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October 20, 2026

Via Email: David.Mitchell@bridgewater.ca

Mayor David Mitchell
President
Nova Scotia Federation of Municipalities
1809 Barrington Street, Suite 1500
Halifax, Nova Scotia B3J 3K8

Via Email: JSpencer@nsfm.ca

Juanita Spencer
Chief Executive Officer
Nova Scotia Federation of Municipalities
1809 Barrington Street, Suite 1500
Halifax, Nova Scotia B3J 3K8

Dear Mayor Mitchell and Juanita Spencer:

Re: NSFM Mayors, Wardens, and CAOs Meeting on New Billing Framework

Thank you for your letter dated October 1, 2026, regarding the September 16, 2026, meeting with municipal mayors, wardens and chief administrative officers on the new billing framework for municipalities that receive RCMP policing services under the Provincial Police Service Agreement.

I appreciate the Nova Scotia Federation of Municipalities' (NSFM) continued engagement on this important work, as well as the thoughtful and constructive manner in which municipal leaders have raised questions throughout the development and implementation of the new framework. The Department of Justice values the operational knowledge, financial expertise and local perspective that municipalities bring to discussions concerning policing, community safety and the effective use of public resources.

The Province recognizes that the introduction of a new billing framework represents a significant change for municipalities. It affects not only how municipal contributions toward RCMP policing services are determined, but also how municipalities plan for future policing costs and how savings generated through the Province's increased financial contribution are directed toward additional public safety priorities. It is therefore important that the framework be implemented transparently, consistently and in a manner that provides municipalities with sufficient information to support responsible financial and operational planning.

I also wish to acknowledge NSFM's request that this response be suitable for distribution to its membership. The information below addresses the principal matters raised in your letter, recognizing that municipality-specific amounts, implementation issues and proposed public

safety investments will continue to be discussed directly with individual municipalities.

Reinvestment in Public Safety Initiatives

The central objective of the new billing framework is not simply to reduce the amount recovered from municipalities for RCMP policing. The Province's additional financial contribution is intended to create meaningful fiscal capacity that can be reinvested in local public safety measures, including complementary approaches that strengthen community safety while allowing sworn police officers to focus on core policing responsibilities and higher-risk demands. Municipal savings generated through the new framework are therefore expected to support new or expanded public safety initiatives approved by the Province. The intention is to provide municipalities with meaningful flexibility to identify initiatives that respond to local circumstances, rather than to prescribe a single model for every community.

Eligible initiatives may include, but are not limited to:

- layered policing approaches, including community safety officers, special constables, by-law enforcement capacity and other appropriately trained personnel who can respond to suitable lower-risk or non-emergency matters;
- community safety and well-being planning;
- crime and violence prevention initiatives;
- mental health and addictions response partnerships;
- community liaison and outreach positions;
- initiatives intended to improve safety for seniors, youth and other potentially vulnerable populations;
- school and youth safety programming;
- locally designed prevention or early-intervention initiatives;
- public safety technology, equipment or infrastructure where a clear and demonstrable connection to community safety can be established;
- collaborative or regional public safety initiatives undertaken by two or more municipalities; and
- an expansion of an existing municipal initiative where the municipality can demonstrate that the proposed investment will create additional public safety capacity, service or benefit.

The Province is deliberately maintaining a sufficiently broad approach to allow municipalities to bring forward proposals that reflect local needs and opportunities. At the same time, the reinvestment requirement must remain connected to the public safety purpose for which the additional provincial funding is being provided. General municipal operating expenses, routine capital work without a substantive public safety purpose, or the continuation of an existing expenditure without any identifiable expansion or enhancement would not ordinarily meet the intended requirements of the framework.

We recognize that the distinction between an eligible public safety investment and a general municipal expenditure will not always be self-evident. For that reason, the Department intends to work directly with municipalities before final determinations are made. Municipalities will be invited to submit proposed initiatives for review, and the Department will provide written confirmation as to whether a proposal is approved in whole or in part. This approach will allow unusual or innovative proposals to be considered on their individual merits while supporting consistent treatment across municipalities.

The Department will also develop and distribute additional guidance describing the categories of initiatives that would generally be considered eligible, as well as examples of expenditures that may not satisfy the public safety purpose of the framework. That guidance should be understood as illustrative rather than exhaustive. Municipalities will continue to have the opportunity to propose initiatives that are not specifically identified in the guidance where they can demonstrate a clear and reasonable connection to public safety outcomes.

Treatment of Municipal Reserves

NSFM has asked whether savings generated under the new framework may be held in reserve for future public safety costs. The Province recognizes the importance of sound multi-year financial planning and acknowledges that some worthwhile public safety initiatives may require more time to design, approve, procure or implement than is available within a single fiscal year. For the 2026–27 fiscal year, the Province intends to permit identified savings to be held in reserve and reinvested in provincially approved public safety initiatives during the 2027–28 fiscal year. This transitional flexibility is intended to recognize the timing of implementation, municipal budget cycles and the practical work required to develop responsible initiatives. This was communicated via email from Departmental staff on September 1, 2026.

The Department is prepared to consider reasonable implementation circumstances, including larger-scale or regional initiatives that may require phased planning or expenditures over more than one fiscal year. The objective will be to preserve accountability for the public safety investment while avoiding an approach that compels municipalities to make hurried or lower-value expenditures simply to meet an artificial year-end deadline.

The Department recognizes the concerns raised by municipalities regarding the potential difference between forecasted and actual policing costs under the new billing framework. The Department had initially intended to establish an annual reconciliation process whereby actual eligible policing costs reported by the RCMP would be compared with the amounts used to establish municipal billings, with any resulting adjustment reflected in the subsequent fiscal year. As the Department has continued to assess the feasibility and administrative complexity of implementing an annual reconciliation process, including the differing budget cycles and timelines of the Province, municipalities, and the RCMP, it has been determined that, at this time, reconciliation will be used solely as an internal evaluation tool to assess the outcomes of the new billing model. Reconciliation will not result in an adjustment to municipal billings in the subsequent fiscal year.

Municipalities will continue to be billed based on the approved annual contribution established under the new billing framework. Any additional eligible policing costs identified through the reconciliation process will be absorbed by the Province and will not be charged to municipalities through a subsequent billing adjustment.

The Department will continue to monitor the results of the new billing framework, including the relationship between forecasted and actual eligible policing costs. This analysis will support the ongoing evaluation of the framework and inform future refinements, as appropriate.
The Department also intends to provide municipalities with regular reporting that supports a clearer understanding of the administration of the framework. This is expected to include information regarding significant staffing changes, resource levels, contract administration and cost details. The Province will continue working with municipal representatives to ensure that the reporting is useful, understandable and proportionate to the administrative requirements

placed on both levels of government.

Five-per-cent Cost Protection and the Five-Year Transition

I appreciate the opportunity to clarify the application of the five-per-cent protection, as the first five years of implementation involve a transitional mechanism that is more nuanced than a uniform five-per-cent limit in every direction.

The transition mechanism is intended to avoid abrupt changes as municipalities move from the former per-officer billing approach to the new service-based and data-informed methodology. Adjustments during the first five years will be calculated in relation to the municipality's contribution in the preceding fiscal year.

The planned transition parameters are:

- in Year 1, a municipality's contribution may decrease by no more than 25 per cent and will not increase;
- in Year 2, the maximum decrease is 20 per cent and the maximum increase is five per cent;
- in Year 3, the maximum decrease is 15 per cent and the maximum increase is five per cent;
- in Year 4, the maximum decrease is 10 per cent and the maximum increase is five per cent; and
- in Year 5, the maximum decrease is five per cent and the maximum increase is five per cent.

Following the five-year transition period, a permanent annual cap of five per cent is intended to apply to increases or decreases in the municipal contribution.

Accordingly, for municipalities concerned about annual increases, the framework is designed so that there will be no increase in the first implementation year and no increase exceeding five per cent in Years 2 through 5, subject to the final terms of the governing agreement. After the transition period, the permanent five-per-cent annual cap will apply.

This framework is designed to provide greater predictability, but it is important to distinguish predictability from a guarantee that policing costs will remain static. The underlying cost of policing may change because of RCMP compensation settlements, inflation, staffing requirements, operational pressures, equipment and technology requirements, federal-provincial cost-sharing arrangements, and other factors affecting the delivery of policing services. The cap is intended to protect municipalities from sudden year-over-year changes in the amount recovered from them under the framework. It does not eliminate the underlying cost pressures facing policing services.

The Province intends to incorporate the transition mechanism and the permanent cap into the written billing and cost-recovery agreements with municipalities. This will provide the formal written clarity requested by NSFM and will ensure that participating municipalities have a common understanding of how the protections are to be applied.

A five-year modelling was undertaken to understand how municipalities would move from the former per-officer approach to the new allocation methodology and to avoid immediate or

disproportionate changes for individual municipalities.

The modelling considered the municipal contribution produced by the new formula, compared that result with the amount determined under the previous approach, and then applied the transition parameters described above. Each year's permitted adjustment is based on the previous year's municipal contribution. The stepped reduction limits allow municipalities that would otherwise experience a significant decrease to move toward the full formula over time, while the maximum annual increase limits protect municipalities whose calculated contribution may rise.

The model will not remain static throughout this period. The Department will administer, monitor and annually recalibrate the framework using updated cost, budget, staffing and allocation information. Recalibration is necessary to ensure that the model continues to reflect changes in policing costs, municipal circumstances, approved resources and the information used in the allocation formula.

The Department will provide NSFM with additional explanatory material on the five-year transition methodology. Municipality-specific projections will continue to be discussed directly with each municipality, as individual results depend on the municipality's allocation factors, approved policing resources, applicable subsidies, shared service costs and the operation of the annual transition cap.

Calculation of Municipal Contributions

The new framework replaces an approach that relied primarily on the number of officers attributed to a municipality. Although officer assignment remains an important factor, officer count alone does not fully reflect the circumstances that affect policing demand or a municipality's capacity to contribute.

For the 2026–27 calculation, population information is derived from the 2021 Census, uniform assessment information is drawn from provincial uniform assessment data as of February 24, 2026, and officer information reflects approved RCMP resources for the 2026–27 fiscal year. The annual billing letter and supporting information provided to each municipality are intended to explain the municipality's estimated contribution and the basis for its calculation. The written agreements will further describe the methodology, including the provincial contribution, allocation factors, treatment of shared services, Crime Severity Index-related support, transition protections and annual reconciliation process. If any municipality wishes to have a more granular breakdown, Public Safety and Security Division will be happy to provide this information.

The Province is committed to implementing the new framework in a manner that is transparent, practical and responsive to legitimate municipal concerns. The one-on-one municipal meetings, the September 16 session and NSFM's present correspondence have identified areas where further clarity will support implementation. That feedback is valuable and will inform the Department's guidance, agreements and ongoing reporting.

The Province and municipalities share responsibility for supporting safe communities, although our respective legislative, financial and operational roles are not identical. The success of this framework will depend on respectful engagement, a clear understanding of those roles and a willingness to work through implementation issues in good faith.

I have asked Department officials to continue working with NSFM and individual municipalities on the matters raised in your letter, including the development of clearer reinvestment guidance, the treatment of transitional reserves, municipality-specific billing information and further explanation of the five-year modelling process.

Thank you again for writing and for NSFM's continued partnership. I welcome the opportunity for continued dialogue as the new framework is implemented and as municipalities develop public safety initiatives suited to the needs of their communities.

Sincerely,



The Honourable Scott Armstrong, M.L.A.
Attorney General and Minister of Justice

c: The Honourable John A. MacDonald, M.L.A., Minister of Municipal Affairs
Hayley Crichton, Executive Director, Public Safety and Security Division