



ALBERTA  
JUSTICE AND SOLICITOR GENERAL

*Office of the Minister  
MLA, Calgary - Elbow*

AR 36472

JAN 20 2020

Al Kemmere  
President  
Rural Municipalities of Alberta  
2510 Sparrow Drive  
Nisku AB T9E 8N5

Dear Mr. Kemmere:

Thank you for your correspondence about Rural Municipalities of Alberta's (RMA) review of the cost model in October 2019 and the RMA's requests for changes to the new police funding model in December 2019. Equitable and sustainable funding for police services and public safety measures is important for all Albertans. I would like to take this opportunity to share my thoughts on the requests of the RMA.

*On RMA's request to delay implementation of the model until 2021:*

Small and rural communities, with some exceptions, will begin contributing a portion of their front-line policing costs in 2020. This new cost-sharing partnership will bring small and rural municipalities into line with larger communities and cities. To give communities time to adjust, the new funding model is being phased in: communities will contribute 10 per cent of policing costs in 2020, followed by 15 per cent in 2021, 20 per cent in 2022, and 30 per cent in 2023. Communities will also no longer be billed for the full-time enhanced policing positions that they have previously funded, as the government will be absorbing this cost.

The new funding model regulation is expected to take effect on April 1, 2020. As a result, the province, within our fiscal year, intends to provide an invoice to municipalities for policing costs for the full provincial fiscal year. My colleagues in Municipal Affairs affirm that municipalities will still have to accrue an appropriate amount for policing costs in their 2020 statements. We have also been advised that given the limited timeline, municipalities will have a cash flow problem if the provincial policing invoice was due prior to December 31, 2020.

When making this decision, my ministry was informed that many municipalities would have to borrow money, draw down on reserves (if reserves were available), or make other spending adjustments in their budget to pay the 2020/2021 provincial policing invoice. The advice received is that, by delaying the billing, it allows municipalities to include the actual expenditure in their 2021 annual budget and this would provide time to make adjustments on taxes to collect the revenue required to pay the invoice. In effect, we hope that this billing schedule will provide the opportunity to include the expenditure in the 2021 budget and give time to develop cash management strategies to mitigate the impacts to reserve balances and operational borrowing. I sincerely hope that this timing will alleviate some of the concerns regarding the police funding model's impact on municipal budget planning for 2021.

.../2

On RMA's request to increase annual cost portions on January 1, rather than April 1:

It is my desire to make this process easy for municipalities during the invoicing and budget planning processes. Please see my thoughts on implementation above to this point.

On RMA's request to provide each municipality impacted by the model with a breakdown of costs, data to support subsidy allocations, and a ministry contact person for questions:

On December 6, 2019, ministry staff contacted stakeholders from the engagement process on the funding model and provided them with spreadsheets that detail how the invoice will be calculated for each municipality. The information in this spreadsheet and email will help municipalities appropriately budget in the coming year. Any questions regarding the funding model can continue to be directed to the ministry engagement team, via email at [JSG.PSDEngagement@gov.ab.ca](mailto:JSG.PSDEngagement@gov.ab.ca).

On RMA's request to rescind the arbitrary and unfair exclusion of rural municipalities from the detachment subsidy:

Currently, municipal districts and counties are not eligible for the subsidy. This is due to the fact that almost all of these municipalities have one or more detachments within their boundaries. When determining eligibility for the detachment subsidy, potential barriers to equitable distribution were discovered when devising a method to distribute the detachment subsidy amongst regions in municipal districts and counties, if we were also crediting the towns in the municipal district or county with no detachment. Subsequently, it was decided that the subsidy would only be offered to towns, villages, and summer villages.

The regulation will undergo periodic review and this method of subsidy distribution can be re-examined at that period, in which time, perhaps, a new way of applying the subsidy can be developed.

Thank you again for the opportunity to respond to the RMA's requests and to answer outstanding questions from the police funding model engagement.

Sincerely,



Doug Schweitzer  
Minister of Justice and Solicitor General

cc: Tasha Blumenthal, Director of External Relations & Advocacy, Rural Municipalities of Alberta