

Municipal Service Delivery

Regardless of size, type, or location, the core purpose of all municipalities is to deliver effective and efficient services to residents and businesses. While many municipal services such as water and transportation are often so central to resident and industry needs that they are taken for granted, municipalities invest tremendous amounts of money and capacity in ensuring that such services are delivered reliably and at a level that meets specific local needs. Though there are certain services that nearly all municipalities provide, the scope and level of services provided vary across municipalities and will often impact tax rates, capital investment decisions, land-use planning, and other municipal purposes. Rural municipalities often face unique service delivery challenges due to their large geographic size, dispersed population, and high level of industrial activity. As a result, the level, scope, and method of service delivery often varies between rural and urban municipalities.

What is the RMA's position on the importance of municipal service delivery?

- ◆ Residents and businesses across Alberta rely on municipalities to provide crucial services related to transportation, water, recreation, waste collection, economic development, social supports, emergency response, and many more.
- ◆ As municipalities cover nearly 90% of Alberta's land mass, which is a significantly higher portion than municipalities in any similarly sized province, the importance of municipal service delivery in both urban and rural areas of Alberta is unmatched elsewhere in Canada.
- ◆ Municipalities have the autonomy to deliver a wide range of services at varying levels. Local service delivery decisions are typically based on taxpayer needs and preferences, the fiscal capacity of the municipality, and the types of services offered elsewhere in the region.
- ◆ Due to their unique role in serving extremely large geographical areas with dispersed populations and high levels of industrial activity, rural municipal service delivery profiles are often unique compared to those in municipalities elsewhere in Alberta and Canada. While some rural municipalities may offer limited levels of more traditional municipal service such as waste collection, many invest significant time and capacity in building and maintaining vast road and bridge networks to support resource industries such as oil and gas, forestry, mining, renewable energy, and agriculture.
- ◆ Per capita metrics are not an accurate approach to comparing levels of service across municipalities. In rural Alberta, many services are provided mainly for industry use, which are not captured in per capita comparisons. Funding models should account for the unique cost drivers faced by rural municipalities to ensure the continued sustainability of these services. Adequate and fair funding is essential not only to support local economic activity, but also to sustain the broader provincial economy that benefits from rural industrial development.

What financial considerations do rural municipalities have with respect to municipal service delivery?

- ◆ Municipalities require a steady and adequate revenue stream to effectively deliver services. Municipalities are highly reliant on property taxes and provincial and federal grants for revenues. Recent and continued provincial grant funding reductions are impacting the scope and level of services provided by municipalities.

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- ◆ When municipalities are required to take on greater responsibility for delivering or supplementing services previously delivered by other levels of government or the private sector, their ability to effectively deliver core services may become compromised. Recent or ongoing examples include policing, social services, and broadband connectivity.
- ◆ Municipal infrastructure is directly linked to service delivery. To effectively provide the services that residents and industry requires, municipalities must have the financial resources to build and maintain roads, bridges, water/wastewater networks, and other infrastructure.
- ◆ Municipalities across Alberta commonly collaborate to deliver services, either through intermunicipal collaboration frameworks, regional service commissions, or other means. While such collaboration can be highly effective, it is crucial that all municipalities participate as willing and able partners, and that financial contributions and decision-making processes are equitable and fair.
- ◆ Financial reserves are an effective method for municipalities to ensure that services can continue to be delivered in the event of an unexpected fiscal challenge, or to save for needed capital investments to maintain, enhance, or expand service delivery.

How does the work of the RMA support effective municipal service delivery?

- ◆ The RMA's *Alberta's Rural Municipalities: Unique Size, Unique Responsibilities* argues that due to their large size, remoteness, and high level of industrial activity, Alberta's rural municipalities have service delivery challenges not found in municipalities elsewhere in Alberta or Canada.
- ◆ The RMA supports local governments through a variety of mechanisms – from workshops to reports, RMA aims to provide tools that empower local leaders.
- ◆ The RMA actively engages with the Government of Alberta to ensure that any changes to policy and legislation affecting municipal service delivery are fair, data-driven, and consider the unique needs of rural municipalities.
- ◆ The RMA regularly emphasizes the uniqueness of rural service delivery when providing input on a wide range of issues, including municipal funding and taxation.

What current service delivery-related issues are impacting rural Alberta?

Intermunicipal Collaboration Frameworks

- ◆ Intermunicipal collaboration frameworks (ICFs) are agreements developed among municipalities with a shared border to discuss (and potentially collaborate on) the delivery of services that provide an intermunicipal or regional benefit.
- ◆ According to a 2022 RMA member survey on ICFs, the most widely supported areas of improvement for the ICF process were that the Government of Alberta provide more direction on how to measure service usage and service levels, and more direction on which services are in and out of scope for ICF discussions.
- ◆ Recent legislative changes under Bill 50: the *Municipal Statutes Amendment Act, 2025*, significantly restructured the ICF process by introducing a narrowed scope of mandatory services, enhanced requirements for input from contributing municipalities, introduced new planning and implementation provisions, and limited the scope of arbitration. Generally, RMA is supportive of the changes to the ICF process, which work to ensure a balance of provincewide consistency and local autonomy.
- ◆ RMA plans to continue to advocate for enhanced funding and capacity-building support from the province related to data-gathering and usage provisions which place higher expectations on

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municipalities as to how they develop ICFs; without proper support, many municipalities will be at high risk of being unable to develop and utilize quality data.

- ◆ The RMA had previously advocated to the Government of Alberta that arbitrators involved in ICF negotiations should be required to have a background knowledge in municipal government to ensure that the outcome is equitable to both parties involved, as well as for changes to the default arbitration cost responsibility allocation, neither of which were addressed in Bill 50.

Local Government Fiscal Framework

- ◆ The Local Government Fiscal Framework (LGFF) has replaced the Municipal Sustainability Initiative (MSI) as Alberta's primary capital grant program for municipalities beginning in the 2024-25 fiscal year.
- ◆ Although LGFF provides funding for municipal capital projects, the purpose of the infrastructure supported by LGFF is to provide municipal services.
- ◆ In 2025, LGFF will provide all municipalities, other than Calgary and Edmonton, with a combined \$386 million in capital funding. The existing funding allocation formula is based on high population-growth municipalities, which places many rural and small urban municipalities at a disadvantage.
- ◆ Rural municipalities rely on funding sources such as LGFF to provide services to residents and the current allocation formula does not adequately reflect the needs of rural members. The formula should be modified to consider non-residential growth cost-drivers and services provided by smaller, low-growth municipalities.
- ◆ RMA continues to advocate to the Government of Alberta to develop a more equitable formula for allocating LGFF operating funds. RMA has emphasized the need for the Government of Alberta to work with municipal associations to better understand drivers of operating costs and allocate funds on that basis.

Ongoing Downloading of Services

- ◆ Recent provincial policy decisions have resulted in downloads and reduced access to revenues for rural municipalities, making it increasingly challenging for rural municipalities to maintain essential services and infrastructure. Examples include infrastructure programs such as Local Government Fiscal Framework (LGFF) and Strategic Transportation and Infrastructure Program (STIP) being funded well below historical averages, increased municipal costs under the Police Funding Model, increased costs associated with municipal dissolutions, municipalities being forced to provide an increased portion of funding for social and emergency services.
- ◆ As municipalities have limited sources of revenue, any requirement for municipalities to take on responsibility for delivering additional services will likely impact the quality and scope of existing services and/or force municipalities to increase property tax rates.
- ◆ In cases where municipalities are required to contribute to provincially or federally delivered services, such as in the case of policing through the Police Funding Model, the municipality should have a direct say in how those services are delivered that is proportional to their financial contribution.
- ◆ In many rural areas, municipalities or non-profit organizations "fill in the gaps" of provincial services that are not available or delivered at lower levels than in urban communities. This often strains local municipal and volunteer capacity and reflects an inequity in community supports in rural areas.

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Delivery of Emergency/Disaster Services

- ◆ Alberta has faced an increasing number of natural disasters and extreme weather events in recent years, with the trend likely to continue. Municipalities need to be equipped to deal with such events and plan accordingly to best mitigate risk.
- ◆ Municipalities understand their local landscape, resources, and communities. Therefore, municipalities are in the best position to direct local resources to address emergency situations.
- ◆ Rural municipalities are often served by volunteer fire departments. In emergency situations, these fire services may need to be augmented with relief from neighbouring municipalities through mutual aid agreements.
- ◆ Rural municipalities work collaboratively with the provincial government to respond to emergencies and disasters.
- ◆ Government of Alberta support for municipal first responders during local emergencies should take place collaboratively and at the request of the municipality.
- ◆ The RMA's Wildfire Working Group developed a strategy to manage wildfires outside the Forest Protection Area (FPA), culminating in the release of the *RMA Wildfire Working Group Report*.

For more information visit: rmalberta.com

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