

## **Dec 2, 2024 Report to the ASVA Board: AB Munis Key Messages**

### Resolutions from the Red Deer Convention:

- Members brought forward 27 resolutions for consideration at ABmunis 2024 Convention.
- Due to the high number of resolutions and the lengthy debate on some resolutions, the Resolutions session ended before members could debate and vote on all resolutions.
  - 19 resolutions were adopted
  - 2 resolutions were defeated
  - 6 resolutions are outstanding
- Per our Resolution Policy, resolutions which are not debated at a Resolutions session are to be considered by ABmunis' Board of Directors following the Convention.
- A webinar was held on November 28. After the webinar and upon review of the written and verbal input, the Board will vote on each of the outstanding resolutions.
- In December, our Municipal Governance Committee and Board will explore potential changes to our policy to ensure all future resolutions can be voted on at Convention.

### Advocacy Win - Lower Interest Rates for Municipalities

- At ABmunis 2024 Convention, Premier Smith announced that the Government of Alberta will soon revert to its former policy on how interest rates are set for provincial loans to local authorities.
- ABmunis is very pleased with this announcement because this change is in direct response to our advocacy on this issue through a resolution that members passed in September 2023.
- Prior to 2021, the Government of Alberta would lend capital funding to local authorities at the same rate the provincial government received when borrowing capital in the market.
- In December 2021, the Government of Alberta changed its policy and began setting loan rates for local authorities at a rate that would be similar to what a major city could access in the bond market.
- The new policy will apply to new loans taken out after April 1, 2025.

### Advocacy Win - Local Growth and Sustainability Grant.

- We are pleased that the province has created the new Local Growth and Sustainability Grant as it meets the request of our members who passed a 2023 resolution calling for a new funding program that supports municipalities facing high population growth.
- This new program will provide help in the short-term by investing about \$45 million into much needed community infrastructure.
- At the same time, about \$15 million will be available to address infrastructure needs in small communities where there is a significant risk to public safety.
- Municipalities under 10,000 population who have an urgent infrastructure breakdown that presents a major health and safety risk are encouraged to contact the Minister of Municipal Affairs directly. (Prior to Nov 29, 2024 in spite of this being a three year grant)
- ABmunis will continue to seek provincial support to increase investment in local infrastructure in all communities in Alberta.

### LGFF Capital Funding

- The starting amount of the LGFF Capital funding pot is insufficient to take care of Alberta's community infrastructure.
- The province's level of investment in community infrastructure has been declining for many years.

- o In 2011, the province spent 3.7% of its expenditures on municipal infrastructure programs. In 2023, it was only 1 per cent.
  - o In 2011, the province spent \$420 per Albertan on municipal infrastructure programs. It will only be \$186 per Albertan this year.
- 98 per cent of our member municipalities voted in favour of a resolution that the Government of Alberta increase the starting amount of LGFF Capital to \$1.75 billion.
- If per capita funding levels had been maintained and adjusted for inflation, municipalities would be receiving almost \$2 billion.
- We are extremely disappointed that the Government of Alberta started LGFF Capital at only \$722 million.
- Under the funding model, it could take about 20 years for municipalities to receive the same funding amount received under MSI between 2010 and 2019, except that won't buy the same amount of roads or local infrastructure because of inflation over that time.
- The province will extract \$2.7 billion from municipalities through provincial property taxes this year, but only return \$1.7 billion through LGFF, one-off project investments, and other municipal capital programs.
- The province is passing the tax burden onto property owners and renters by forcing municipal governments to cover the majority of local infrastructure costs using property taxes.
- The province needs to step up and increase its support for communities to keep roads, pipes, police and fire services, parks, pathways, libraries, and recreation centres up to date.
- Without support, municipal property taxes will need to soar, or Albertans will experience crumbling infrastructure and less chance of attracting people to our province.
- LGFF Capital will increase by 13.6 per cent in 2025 because the province's revenue increased by that amount three years prior.
- But if the province's revenue drops in future years, municipalities will see a corresponding drop in their LGFF Capital funding.
- For example, in 2026 LGFF funding will go down because the province's revenue declined by 2 per cent between 2022 and 2023.
- The increase in 2025 is peanuts compared to how much infrastructure funding has been cut from municipalities over the last 5-10 years.
- The province has only had a surplus in 3 of the last 15 years.
- Even if there is a surplus, there is no guarantee that it will be spent on a municipal project, let alone your community's project.
- ABmunis is conducting new financial research to strengthen our advocacy on the need for increased infrastructure funding. Our findings will start to be released in early 2025.

### *Police Act Amendments*

- In addition to specifying how police services are funded, the Alberta Police Act establishes the authority, jurisdiction, and legal duties of police officers in Alberta.
- Amendments to the Police Act were passed in December 2022 and engagement on regulatory development took place earlier this year, with webinars running in late January and early February, and an online survey open until March 15.
- ABmunis welcomes updates to the Police Act that enhance transparency, accountability, and civilian oversight of policing.
- ABmunis submitted a response for this engagement through our Small and Safe and Healthy Communities committees.
- One of the key changes to the Act is to require new civilian governance bodies for municipalities policed by the RCMP.

- The province recently released regulations enabling the creation of these governance bodies; however, ABmunis still has questions about the composition of the governance bodies, as well as the appointment process.
- Public Safety and Emergency Services representatives are scheduled to attend the December ABmunis Board meeting to provide an update and answer questions on these regulations.
- ABmunis will ensure that we share what we learn with our members, as well as promote any upcoming opportunities for engagement.

#### *Alberta Police Advisory Board*

- One of Alberta Municipalities' advocacy priorities with respect to policing has been to ensure that municipalities who are now paying for policing have a say in how police resources are distributed to ensure all Albertans are safe in their communities.
- The province established the Alberta Police Advisory Board in 2020 to help improve municipal oversight of policing.
- As per the Terms of Reference developed by Justice and Solicitor General, the current Board consists of four representatives from the RMA Board, four representatives from the ABmunis Board, and one representative from the Alberta Association of Police Governance (AAPG) Executive.
- ABmunis Board appointments are as follows:
  - o Councillor Krista Gardner, Town of Calmar
  - o Mayor Tyler Gandam, City of Wetaskiwin
  - o Mayor Trina Jones, Town of Legal
  - o Mayor Tanya Thorn, Town of Okotoks, and Chair of the Alberta Police Advisory Board
- The current Board is anticipated to be replaced when the regulations accompanying the recent Police Act amendments are completed and implemented late this year or early next year.

#### *RCMP Unionization*

- In 2021, the federal government finalized a collective bargaining agreement with the RCMP union.
- This was the first ever agreement negotiated between the feds and an RCMP union and it arose from a 2015 Supreme Court decision that upheld the RCMP's right to collective bargaining.
- The agreement included five years of retroactive pay increases, meaning that the salary for a First-Class Constable increased by a total of 24% over the six-year agreement.
- Despite joint advocacy with FCM, other provinces/territories, and other municipal associations, the federal government decided to pass along the costs of retroactive pay to RCMP contract partners.
- For the 47 Alberta municipalities with Municipal Police Service Agreements (MPSAs), this retroactive pay resulted in a total cost of approximately \$60 million dollars.
- These municipalities have until March 31, 2025 to repay this costs.
- Municipalities with populations under 5,000 who receive policing under the Provincial Police Service Agreement (PPSAs) will not be impacted at this time.
- However, the police funding model for PPSA municipalities expires on March 31, 2025.
- As the province has seen a significant increase in its provincial policing costs, it is likely that these costs will be passed along to PPSA municipalities.
- Engagement on a new police funding model is expected to start late this year and ABmunis will be send out materials to help prepare members for engagement.

- Negotiations on a new collective bargaining agreement began in December 2022 and proceeded to mediation in 2023, then arbitration in 2024.
- The arbitration board released its decision on April 16, which awards RCMP union members an 8% increase in wages over two years, as follows:
  - 4% increase retroactive and effective for April 1, 2023 (3% economic increase + 1% market adjustment).
  - 4% increase retroactive and effective for April 1, 2024 (2% economic increase + 2% market adjustment).
- This contract is a two-year agreement that applies to the 2023-24 and 2024-25 years (April 01 to March 31).
- There will be other items included in the agreement that the parties agreed to in the course of negotiations and complete details on collective agreement will be shared directly with MPSA communities by Public Safety Canada.
- The wage increase is slightly over the 3.5% estimate that Treasury Board Canada advised municipalities to use in planning their 2023 and 2024 budgets.
- The RCMP will invoice contract partners as part of regular billing cycles outlined in the Police Service Agreements.
- The amount owing for the period of retroactivity will be included in a future invoice; the timing of invoicing will depend on when the payments are processed.
- Bargaining on a new contract is expected to begin in early 2025.
- ABmunis recognizes that rising police costs are intensifying the economic pressures municipalities currently face and we are developing tools to mobilize our membership and support advocacy on this topic.

#### *Police Funding Model*

- In December 2019, the Government of Alberta introduced a police funding model (PFM) that applies to municipalities with populations under 5,000, as well as municipal districts and counties.
- This model, implemented in 2020-21, aims to recover a portion of the costs of contracting the RCMP as Alberta's provincial police service under the Provincial Police Service Agreement (PPSA).
- The PFM also enables the province to fund additional police resources and the RCMP has shared an update on the positions created using PFM funds.
- As the police funding model expires in 2024-25, Public Safety and Emergency Services is expected to begin engaging on a renewed model in late 2024 or early 2025.
- Accordingly, ABmunis is working to:
  - Develop key messaging and policy positions in advance of engagement on a renewed police funding model.
  - Mobilize and equip members to participate in engagement and advocate effectively on the impacts of increased policing costs.
  - Assist members in preparing budgets that reflect realistic policing costs for 2025 and beyond.
- **The province recently announced that they are temporarily freezing the amount municipalities are responsible for paying under the PFM.**
  - **The provincial news release notes that “due to higher costs from recent RCMP collective agreements, the cost for policing in these smaller communities will increase to 39 per cent, with no corresponding increase in the services provided. To assist municipalities with these**

**new costs, Alberta's government will pay the increase for one year and will begin engagement with them on their policing needs for the future.”**

#### Access to Healthcare – Emergency Medical Services (EMS)

- In January 2022, the Government of Alberta announced that it was establishing a provincial EMS advisory committee to provide immediate and long-term recommendations to the Minister of Health by May 2022.
- Cathy Heron, President of ABmunis, and Paul McLaughlin, President of RMA were appointed to sit on this committee. ABmunis and RMA subsequently developed joint principles for an EMS system to share with the committee.
- Alberta Health Services (AHS) also rolled out a [10-point plan](#) in early 2022 to add capacity to EMS and commissioned an independent review of Alberta's province-wide EMS dispatch system from PricewaterhouseCoopers (PwC).
- On January 16, 2023, Honourable Jason Copping, Minister of Health, announced the release of the [Alberta EMS Provincial Advisory Committee's final report](#) and [PwC's Alberta Emergency Medical Services Dispatch Review](#).
- Minister Copping also stated that the province has accepted all of the recommendations in both reports. The recommendations are also reflected in EMS operating plans for 2024.
- The province has established a new standing committee, the Alberta EMS Standing Committee (AEMSSC), to inform the ongoing evaluation of the EMS system and provide recommendations for improvement.
- Tara Elwood, Mayor of the Village of Alberta Beach, represents ABmunis on the AEMSSC.
- On February 21, 2024 the province announced changes to the Medical First Response program.
- A new stream of funding introduced this year totals \$2.5 million and according to the province, “will directly support MFR agencies to offset some of the growing costs involved with providing MFR, including increased event volumes, population growth and general inflation of equipment and fuel.”
  - MFR agencies do not have to apply for direct compensation. Eligibility includes an MFR agency being in good standing with the MFR program and the funds are allocated based on community population size (small, medium, large, or metro) and a sliding scale based on the agency's degree of participation in life-threatening medical events. Each community's EMS data and MFR plan are used to make this calculation. ‘Very small’ communities with on average less than one 911 call per week are not eligible for these funds.
  - The funds for 2023-2024 were disbursed by March 31, 2024. Funding for 2024-2025 were disbursed between April and September 2024 and will incorporate feedback from stakeholders on this process, primarily through the new EMS standing committee coordinated by Alberta Health.

#### Extended Producer Responsibility—Next Steps Post Registration

- The end of 2023 marked an important milestone in the EPR transition—as December 31 was the deadline for communities to register with the Alberta Recycling Management Authority (ARMA) to participate in Phase I of EPR.
- These communities will be eligible for EPR programs that begin on April 1, 2025.
- Registration for phase 1 is now closed. ARMA has registered 256 communities representing 94% of Albertans.
- These municipalities had until August 1st to let Circular Materials know if they wanted to opt in or opt out of providing curbside recycling.
- If a municipality opts in, they continue to manage their current recycling collection curbside and/or depot contract through a service agreement with Circular Materials through which they will reimburse municipalities for recycling costs.
- If a municipality opts out of providing recycling services themselves, Circular Materials will contract with incumbent curbside collection contractor or an alternative contractor directly. EPR regulations require Circular Materials to start providing services to single and multi-family dwellings in these municipalities by April 1, 2025
- Producer Responsibility Organizations (PROs) will now begin contacting those municipalities who registered to schedule discovery meetings.
- The ABmunis EPR working group met on October 18th to discuss challenges municipalities face in negotiations with Producer Responsibility Organizations (PROs). The key issues identified include; lack of communication, insufficient compensation, uncertainty about compliance and compensation, and failure to fulfill producer obligations. The ABmunis board sent a letter on behalf of the working group to the Product Care Recycling Association to address these concerns.
- In response, on November 15th, Brian Bastien, CEO of Product Care, and his colleagues met with the working group to respond to the issues outlined in the letter. The working group is scheduled to meet again on November 29th.

## Summer Villages Advocacy Initiative 2025: Infrastructure Funding

### Background:

Funding infrastructure is a challenge for all municipalities. The Province assists municipalities with infrastructure needs through many different grant programs such as LGFF, CCBF, Water For Life, AMWWP, LGSG and STIP grants. The total amount available to municipalities has seen a significant reduction and has become an ongoing priority for ABmunis to advocate for an increase in the funding.

Summer Villages have even more of a challenge in meeting infrastructure needs. The LGFF funding formula reduces the base grant allocation to summer villages by 60%. The CCBF formula negotiated by the province establishes the base grant for Summer Villages at just 10% of the base amount of other municipal peers. When Municipal Affairs was asked the reason for the disparity their response was:

*“ While some summer villages may provide year-round services sought by residents, the infrastructure needs of summer villages are different than those of other local governments in the province, with summer villages having capital needs that are generally less extensive, given a significant portion of their population is non-permanent residents”*

Summer Villages typically rely on their residential tax base. In general they do not have much, if any, commercial or industrial properties. This limits the ability to raise funds for infrastructure needs. It is true that many summer villages may still fit within the description provided by Municipal Affairs but not all do. The profile of many summer villages is changing. They are more like lakeside villages – a different origin story than other municipalities perhaps, but a similar vision for the future in terms of service delivery, community growth and economic sustainability. More people are making summer villages their home and living there on a full-time year-round permanent basis. Residents work in the region or a nearby urban municipality. Their children go to school in the area. They contribute to the economy of the region.

Their residences are spread throughout the municipality so services cannot be limited to only specified areas, as is typical with the growth phase of utilities and public services. Delivering for the future requires significant initial investment, which LGFF and CCBF provide.

As well, the term “Summer” is a misnomer. Many part-time residences are used throughout the entire year. Services such as roads, garbage collection, stormwater and wastewater services need to be provided and maintained throughout the village year round. School buses enter the village year-round!

The infrastructure funding formula is unfair to many summer village residents. Because of where they choose to live they are treated like second-class citizens yet pay income taxes to the Province and Federal Government, and school taxes to the Province the same as everyone else. When Minister McIver was approached regarding this he commented that the summer

villages with increasing full-time residents should consider becoming a Village. Most summer villages do not want to do that. There is pride in the history of Summer Villages. Another factor for not becoming a Village is that part-time residents who own property in the village are eligible to vote and run for council. The change would disenfranchise these property owners and residents. They do not want to lose their voice. As well, Municipal affairs stated that to initiate a status change it must be for more than just access to grants.

A sample comparison of the census data of summer villages vs villages:

Summer Village	Population (2021 Census)	Village	Population
West Cove	222	Bittern Lake	220
Silver Sands	214	Carmangay	242
Sunset Point	257	Coutts	245
Val Quentin	158	Delia	216
Birchcliff	211	Empress	135
Jarvis Bay	213	Halkirk	112
Norglenwold	306	Milo	91
Golden Days	248	Amisk	204
Gull Lake	226	Alliance	174
Sandy Beach	278	Arrowwood	207

**Request:**

As part of ABmunis priority advocacy for infrastructure funding for their membership, they advocate for an infrastructure funding grant process for summer villages that recognizes their unique needs.

Access to Provincial grants is difficult for small municipalities with limited resources and staff. Typically summer villages have only a part-time Chief Administrative Officer. The CAO is often a contracted position. Searching for grants and writing grant proposals takes resources they do not have. A grant process for smaller communities needs to recognize this. A Grant dedicated to summer villages or small communities where the process significantly reduces red tape and the time and effort needed to allow for equitable access to grant money.

In February 2024 the Summer Villages Lac St Anne County East Association sent a letter proposing a conditional grant for summer villages. I would ask that ABmunis advocate for a similar conditional grant and process.

That the Government of Alberta:

- Establish an annual conditional grant allocation similar to the LGSG (mid-sized cities grant fund) that would be available only to summer villages.
- The size of the fund would equate to the difference between urban municipality base and the summer village base in the current LGFF grant allocation ( $\$150,000 - \$60,000 = \$90,000 \times 51$  Summer Villages = 4.59 Million dollars).
- Access to the grant would be competitive and would need to meet criteria based on Provincial priorities. Restrict spending to projects and initiatives that meet a GOA priority. The focus should be on water, wastewater, broadband enhancements/access, roads and bridges projects or environmental initiatives such as shoreline erosion mitigation or stabilization, lake health, wildfire prevention, emergency management. Regional projects with two or more partners should be considered, as they are usually larger projects that would enhance service delivery in the region.
- Consideration should be given for projects with a longer time frame to complete.
- The grant should allow grant stacking with other GOA grants.
- The grant application process would need to be simple considering the limited administrative resources of summer villages
- Consideration could be given to giving a restricted time frame for the use of the funds.
- The grant should encourage planning and investment now so we may be prepared for tomorrow.

This would allow summer villages to invest, partner and grow within their region but does not create long-term obligation for the government treasury, as the commitment is short term with limited carryforward and any unused funds at the end of the period could be returned to the province.

This proposal asks summer villages to be the best form of themselves and gives those that rise to the challenge a way to meet the task head-on. The LGFF and CCBF base allocations model is predicated on what happened in the past and is biased to what summer villages were. This proposal is for a model that challenges summer villages to be more and gives them a way to effectively support investment in our mutually optimistic vision for the future of Alberta.

This is not advocating for equality of outcome but rather for equality of opportunity.