts on various products and services. The AMM Trading Company is a not-for-profit organization which is controlled by the association through a common board.

There are considerable differences in how municipal associations carry out the core group functions of advocacy and member services. The information in this subsection supports the idea that membership composition can help to explain patterns. Recalling the framework established in section 2, large groups must provide services to their members, and the fact that all municipal associations provide member services reinforces this argument.

4.5 Association Finances (Revenues)
The nature and extent to which municipal associations provide member services has an impact on the revenues they generate. In other words, the more revenue generating functions the association can offer the less reliance it has on membership fees it has to collect to pay for its operations. Given the number of services it offers, AUMA generates the most revenue and has the most diversified revenues of all the associations. In its 2018 fiscal year, AUMA generated consolidated revenues of over $59 million. The other split association, SUMA, by contrast, generated about $2.85 million in its 2018 fiscal year.

UBCM takes in the most revenues of any association in 2018 at almost $288 million. But about 99% of its revenues, $285 million, come from the federal and provincial governments. As noted in the preceding subsection, UBCM is unique among the four associations in that it distributes the federal Gas Tax Fund on behalf of the Government of Canada.41 It also receives funding

38 For a listing of these programs see https://www.ubcm.ca/EN/main/funding/lgps.html
39 For a listing of these services and description of how they are offered please see https://auma.ca/business-services.
40 For more on these see, https://suma.org/sumassure
41 The Association of Municipalities of Ontario (AMO) also has this arrangement with the Government of Canada.
($7.3 million in 2018) from the BC government to deliver provincial programs to its members. These revenues are not grants to the UBCM as they are equally matched by the expenditures. Simply, UBCM acts as a distributor of funding and manager of the programs.

Figures 4.5.1 through 4.5.4 show the share of consolidated revenues of all four municipal associations. The analysis backs out the specific program funding that UBCM receives from the federal and provincial governments as this funding is simply a flow through to its municipal members. With that adjustment, UBCM followed closely by SUMA, relies the most on membership fees to pay for its own operations, both close to 29%. The AUMA relies the least on membership fees at 3.4% in 2018. Membership fees are addressed in more detail in subsection 4.6.

**FIGURE 4.5.1**

<table>
<thead>
<tr>
<th>AUMA CONSOLIDATED REVENUES PERCENT SHARE 2018</th>
<th>SOURCE: 2018 ANNUAL REPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASO benefit premiums</td>
<td>55.3</td>
</tr>
<tr>
<td>Insurance agency commissions</td>
<td>14.9</td>
</tr>
<tr>
<td>Grants and energy management</td>
<td>8.5</td>
</tr>
<tr>
<td>Agency and administration fees</td>
<td>5.7</td>
</tr>
<tr>
<td>Energy retailing fees</td>
<td>4.6</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3.7</td>
</tr>
<tr>
<td>Membership fees</td>
<td>3.4</td>
</tr>
<tr>
<td>Convention and workshops</td>
<td>2.0</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Total Revenues = $59.13 million

As figure 4.5.1 reveals, AUMA generates over half of its revenues from health and dental premiums through its ASO program. 42 With that caveat, AUMA generates over $210,000 in revenue per member.

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42 ASO stands for Administrative Services Only. It is a group benefits program that provides extended health and dental coverage for AUMA members.
FIGURE 4.5.2

SUMA CONSOLIDATED REVENUES
PERCENT SHARE 2018
SOURCE: 2018 ANNUAL REPORT

Group insurance services: 32.2%
Membership fees: 28.1%
Convention: 24.5%
General administration: 6.1%
Corporate services: 4.0%
Miscellaneous: 3.5%
Member activities: 1.6%
Total Revenues = $2.85 million

SUMA’s consolidated revenues reveal a less diversified structure, with 85% of its revenues coming from three sources: group insurance, membership fees, and convention activities. However, it does not have one majority revenue source. SUMA generates about $6,500 in revenue per member.

FIGURE 4.5.3

AMM CONSOLIDATED REVENUES
PERCENT SHARE 2017
SOURCE: 2017 ANNUAL REPORT

Management Fees: 44.7%
Convention: 24.9%
Membership Fees: 21.7%
Educational Services: 5.8%
Miscellaneous: 2.5%
Investment Income: 0.3%
Total Revenues = $1.85 million

AMM’s largest revenue source is the management fees it obtains from the AMM Trading Company. Over 90% of its revenues come from three sources: management fees, trade show and convention activities, and membership fees. AMM generates over $13,000 in revenue per member.
FIGURE 4.5.4

UBCM CONSOLIDATED REVENUES
PERCENT SHARE 2018
SOURCE: 2018 ANNUAL REPORT

<table>
<thead>
<tr>
<th>Source</th>
<th>Percent Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convention</td>
<td>42.6</td>
</tr>
<tr>
<td>Annual member fees</td>
<td>29.4</td>
</tr>
<tr>
<td>Members’ services</td>
<td>15.9</td>
</tr>
<tr>
<td>Investment income</td>
<td>8.6</td>
</tr>
<tr>
<td>Administrative fees</td>
<td>3.5</td>
</tr>
</tbody>
</table>

UBCMs revenues are the least diverse among the four associations. After adjusting its revenues for the government programs it delivers, over 70% of UBCM’s revenues are derived from two sources: convention activities and member fees. UBCM generates about $21,000 in revenue per member.

As these figures illustrate, membership fees are an important revenue source for many municipal associations. With the exception of AUMA, membership fees account for between 20% and 30% of association revenues. If one backs out the ASO benefit premiums, AUMA membership fees are still less than 10% of its total revenues. Given their importance as a revenue stream, how do associations calculate those fees? This section explores that next.

4.6 Membership Fees

One of the most puzzling issues in the study of municipal associations is the lack of publicly available information on the fees that they charge their members. In fact, none of the four associations publish their membership fees on their websites and only SUMA publishes some information in its annual reports.

It is unclear why this information is not published. Of course, publishing the information would not induce members to leave the association or join another association. Nor does it contain proprietary information that would cause undue harm to the association. Nonetheless, the author was able to obtain association fees by contacting associations and/or conducting rigorous internet searches to find association invoices to member municipalities.

All calculated fees are exclusive of the federal Goods and Services Tax. The total fee payable would include GST. But because the association has no control over that fee, it is excluded.

Each year municipal associations send members invoices for the upcoming year. The invoices explain the fee structure and indicate what the total charge to the member municipality is.

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43 All calculated fees are exclusive of the federal Goods and Services Tax. The total fee payable would include GST. But because the association has no control over that fee, it is excluded.
44 Each year municipal associations send members invoices for the upcoming year. The invoices explain the fee structure and indicate what the total charge to the member municipality is.
The research reveals that association fee structures are determined by a mix of factors such as population size, voting delegates, and the tax base. In three of the four associations, the per capita cost of membership decreases as population size increases. That is, more populous member municipalities pay higher membership fees, but the regressive rate structure eases the cost of membership for them.

SUMA’s fee structure is shown in Table 4.6.1. The table also applies the fee structure to Saskatoon.

### TABLE 4.6.1: SUMA Fee Structure (2019)

<table>
<thead>
<tr>
<th>Population Range</th>
<th>Voting Delegates</th>
<th>Base Fee Per Delegate @ $544.10</th>
<th>Per Capita Rate</th>
<th>Saskatoon Fee (2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-500</td>
<td>1</td>
<td>$544.10</td>
<td>$0.59</td>
<td>Voting Delegates</td>
</tr>
<tr>
<td>501-2000</td>
<td>2</td>
<td>$1,088.20</td>
<td>$0.59</td>
<td>Delegate Fee</td>
</tr>
<tr>
<td>2001-5000</td>
<td>4</td>
<td>$2,176.40</td>
<td>$0.59</td>
<td>Population</td>
</tr>
<tr>
<td>5001-10000</td>
<td>6</td>
<td>$3,264.60</td>
<td>$0.59</td>
<td>Per Capita Fee</td>
</tr>
<tr>
<td>10001-50000</td>
<td>7</td>
<td>$3,808.70</td>
<td>$0.59</td>
<td>$108,409.40</td>
</tr>
<tr>
<td>500001-100,000</td>
<td>10</td>
<td>$5,441.00</td>
<td>$0.59</td>
<td>Total Fees</td>
</tr>
<tr>
<td>Greater Than 100,000</td>
<td>11</td>
<td>$5,985.10</td>
<td>$0.295</td>
<td></td>
</tr>
</tbody>
</table>

As the table shows, SUMA charges a flat fee per voting delegate for all members. It charges a per capita flat rate of $0.59 for all member municipalities with a population less than 100,000. It charges half the per capita rate for the portion of the population that exceeds 100,000. So, Saskatoon pays the $0.59 per person on the first 100,000 of its population and $0.295 on the remaining 147,201 of its population. The net result is that Saskatoon pays $0.44 per capita.

AUMA charges a basic fee and then a regressive rate structure. AUMA’s fee structure is shown in Table 4.6.2. The per capita fee is applied in population intervals and then added to the basic fee to get the total cost. As the table reveals, Calgary pays about $281,000 per year, or $0.22 per capita. If Saskatoon was charged AUMA fees, it would pay approximately $84,000 annually.

### TABLE 4.6.2: AUMA Fee Structure (2019)

<table>
<thead>
<tr>
<th>AUMA Member Fees</th>
<th>Calgary Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Fee</td>
<td>$1,715</td>
</tr>
<tr>
<td>Tiered Per Capita Rates</td>
<td>Population</td>
</tr>
<tr>
<td>1 to 3,500</td>
<td>$0.8395</td>
</tr>
<tr>
<td>3,501 to 10,000</td>
<td>$0.9215</td>
</tr>
<tr>
<td>10,001 to 20,000</td>
<td>$0.6963</td>
</tr>
<tr>
<td>20,0001 to 30,000</td>
<td>$0.4311</td>
</tr>
<tr>
<td>30,001 to 600,000</td>
<td>$0.2866</td>
</tr>
<tr>
<td>600,001 and over</td>
<td>$0.1434</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$280,974.57</strong></td>
</tr>
</tbody>
</table>

UBCM follows a similar per capita regressive rate model to SUMA and AUMA, but it does not charge a basic or delegate fee to its members. Table 4.6.3 illustrates UBCM’s fees and shows Vancouver’s 2018 fees.
As the table reveals, Vancouver’s UBCM fees are about $55,000 in 2018. This works out to $0.08 per capita. If Saskatoon paid UBCM rates, it would pay approximately $27,400 per year, all things being equal.

AMM does not subscribe to this model and uses a different fee structure. It uses a base fee and a progressive fee structure, but it caps the cost of membership for Winnipeg at $27,000 annually, working out to about $0.04 per capita. AMM fees are also determined by a combination of population and assessment base. According to AMM policy, its membership fees are reviewed at budget consultations on an annual basis and maximum membership fees will also be considered at the annual review.\(^\text{45}\) As a policy guideline, 20% of AMMs total revenues are to be generated by membership fees.

Given the differences in the way membership fees are calculated, figure 4.6.1 summarizes fees for the largest cities in each of the four associations on a per capita basis. As the figure illustrates, Saskatoon pays the most per capita. The average per capita fee is 19.6 cents.

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\(^{45}\) Email to author from the Joe Masi Executive Director of AMM. July 29, 2019. AMM did not disclose the formula as to how it calculates its member fees. Also found in Shott, note 2 at 69.
4.7 Conclusion
This section of the report provided a comparative analysis of various features of the four municipal associations. The statistical analysis showed that the two split urban associations have the most dispersed membership among the four associations. However, SUMA with almost 60% of its members as types of villages, has the most homogeneous membership according to the statistics. Cities, by contrast, account for 3.6% of SUMA’s membership and represents 76% of the total population served by its members.

All associations use their governance and organizational structures to accommodate membership cleavages. The diversity amongst municipalities includes the inter-related measures of size, region and legal type. These measures are used by associations to determine how to represent and give voice to their members in boards of directors, caucuses, and internal sub-associations.

Municipal associations provide the dual functions of advocacy and member services. The extent to which they prioritize these functions is unclear, but AUMA, AMM and SUMA deliver the most diversified package of services. The nature and mix of services they offer can help advocacy efforts by generating additional revenue for the association.46

Some municipal associations, such as AUMA, generate substantial revenue and have highly diversified revenue sources. Thus, it relays the least on membership fees to fund their operations. UBCM and SUMA rely the most on member fees to fund operations. Most associations use a regressive rate structure to charge member fees except for AMM who caps Winnipeg’s fees. Given this comparative analysis, how do cities view the relationship with their municipal associations?

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46 For a more detailed explanation, see Shott, note 2 at 73.
5. Valuable or Volatile? Cities and Their Relationships with Municipal Associations

5.1 Introduction
This section addresses the relationships that the major cities within the selected municipal associations have with their provincial-municipal associations. The analysis begins with a short summary of the City of Saskatoon’s relationship with SUMA and is followed by a general analysis of the responses to the questions from participants, as listed in Appendix A of this report.

To obtain the information, seven telephone interviews were conducted with both municipal and association officials. With the exception of Saskatoon, the names of the municipalities in the sample and the names of interview participants are confidential. This research for this section includes information that could be perceived to impact the relationships between the sample cities and the selected associations. If attributed, comments by cities about their municipal association could have negative implications for individuals and municipalities, and may harm their reputation.

5.2 The City of Saskatoon and its Relationship with SUMA
The City of Saskatoon has been a member of SUMA for over 100 years. It has generally had a positive relationship with SUMA over its history and has worked together to score changes in provincial policies and programs. The best examples of this would be the creation of The Cities Act in 2003 and an expanded Municipal Revenue Sharing program in 2008.

In more recent years, however, some cracks have emerged. For example, the City of Saskatoon and SUMA disagreed on the province’s proposed changes to the Automated Speed Enforcement (ASE) Program. Ultimately, changes to the ASE resulted in hundreds of thousands of dollars in annual funding being distributed away from Saskatoon to other communities in the province, despite the infractions occurring in Saskatoon.47

Moreover, at the most recent annual SUMA convention in Saskatoon, an emergent resolution proposed by the City of Saskatoon was defeated by the general membership.48 This example demonstrates the membership cleavages in an association that has a majority of members belonging to one type of municipality. As the previous section illustrated, SUMA has almost 440 members with over 60% coming from villages who represent about 5% of the membership’s population.

Nonetheless, at the political level, Saskatoon’s engagement with SUMA occurs largely through its directors who serve on the SUMA board and with the Mayor though participation in the City

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48 For more see: https://saskatoon.ctvnews.ca/north-battleford-city-councillor-shocked-by-lack-of-suma-support-for-parental-leave-1.4284181
Mayors’ Caucus. At the policy development stage, the Administration engages with SUMA staff on files from time to time.

The City of Saskatoon has lead or provided various levels of support to SUMA on policy and legal files. Examples such as amendment to The Cities Act, Municipal Revenue Sharing reform, and Grants in Lieu elimination have been led by the City. In these cases, SUMA provided a supporting role by facilitating group meetings and distributing the information.

This leads to another important point. As a result of Saskatoon’s size and political influence (meaning the number of provincial constituencies in its boundaries) it does have special access to government. For example, the Ministry of Government Relations frequently consults directly with the City on policy, program, or legislative measures. While it does include SUMA depending on the file, Saskatoon and Regina are often at the table.

This is similar to an arrangement in Alberta. In their discussion of Alberta’s municipal associations, LeSage, Jr. and McMillan note that while “AUMA is the accepted voice for the province’s urban municipalities … the two largest cities often work separately in the promotion or defence of their interests.” Edmonton and Calgary often collaborate in efforts to increase financial transfers from the province and pursue joint lobbying efforts. Edmonton and Calgary are also given special status, separate from AUMA, in provincial-municipal relations.49

5.3 Other Cities and their relationship with their Municipal Associations

Almost all cities, with the exception of one, describe the relationship they have with their municipal association as very positive and professional. There were no significant differences in responses from those belonging to a unified or a split association. Although some cities suggested that this relationship was not always the case, but in recent years, to their knowledge, the relationship has been strong. The remaining City suggested that the association has lost its way in recent years and needs to be more strategic in its dealings with member cities.

Some cities report that the strength of the relationship stems from a protocol agreement that they have with the association. They state that such an agreement has been beneficial to the relationship as it sets out in general terms how the City and association work together. This builds common interests, but also recognizes that cities have their own priorities that may not be congruent with those of the association.

Most cities report that there is a consistent sharing of information between it and the association. Although there is give and take on some issues, the association values and utilizes the city’s feedback.

Some associations have sophisticated operations and lead policy research. In such cases, cities do not lead policy research on the association’s behalf. The City provides input and feedback given the internal expertise it has. For example, in some association’s subject matter experts from a city’s administration will serve on working committees to help develop policy. Thus, most

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49 This passage was taken from Shott, note 2 at 58
report that alignment on issues and policy is very good. One interviewee noted that, "the City has a strong level of influence on the policy and advocacy approach that the association takes."

In terms of advocacy, most cities report that they do use the association’s resolution process, but it’s done sparingly and sporadically. When it is used, the process is largely politically driven, but the resolutions are not always aligned in a strategic way.

All cities reported that they have no recollection of any resolutions being defeated on the convention floor. While most cities, take the Saskatoon approach, and use resolutions sparingly, they have not had a resolution fail at convention. One reason for this is the approaches that most associations use for the resolution process. At UBCM, resolutions go through the area association first before they go to the UBCM convention. At AUMA, they incorporate “requests for decisions (RFDs) to Municipal Leaders Caucus that ask AUMA to take action on issues of common concern to Alberta municipalities.”

Moreover, the use of the association (and resolutions) tends to ebb and flow with the makeup of the Council. That is, how close the personal relationships are between councillors and elected provincial officials, including cabinet ministers and premiers can determine how the city will utilize the association to advance its priorities. In other words, the City tends to rely more on the association if its access to government is limited and vice versa.

However, the legislative framework to which some of the cities operate means they often do not necessarily need to use the association for its advocacy. For example, cities that have their own charter legislation (e.g., Winnipeg and Vancouver) can advocate to government more easily because the policy changes they are seeking are likely within their own purview. While this does not mean that the association is not supportive, it means that there is little need to directly involve it in the advocacy process.

Overall, most cities felt that they receive good value from the membership fees that that pay. Some suggested that the relationship between the city and association could benefit through better reporting loops and accountability reports. In other words, the association could do a better job of updating members on policy development and advocacy outcomes.

5.4 Conclusion
The City of Saskatoon has been a long-serving and active member of SUMA. In recent years, this relationship has come under stress due to various differences between the two organizations. SUMA appears to be in a challenging positon given the composition of its membership and the lack of resources it provides for advocacy, the lack of focus in supporting city causes and city members. If we recall the discussion in section 2, SUMA appears to be struggling to balance the service demands of small members and the advocacy demands of large members, creating "a disjunction between member goals and group goals."51

50 For more information on this process see, https://auma.ca/what-difference-between-resolution-and-request-decision
51 See Moe, note 7 at 77
Interviews conducted with major cities in other provinces reveal that the relationship between them and their respective associations is strong. There is good interaction, although issue dependent, and the association tends to take a proactive approach by involving the cities in the policy development process. As a result of these differing perspectives, what options could be pursued to either improve the relationship between Saskatoon and SUMA, strengthen the City’s influence in the association, and/or enhance Saskatoon’s advocacy objectives.
6. Options for Considerations

6.1 Introduction
This section proposes five potential options for consideration. The options range from continuing with the status quo to the adoption of the Toronto approach. Each of the options proposed in this section follow a similar format of analysis: they include a short description about the intent of the option and address and where applicable, possible steps to implementation. They also consider the option’s implications and summarizes its advantages and disadvantages.

Option 1: Maintain the Status Quo
This option proposes that the City of Saskatoon maintain the status quo with respect to its membership in SUMA. More specifically, under this option Saskatoon would simply let SUMA implement its own reforms, if it chose to. The City would simply take the results of those decisions. This option would be the least disruptive and requires no extra effort to implement. The City’s membership fees would remain at today’s levels (subject to increases or decreases as determined by the SUMA Board of Directors) and its representation on the SUMA executive would alternate with a City of Regina member.

Implications

Financial: This option generates no additional financial implications for the City. The City currently pays annual membership fees to SUMA (about $108,000 in 2019) and so this annual allocation would continue. SUMA’s annual convention (held every second year in Saskatoon) would likely continue resulting in no loss of revenue to the City-owned convention centre, TCU Place.

Political: This option is unlikely to produce any controversy as it keeps the existing structure in-tact. However, if membership cleavages persist, Saskatoon’s voice could be diminished within the association.

Advantages:

- Maintains cohesion with province’s urban municipalities;
- Ability to propose change from within; and
- No threat of removing annual convention from Saskatoon.

Disadvantages:

- Saskatoon may not be getting full value for fees it pays;
- Saskatoon’s voice may be diminished in terms of influencing urban policy and advocacy; and
- SUMA may be unwilling to modernize the way in which it conducts policy/advocacy due to Saskatoon’s unwillingness to propose change.
Option 2: Propose Governance Reforms to SUMA Board of Directors

This option proposes that the City of Saskatoon make recommendations to reform SUMA’s Board of Directors and its Executive so that cities have a greater influence on Board decisions and directives. This option can include a suite of proposals modelled after some of the approaches used in other associations. For example, one easy proposal is to allocate seats on the Executive for both Saskatoon and Regina, opposed to the current approach where they share one seat. This proposal is similar to that of how the AUMA allocates seats to Calgary and Edmonton.

Moreover, SUMA is the only association of the four studied that permits its president and board to serve a four year term. This option contemplates reducing that to two years and creating a vice president structure similar to that of UBCM or FCM. This option also contemplates changing the resolution process so that they are advanced by regions or caucuses as opposed to individual municipalities.

This option could also propose the implementation of weighted votes at Board meetings. For example, the Board could be allocated 100 votes. Saskatoon and Regina would each receive 20 votes. Prince Albert and Moose Jaw would each receive 5 votes, giving the City representatives 50 votes. The remaining 50 votes would be distributed as follows: 11 votes to the President, 5 votes for each of the Vice Presidents, and 3 votes for each of the 8 regional directors. The non-city reps would also have 50 votes. This structure recognizes the weight that cities carry from a population perspective but also ensures that no group has a majority of votes on the board.

The implementation of this option would be left to the discretion of the SUMA Board and ultimately its members. The City’s membership fees would remain at today’s levels (subject to increases or decreases as determined by the SUMA Board of Directors) but its representation on the SUMA executive would co-exist with a City of Regina member.

Implications

Financial: This option generates no additional financial implications for the City. The City currently pays annual membership fees to SUMA (about $108,000 in 2019) and so this annual allocation would continue. SUMA’s annual convention (held every second year in Saskatoon) would likely continue resulting in no loss of revenue to the City-owned convention centre, TCU Place.

Political: This option is unlikely to produce any external political implications as it largely keeps the existing municipal association structure in-tact. Internally, the SUMA board and/or its members may not want to support such changes to the Board and Executive. The weighted voting proposal may exacerbate some internal political tensions.
Advantages:

- Maintains cohesion with province’s urban municipalities;
- Ability to propose change from within;
- Seeks to strengthen to increase Saskatoon’s influence on the Board; and
- No threat to removing annual convention from Saskatoon.

Disadvantages:

- Saskatoon may not be getting full value for fees it pays;
- Some elements of the option could create greater tensions on the Board.
- Relying on SUMA to make the changes; and
- Strengthens voice of cities to the detriment of other member municipalities.
Option 3: Propose to Strengthen the Saskatchewan City Mayors’ Caucus

According to SUMA’s Bylaws, the City Mayors’ Caucus (CMC) is a working committee of SUMA. It meets twice per year to discuss city-related issues, both times outside of the annual convention window. The bylaws also prescribe the CMC’s responsibilities. According to section 163 of the bylaws:

- a) Mayors sitting on the City Mayors Caucus shall be accountable to their respective municipal council. The CMC shall also report on a regular basis to SUMA’s Executive Committee and the Board of Directors.
- b) The CMC and SUMA may work jointly on Association projects and activities across the Province.

These provisions do not provide the CMC with any real powers to adopt resolutions for the convention or develop its own independent advocacy positions/platform. Although the CMC does this from time to time, its powers and responsibilities could be strengthened to provide the caucus with more formal legitimacy. Suggesting how to do this becomes more difficult as there are no good examples in Canada on which to draw from.

While the CMC is loosely modelled on the FCM’s Big City Mayors’ Caucus (BCMC), there are no published terms of reference or bylaws outlining what responsibilities the BCMC has. Similarly, AMM does not have any published material describing the responsibilities of its Cities Caucus.

Nonetheless, SUMA does not dedicate a resource to manage the policy and advocacy efforts of the CMC, like the FCM does for the BCMC. This option also proposes that SUMA dedicate more resources to the CMC so that there is a dedicated person working on CMC policy and advocacy files.

This option could take 6-12 months to implement. SUMA would likely need to allocate additional resources in its upcoming budget. SUMA Bylaws would also require amendment, but this could be accomplished at the annual general meeting in February.

Implications

**Financial:** This option could generate additional financial implications for the City as SUMA would likely need to find a way to fund the additional resource. The City currently pays annual membership fees to SUMA (about $108,000 in 2019) so this annual allocation would continue. But some additional fees may be implemented to cover the cost of the CMC resource. SUMA’s annual convention (held every second year in Saskatoon) would likely continue resulting in no loss of revenue to the City-owned convention centre, TCU Place.

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**Political:** This option is unlikely to produce any external controversy as it keeps the existing structure municipal association structure in-tact. Internally, the SUMA board and membership may be reluctant to reallocate or increase member fees, or add a dedicated resource for the CMC.

**Advantages:**
- Maintains cohesion with province’s urban municipalities;
- Ability to propose changes within SUMA;
- Seeks to strengthen the role of the CMC in policy and advocacy;
- Gives cities stronger voice, but also protects the voice of smaller members; and
- No threat to removing annual convention from Saskatoon.

**Disadvantages:**
- Depending on terms of reference, the CMC may not meet needs of the City;
- May increase City’s financial contributions to the association;
- Potential for disparate positons or two voices within one organization; and
- Relies on SUMA to make the changes.
Option 4: Propose to Establish an Independent Cities Association
This option proposes that the City of Saskatoon engage with other Saskatchewan Cities to discuss the possibility of establishing an independent cities association, similar to the approach used in New Brunswick. As described in section 3, New Brunswick’s eight cities belong to a secondary association. While some members belong to other municipal associations in the province, most only belong to the CNBA.

The CNBA is simply an advocacy association for cities.\textsuperscript{53} It does not offer other services like the primary associations do. It is governed by an eight member Board of Directors (mayors of all cities). It focuses on priority advocacy issues that affect its cities, such as revenue raising abilities and public safety. It has an annual convention, but it does not pass resolutions. It has one executive director to run the affairs of the association.

There may be some possible synergy with this option given the political and administrative structures in the province. For example, cities are distinguished from other municipalities in a couple important ways. First, \textit{The Cities Act} recognize cities as a distinct form of municipality in Saskatchewan. As such, unlike all other provinces, Saskatchewan’s cities are governed by their own legislation so there is common legislative advocacy.

Second, cities are also treated differently by various provincial grant programs. For example, Saskatchewan cities are grouped together in their own “pool” for the purposes of allocating provincial funding through the Municipal Revenue Sharing Grants Program. They also receive special purpose funding for policing and transit for persons with disabilities. This also provides a framework for separate advocacy by cities.

However, the major consequence of this option is that SUMA would likely cease operations. Given its reliance on membership fees, especially from cities, it would be very difficult for SUMA to continue operations without the financial (and political contributions) of its city members. This would likely necessitate a merger between SARM and the remaining members (towns, villages, and resort villages) of SUMA.

This option could take several months (e.g.,12-36) to implement, as it requires several steps in order to materialize. For example, the City would need to explore the possibility with other cities and likely obtain Council resolutions to formally proceed. Subsequently, the legal process would need to commence with obtaining articles of incorporation, terms of reference, establishing a board of directors etc. There would be a need to find office space, and recruit an executive director and administrative support to run the operation.

\textsuperscript{53} For more on the CNBA see https://www.8citiesnb.com/about-us.html
Implications

Financial: This option would likely result in the City reallocating its existing fees to the new association. It may need to make additional contributions to establish and operate the association. The City currently pays annual membership fees to SUMA (about $108,000 in 2019) so this annual allocation would likely continue. But some additional fees may be implemented to cover the cost of the new association. It is likely that an Annual convention would be held in Saskatoon (every other year) but is unlikely that it would generate a similar amount of revenue for TCU place given that the space and duration could be substantially reduced.

Political: This option is likely to produce substantial controversy as it essentially signals the end of SUMA. Some cities may be reluctant to join and existing SUMA board members would likely lose their positions as the new association would only be for mayors.

Advantages:

- Creates an independent cities association to focus policy and advocacy;
- Cities have ability to establish their own advocacy platforms and approaches;
- Supports some existing legal and administrative structures in the province; and
- Convention could be held in Saskatoon (either annually or every other year).

Disadvantages:

- Disrupts the existing municipal association structure in the province as SUMA would likely cease operations;
- May exacerbate city/non-city tensions in the province; and
- Province may be reluctant to support such an organization or may limit its access to government to achieve policy or program support.
Option 5: Adopt the Toronto Approach
This option proposes that the City of Saskatoon adopt the City of Toronto’s approach and suspend or discontinue its membership in SUMA. In 2004, the Toronto City Council voted to suspend (and effectively) terminate its membership with the Association of Ontario Municipalities (AMO). The main reason for this was because the City of Toronto wanted to pursue “a direct government to government relationship with the Province of Ontario and its own "seat at the table" in dealing with the federal government.”54 As a result, the City of Toronto has not been a member of the provincial municipal association, AMO, since that time.

However, in June 2019, Toronto City Council did pass a resolution that directed the City Manager to:

explore with the Association of Municipalities of Ontario (AMO) options for more formal participation by the City of Toronto in AMO while retaining its direct government to government relationships and its ability to enter into direct intergovernmental agreements.55

The City of Toronto is exploring ways to better cooperate with AMO. So far, it has ruled out rejoining the associations for fears that it may reduce its ability to maintain the formal government to government relationship it has with the Government of Ontario, despite recent moves by the province to reduce the number of Toronto Councillors.

Toronto’s exit from AMO, resulted in the association moving its annual convention to cities outside of Toronto.56 AMO conventions now alternate between Ottawa and London.57

Nonetheless, under this option, the City of Saskatoon would pursue its advocacy initiatives on its own or in partnership with other cities and/or with municipal associations, dependent on the nature or type of the issue. For example, Saskatoon could partner with Regina on issues or it could go it alone and advocate to government for what legislative, regulatory, fiscal policy or program measures it requires to carry out its functions and achieve its public policy objectives.

The City could also work toward signing a memorandum of understanding with the provincial government to formally recognize a direct government to government relationship. This would ensure that the City is consulted on potential, legislative, regulatory, and policy changes that the government intends to make.

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55 See ibid.
57 See https://www.amo.on.ca/Events/AMOConference
This option could be implemented within a short time frame. The City typically pays its membership fees to SUMA in January of each year, as the SUMA’s bylaws require the payment to be made prior to April 30 each year. The City would likely be required to provide written notice of its intent to leave SUMA, by way of a Council resolution, but SUMA’s bylaws do not specify how much notice is required to leave the association.

Implications:

Financial: The City would no longer pay its membership fees to SUMA, approximately $108,000 in 2019. The funds could then be used to hire additional staff to help the City expand its advocacy efforts or directed to help pay for other programs and services in the City. However, it is likely that, if this option were adopted, SUMA would likely cease from holding its convention and trade show in Saskatoon. This would likely result in negative financial implications to TCU Place, since it generates revenue from hosting the convention and trade show.\(^{58}\)

Political: This option could generate substantial political controversy in Saskatchewan as it did in Ontario when Toronto left AMO. The exit of the province’s largest city from a primary municipal association would likely cause the province to take notice and perhaps be unwilling to cooperate with Saskatoon.

Advantages:

- City would pursue its own advocacy priorities whether in alignment with other municipalities or not;
- Potential ability to establish a formal government to government relationship; and
- More flexibility in terms proposing policy recommendations to government.

Disadvantages:

- No collective support for advocacy by belonging to an association or caucus;
- Short-term disruption to the municipal association and its operations; and
- Potential revenue loss to a City-owned facility due the potential of SUMA annual convention being held elsewhere.

\(^{58}\) Saskatoon is not a member of SARM, but the rural municipal association holds its fall convention in Saskatoon each year, at Prairieland Park
7. Summary and Conclusion

The primary objective of this paper was to explore the relationships that large cities in a province have with their municipal associations. Before addressing that relationship, this paper posed three questions that readers could consider as they worked their way through the document:

- If City issues are not properly represented by the association, what motivates them to continue to hold a membership?
- Do municipal associations adopt special policies or measures to accommodate its cities or largest members?
- If not, should associations be concerned about the potential exit of large cities, who may believe they can advocate more effectively on their own or with a group of similar-sized municipalities?

The answers to these questions are woven throughout the paper. As the paper describes in section 2, municipalities join associations to pursue advocacy and take advantage of member services. As the collective action and association behaviour literature explains group dynamics are combination of several factors, including the use of “selective incentives”, group size, dominant member types, and the degree of heterogeneity. In other words, “small and large members place opposing pressures on associations.”\(^{59}\)

In section 3, this paper established an important typology for municipal associations. Today, there are 18 independent municipal associations operating in 10 Canadian provinces. Most are primary associations who either represent all municipalities in the province, or select a group of municipalities, based on urban or rural legal types, for example. The secondary associations are small, niche groups of municipalities, who represent members of similar type (e.g., Cities in New Brunswick).

Given this taxonomy, section 4 provided a comparative analysis of two unified and two split associations. Part of this analysis used statistical measures to help to identify how the associations studied in this paper are composed and how dispersed their membership is. It explained how associations use governance structures to address cleavages in the membership. Finally, it analyzed functions, the finances, and the fees that the associations charge their members.

The main takeaway from this analysis is that while cities are generally a small proportion of an association’s membership, some have taken various measures to try accommodate cities. For example, some have carved out special representation on the boards of directors and executive committees. They have also created special cities caucuses, but these tend to be powerless bodies. They have also implemented a relatively favourable fee structure to lessen the potential cost for cities to join as members.

In section 5, the paper described that cities generally have a positive relationship with their provincial-municipal association. There were largely no differences whether the city belongs to a

\(^{59}\) Shott, note 2 at 214.
unified or split association. This suggests that the type of the association has little to no influence on how strong a city’s relationship is with the association. Rather, the relationship is more likely the result of organizational structures and the allocation of resources to functions that cities value (e.g., policy and advocacy).

Given that analysis, what are some potential paths forward? While this paper makes no recommendations, it does offer five potential options for discussion and consideration that, in some cases, could help to strengthen the City of Saskatoon’s influence within SUMA or enhance its advocacy priorities. Options 1 through 3 basically maintain the existing framework for the city-association relationship.

Conversely, options 4 and 5 generate major reform to the existing framework. Although these two options tend to be more controversial, they are models that exist in Canada today. The Toronto approach essentially reflects what can happen when municipal associations do not adequately represent the interests of its largest members.

As this paper shows, the proposed options all have their advantages and disadvantages. Ultimately, it is up to City Council, after consulting with its municipal partners, to decide on what the most optimal approach is in achieving its objectives.
APPENDIX A
Interview Questions

Objective: To understand the relationship between dominant Cities in a province and their provincial-municipal associations. The following questions are intended to obtain your perspective on this relationship. This information will be used anonymously in a future report to Saskatoon City Council on potential options for reforming the relationship between the City of Saskatoon and its provincial-municipal association.

Questions

(1) How would you describe your City’s relationship with your provincial association from the following perspectives?

(2) Is your City generally in alignment with the provincial association on policy and advocacy positions? If not, can you provide an example (or examples) of where your City and the association have been in disagreement with a policy/advocacy position?

(3) Do you believe that your City has a strong level of influence on the policy and advocacy positions taken by the association?

(4) Does your City use the resolution process to advance advocacy positions with the association?

(5) If so, have any of your sponsored resolutions been defeated by the general membership? If so, can you give an example?

(6) Does your City lead policy analysis and or provide support on various policy files to the association?

(7) Do you have suggestions to enhance the relationship between your City and the association?

(8) Are there any other topics/issues you want to address regarding your City’s relationship with your provincial-municipal association?