



February 3, 2020

Oryssia Lennie, Panel Chair  
Fair Deal Panel  
Email: [info@fairdeal.ca](mailto:info@fairdeal.ca)

Dear Ms. Lennie:

Established in 1905, the Alberta Urban Municipalities Association (AUMA) represents Alberta's urban municipalities, including cities, towns, villages, summer villages, and specialized municipalities, where over 85% of Albertans live. AUMA works with the elected and administrative leaders of our member municipalities to help them build thriving communities. We advocate for solutions to municipal issues and identify and develop opportunities that contribute to community wellbeing.

AUMA would like to thank the Fair Deal Panel members who attended our Board meeting on January 24, 2020. We appreciated your receptiveness to hearing our input and the insightful questions that you asked. The municipal leaders that AUMA represents have extensive knowledge and experience to offer in relation to the measures that the panel is considering.

The Fair Deal Panel has the mandate of considering potential measures to advance the province's interests. As discussed on January 24, the two measures that are currently of the most concern to AUMA members are:

- Emulating Quebec's legal requirement that public bodies, including municipalities and school boards, obtain the approval of the provincial government before they can enter into agreements with the federal government; and
- Establishing a provincial police force by ending the Alberta Police Service Agreement with the Government of Canada.

#### Provincial approval of municipal-federal agreements

A requirement to obtain provincial government approval before a municipality can enter into an agreement with the federal government would create significant administrative delays, most importantly in relation to receipt of federal funding. Additionally, the most important municipal-federal relationships are already coordinated by the province, such as funding arrangements through the Investing in Canada Infrastructure Plan (ICIP) and the federal Gas Tax Fund.

Further, the proposed approval process would be inconsistent with both the province's current focus on municipalities being accountable to meet their legislated mandate as efficiently and effectively as possible, and the red tape reduction initiative, which is intended to reduce and simplify administrative processes.

Communication with colleagues in the municipal sphere confirms the challenges faced by municipalities in Quebec as a result of the province approving municipal-federal agreements. For example, the Federation of Canadian Municipalities (FCM) advised that approval and sign off on grant agreements with Quebec municipalities is consistently delayed and FCM often provides exceptions to grant application requirements and timelines, otherwise these municipalities cannot meet them. The City of Montreal shared similar comments about delays and inconveniences resulting from the provincial approval process. AUMA also learned that, in Quebec, both the province and municipalities require additional staff to administer these approvals.

During our meeting on January 24<sup>th</sup>, the Fair Deal Panel asked the AUMA Board if municipalities in Alberta receive a fair share of federal funding in relation to municipalities in other provinces, and if there is role for the province to advocate for municipalities in Alberta to receive a fairer share. You also asked if there were better federal-provincial-municipal arrangements in other provinces.

Our Board indicated that Alberta is allocated a fair share of federal funding, however there are challenges with ICIP money actually flowing to municipalities as the provincial and municipal funds that must be contributed under the ICIP program requirements are not consistently available. Manitoba's model was identified as an example of a more effective approach. Manitoba has an advisory committee, made up of representatives of municipalities, that provides input on the roll out of funds from their ICIP agreement. Additionally, it was noted that the arrangement in British Columbia has the Federal Gas Tax Funds flowing through and administered by the Municipal Association instead of the province.

Overall, the Board suggested that the Gas Tax Fund model, where funding is allocated on a predictable basis, facilitates the most efficient and effective investment of taxes Albertans pay to the federal government back into our communities. We also noted that opportunities to improve coordination between municipalities and the province and better manage large scale infrastructure investment need to be identified; for example, enabling municipalities to provide input on the Province's 20-year capital plan in order to allow for more effective planning related to municipal infrastructure needs and projects.

As an alternative to placing additional requirements on public bodies that don't provide value for money, we recommend the province establish efficient mechanisms that ensure more timely and strategic coordination of the investment of taxpayer dollars.

#### Provincial police force

Although the establishment of a provincial police force could increase focus on Alberta law enforcement priorities, as opposed to those directed by the RCMP headquarters in Ottawa, the cost and administrative effort that would be required to transition to a provincial police force would be substantial. Given the current fiscal restraint measures underway in Alberta, the expenditure required to make this change would not likely be feasible for the provincial government. This leaves AUMA concerned that the costs of a new policing approach would be downloaded to municipalities, as has been seen in other areas in Budget 2019. Further, the shift in cost responsibilities from the federal to the provincial government could compromise current policing service levels and divert funding from enhancing Alberta's broader criminal justice system, such as the addition of Crown prosecutors, that may be more impactful in reducing crime than any change to current police funding or operations.

General comments

AUMA urges the Fair Deal Panel to evaluate any increased administrative burden and cost to municipalities when considering each of the measures. We also ask the panel to consider the value for money and the best interests of Albertans in determining what recommendations to put forward to the province.

AUMA recognizes that Alberta must be treated fairly by the federal government, but we are uncertain that these measures are the way to accomplish that objective. Municipalities and the province need to work together to create a stronger more unified relationship that will allow us to approach the federal government with requests and ideas that will create efficiencies related to the flow of federal funding and the fair treatment of Alberta within the confederacy. We are also pleased to support the province in standing up for Alberta through participation in the Resource Communities of Canada Coalition, which will bring together communities across Canada to engage in dialogue about the importance of the energy sector. Let's work in partnership to break down the barriers to getting Albertans back to work.

Lastly, AUMA encourages the Fair Deal Panel to include opportunities for the province to engage with AUMA and municipalities directly, in any panel recommendations that may impact municipalities.

If you would like to discuss these matters further, please feel free to contact me by email at [president@auma.ca](mailto:president@auma.ca) or on my cell phone at (403) 363-9224.

Sincerely,

A handwritten signature in black ink, appearing to read 'Barry Morishita', with a stylized flourish at the end.

Barry Morishita  
AUMA President