

Town of Canmore

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May 18, 2023

The Honourable Danielle Smith,  
MLA – Brooks-Medicine Hat  
Premier of Alberta

*sent via email: [premier@gov.ab.ca](mailto:premier@gov.ab.ca)*

The Honourable Rachel Notley,  
MLA – Edmonton-Strathcona  
Leader of the Official Opposition

*sent via email: [rachelnotley@albertandp.ca](mailto:rachelnotley@albertandp.ca)*

Dear Premier Smith and Ms. Notley,

**Re: Provincial Downloading on Municipalities**

On behalf of the Town of Canmore Council, I am writing to you on a matter of great importance for our community, and I suspect of great importance for all Alberta municipalities. Canmore taxpayers, like taxpayers from other municipalities, are being significantly burdened with downloading of funding obligations that should rest with the province.

According to our calculations, provincial downloading totalled over \$4,000,000 for the Town of Canmore in 2022. This represents 14.4% of the \$28,130,186 municipal tax dollars collected in 2022 or, put another way, \$1 out of every \$7 collected from Canmore property taxes went to fund amounts that we believe should have been paid by the provincial government. Attached to this letter is a table breaking down this total amount into its individual components.

What do we mean when we say provincial downloading? First, it includes those municipal expenditures that are a provincial responsibility, but there has been a change to the funding formula or no increase for inflation or program changes which result in the municipality picking up the tab for the void left by the province. This includes changes to the municipal funding formula, increased retention of traffic fines by the province, cost of fire rescue responding to medical calls in absence of an ambulance, non-indexing of FCSS programs, and much more. Second, provincial downloading includes costs of additional requirements by the province in order to be compliant. While only a small amount, this includes items like traffic reporting system updates and additional certified peace officer training. Third, it includes items paid for by the municipality due to lack of resources provided by the province. Here we are talking about management of feral animals, responding to wildlife issues, homelessness, and administering affordable housing programs amongst other things.



**Impacts on Local Governments from Provincial Downloading and/or Changes**

Funding Formula and/or Program Changes (includes things that are Provincial responsibility and are no longer fully covered or have not increased with inflation)						
Div/Dept	Type	Impacts	Timing of Change	Estimated Financial Impact 2021	Estimated Financial Impact 2022	Other Comments
MS/Fire	Fire Services Level impacts	Ambulance delays	2020	\$ 85,067	\$ 100,744	More Fire Services time on site due to Ambulance delays. Cost calculated using the Master Fee Schedule rates multiplied by time required for medical calls.
MS/Fire	Advanced Life Support (ALS) capable program	Kept some staff ALS capable after divesting from EMS	2009	\$ 20,000	\$ 20,000	Estimated ongoing cost captures training time, licencing and certification fees, and maintaining a supply of equipment/consumables used only by ALS providers
MS/PS	Traffic Fine Revenue	Increase provincial portion	2020	\$ 250,000	\$ 250,000	No consultation, fine retention went to 50%
MS/PS	RCMP / Policing Biology Casework	Annual costs for municipalities	2020	\$ 5,000	\$ 3,500	No control over amounts - Tracking and reporting
MS/PS	RCMP Payback 2017 onwards	Unionization labor costs passed back	2021	N/A	\$ 521,000	Federal Budget 2023 billed these costs to Municipalities in 2023. Canmore's bill was for \$521k. To date the Province has offered no funding support to date
MS/PS	Policing	Provincial Police Force	TBD	none	none	Potential move from RCMP to Provincial Force
MS/CSD	Changes to victim services	Local service will change to regional zone (4 for the whole province) or municipalities can apply to take on the program locally	2023 or 2024	none	none	Potentially lose funding for victims of trauma and non-violent crimes. Bow Valley municipalities may be asked to provide additional grant funding to Bow Valley Victim services society or add the community service to CSD. Financial impact will not begin until April 1, 2024.
MS/FRN	Cancellation of Parent Link	Replaced with FRN which gets less funding but has more delivery requirements	2020	\$ 56,500	\$ 110,000	Some programs cancelled completely. FRN grant is \$125,000 less than Parent Link grant (the result is a reduction in services). In 2022, Town reclassified the Supervisor position and Family Support Worker position to better reflect role and responsibilities.
MS/ FCSS & FRN	No indexing of FCSS or FRN programs	Staff salary top-ups (no indexing of funding) and corporate supports (IT, HR, MCO, Finance, etc)	FCSS no funding increase since 2015 and FRN three years of static funding 2020-2023	\$ 150,000	\$ 175,000	Funding does not increase with cost of living or Town's salary grid. To keep service delivery levels and staff on salary grid, municipality must top up wages.
MS/ CSD & Rec	Childcare	Child care subsidy ended in 2020 which in turn increased its cost. This had a significant impact on community affordability. Subsidy was reinstated in 2022; the new provincial subsidy only supports full-time childcare, parents who require part-time childcare are accessing full-time spaces, which reduces the already limited childcare spaces available. FCC has piloted interim childcare during the summer to support parents who cannot access childcare. In addition, Recreation supports summer camp programs and after school programs to provide additional childcare options. In 2022, the province also announced funding for additional childcare spaces, to access this funding the province requires a community assessment, which CSD is currently completing.	2020	\$ 15,000	\$ 25,000	Province of Alberta released new funding for childcare but childcare centre's struggle with space and staffing. FCC is supporting parents with navigating childcare (approximate time spent is 1 day per week). In addition in 2022, a childcare assessment was completed to understand childcare needs and support centres with funding requests.

<b>MS/FCSS</b>	Social Services Regionalization (FCSS)	Province moving to a centralized provincial service model that has resulted in less local service, longer local wait time, and more complicated access. Consequently, FCSS is supporting increased system navigation and providing interim services. Service changes include: Alberta Works (2020) for emergency income/intervention supports; AHS (2021) for mild/moderate mental health; Hospital Social Worker (2022) for coordination of medical services.	2020	\$ 15,000	\$ 15,000	Less local control over service delivery; increased time supporting community with navigating the systems (1 day per week)
<b>CS/HR</b>	Summer Temporary Employment Program (STEP)	The STEP program was eliminated in October 2019. In 2019 we received \$14,000. In 2018, we received \$9,500	2019	\$ 14,000	\$ 14,000	
<b>CS/Finance</b>	Grants in place of taxes (GIPOT)	Less local tax revenues for the same services	2019	\$ 44,000	\$ 44,000	Although Crown-owned properties are exempt from assessment and therefore exempt from taxation, the Province of Alberta pays a grant equivalent to the property taxes that would otherwise be levied on many of these properties. The Province began reducing the amount of Grants in place of taxes in 2019 by 24% and another 32% in 2021 and beyond.
<b>CS/Finance</b>	Grant Reductions	Reduction of MSI funding	2022	.	\$ 2,200,000	MSI funding for the Town has reduced from a \$4.8 million allocation each year to \$2.6 million starting in 2022 and 2023. This is a reduction of 40.6% of 2021 MSI allocation.
<b>CS/Finance</b>	LGFF Migration from MSI	New funding formula still being developed. Current draft will mean a reduction in funding for Canmore as tourism impact and affordability are not factors at this time	2023-2024			No certainty of funding yet. Based on current proposed LGFF funding models, a further reduction of 12-15% is been estimated for 2024 and beyond
<b>CS/Finance</b>	Education Tax	To ensure that communities are affordable and viable, municipal tax collections should be cognisant of economic conditions facing many Alberta residents. Municipalities are facing increased operation costs due to climbing utilities charges, limited tax base, and overall increased operations. Just over half of every residential tax bill in Canmore is the Education requisition. Canmore's high assessment values result in our taxpayers paying amongst the highest education taxes in the province. The Province has essentially taken tax "room" from the municipality especially since the cap on the amount of education tax to come from a community was removed.	2016		Canmore's education tax requisition has grown from \$18.7 million in 2019 to \$24 million in 2022	The amount of Education Tax that leaves Canmore does not come back to the local school system, leaving Canmore taxpayers funding education throughout the Province and contributing to our affordability issues.
<b>CS/Finance</b>	Preferential debt servicing rates	The Province removed the ability for municipalities to secure debt at lower rates leading to an increase in our interest rates	2020			

**SECTION TOTAL:**   \$       **654,567**   \$       **3,478,244**

<b>Provincial Requirements of Municipalities</b>						
Div/Dept	Type	Impacts	Timing of Change	Estimated Financial Impact 2021	Estimated Financial Impact 2022	Other Comments
<b>MS/PS</b>	Traffic Reporting System Updates	Online traffic reporting requirements	2022	N/A	\$ 5,000	Software and Hardware updates to be compliant, staffing time captured
<b>MS/PS</b>	Certified Peace Officer (CPO) Training	Fewer required courses available, run through other municipalities	2022	N/A	\$ 25,000	Estimated \$5k in staff time, \$20k in uncollected fine revenue. Limited information/engagement regarding training availability despite standardization of CPO classification
<b>MI/PW</b>	Weed Control	enforcement of provincial legislation	ongoing	unknown	unknown	Future impact may increase from provincially approved projects (Gondola and TSMV)

**SECTION TOTAL:**   \$       **-**       \$       **30,000**

Impacts from Lack of Needed Provincial Resources						
Div/Dept	Type	Impacts	Timing of Change	Estimated Financial Impact 2021	Estimated Financial Impact 2022	Other Comments
MS/PS	Feral Rabbit Management	Municipality to manage wildlife issues	2011	\$ 50,000	\$ 54,000	Province does not deem feral rabbits as wildlife and will not remove
MS&MI/ PS&PW	Conservation Officer (CO) and/or Fish & Wildlife (FW) Resources	Limited CO/F&W resources mean more calls for service to Town	2021	\$ 10,000	\$ 15,000	Relying on RCMP and Municipal Enforcement (ME) to respond to wildlife issues - Province no longer responding to "elk calls" in summer. Province directs callers to ToC for removal of deceased animals (elk) within Town limits.
MS/CSD	Homelessness	No provincial operational rural homelessness funding. Increased need with no provincial funding mechanism.	2020	\$ 15,000	\$ 25,000	Province recently announced homelessness funding (it is unclear if some is allocated to rural communities). CSD/ FCSS staff supports an increasing number of individuals impacted with homelessness, as well as community development to address homelessness.
MS&CS\ CSD & Finance	Fiscal Agent Arrangements	Increased requests for municipalities to be intermediary between federal/provincial grant programs as fiscal agents, and community groups applying (additional administrative work required)	Recent years	TBD	TBD	Financial impacts of this work have not been quantified but with increasing requests come increasing workload demands for both CSD and Finance. The Town has begun to say no to some of these requests due to lack of resources to accommodate and manage the number of requests.
MS/Fire	River Rescue Program	Kananaskis Public Safety (KPS) unable to respond to many river calls as quickly as Canmore Fire-Rescue (CFR).	long standing	\$ 11,925	\$ 11,500	Town got in to river rescue business years ago - ongoing cost impacts still exist
Council	Affordable Housing	Local investment required to provide	2000	\$ 450,000	\$ 450,000	The Town of Canmore established CCH in 2000 to provide housing solutions for a healthy and balanced community

**SECTION TOTAL:** \$ 536,925 \$ 555,500

**GRAND TOTAL:** \$ 1,191,492 \$ 4,063,744