Sturgeon COUNTY

OFFICE OF THE MAYOR

February 27, 2026

Mayor Rick Henderson
Town of Gibbons
4807 – 50 Street
Gibbons, AB T0A 1N0

Delivered Via Email: rhenderson@gibbons.ca

Mayor Henderson,

Re: Town of Gibbons Viability Matters with Sturgeon County

Our Council recently met with the Minister of Municipal Affairs and our local Member of the Legislative Assembly (MLA) to discuss and confirm the overall Viability Review Process that has now commenced. Following that meeting and as committed, Sturgeon County is now in a better position to comment in more detail on the Town's requests raised earlier this month.

The following points reflect matters on which the County sought clarifications and discussion with the Minister and MLA:

- Noting the Viability Review's timing, being substantially less than typical ~18-month reviews, the County's ability to provide detailed commentary on service level and other impacts will be limited. It was also understood that if Town residents chose to dissolve, the County would require sufficient time to prepare and ensure continuity of service delivery to the area.
- The financial impacts of a potential dissolution were discussed and recognized, particularly with the County's constrained fiscal capacity and significant financial risks and pressures.
- The Minister confirmed the province has no discretionary funding available to assist with the Town's debt or budget deficits, and neighbouring County residents are neither required nor expected to provide temporary or ongoing financial subsidies.
- The Town's confirmation of a 2026 budget is expected soon, including specific and substantive cost savings with sufficient taxation and other revenues to provide for a balanced budget per legislation.
- If the Town dissolves, a separate service area and tax rate could recover net liabilities and address differences in service standards, protecting rural taxpayers from prior debts while honouring the interests of urban taxpayers to enjoy service levels that may be higher than other hamlets. Other service delivery costs could be combined / integrated going forward, to realize shared economies of scale and to move forward as one community.
- All attendees at the meeting shared a sentiment that emphasized the needs and well being of all residents, in both communities, as the most important objective. The meeting concluded with agreement on next steps focusing on providing clear information to the public, confirming final delivery dates, countering misinformation, exploring innovative solutions, and coordinating communications through the provincial officials leading the process.

With the above context in mind, the following outlines County Council's positions on the Town of Gibbons' requests to Sturgeon County:

Fire and Emergency Services – Sturgeon County Council is supportive of advancing regionalized fire and emergency services through a contracted shared service model, irrespective of the Viability Review outcome. This model has proven effective in generating cost efficiencies for current participating town

partners, while more importantly supporting a more consistent level of service for all residents, regardless of their location. The County will move this forward by immediately assigning staff to support an integration review and develop contract materials as needed. We have asked our Administration to connect with yours next week to discuss project specifics, including timing for completion and consideration by both our Councils. Upon confirmation of asset inventories and valuations, the County will also be in a position to confirm whether any asset purchases are required.

FCSS and Other Regionalized Municipal Services – Sturgeon County Council is supportive of regional efficiencies and economies of scale; for this reason, we provide millions annually to support regional commissions, regional service delivery, and direct cost-sharing with the towns inside our boundaries and other neighbouring partners. With current Viability Review and emergency service transition efforts, Sturgeon County lacks capacity to explore a regionalized FCSS model; however, the County remains interested in this approach and pending the outcome of these reviews will be in a better position to assess a regional FCSS model alongside other potential municipal efficiencies.

Cost Sharing and Direct Supports – Sturgeon County Council remains committed to fair, structured cost-sharing arrangements that ensure accountability and transparency across jurisdictions. These frameworks are most appropriate where services or infrastructure benefit residents beyond a single municipality and cannot be sustained solely through user fees. Cost-sharing also avoids the problematic conditions related to revenue sharing, where taxes are collected from one group of residents and transferred to another group without oversight or reciprocal value. Such revenue sharing arrangements - whether national, provincial, or municipal - introduce governance and fiscal misalignments, problematic precedents, diminished accountability, and eroded public confidence. The County is therefore not supportive of Gibbons' request for a revenue-sharing or annual viability transfer. This approach was confirmed during our meeting with Municipal Affairs and aligns directly with the *Municipal Government Act* and Intermunicipal Collaboration Framework legislation in Alberta.

Limited Legal Review – Sturgeon County Council is supportive of conducting a limited legal review on the Town's behalf that will assess the collectability of receivables related to the Heartland Station development. We understand that this is a key consideration for the Town's financial future and are happy to help.

Sturgeon County Council remains committed to fulfilling its responsibilities with transparency and respect for all intermunicipal processes. Through the Viability Review, we will provide as much information as possible and uphold the interests of the residents and businesses in both Sturgeon County and the Town of Gibbons.

Sincerely,

Alanna Hnatiw
Mayor

C: Honourable Dan Williams, Minister of Municipal Affairs
Honourable Dale Nally, Minister of Red Tape Reduction and MLA, Morinville-St. Albert
Council, Sturgeon County
Council, The Town of Gibbons
Travis Peter, Chief Administrative Officer, Sturgeon County
Tim Duhamel, Interim Chief Administrative Officer, Town of Gibbons