

Strong Communities Need: Equitable Infrastructure Funding

Background:

Shared Responsibility for Municipal Infrastructure

Municipal governments are responsible for roughly 60 per cent of publicly owned infrastructure but receive just 10 cents of every tax dollar.

Since 2007, the Government of Alberta has helped fund community infrastructure through the Municipal Sustainability Initiative (MSI). MSI is vital to maintaining quality roads, sidewalks, water systems, recreation facilities, fire protection systems, and other infrastructure Alberta businesses and residents rely on daily.

MSI funding will end in 2021-22. The Government of Alberta has announced a replacement program for the cities of Calgary and Edmonton through the City Charters, but future funding for all other municipalities remains unknown.

Infrastructure projects must be planned years in advance. Not knowing what infrastructure funding will be available after 2021 means municipalities cannot effectively meet new planning obligations under the *Municipal Government Act*, which now requires municipalities to approve three-year operating and five-year capital budgets. Equitable, adequate, and sustainable infrastructure funding is important to building strong communities that attract businesses, industries, and residents. It is key to enhancing the Alberta advantage.

The Proposed Solution

Municipalities recognize Alberta's fiscal challenges. The cities of Edmonton and Calgary experienced 21 per cent cut to their annual provincial infrastructure funding through their new fiscal framework.

AUMA has communicated to the Province that other municipalities can accept the same reduction in funding.

AUMA is seeking a new fiscal framework that offers:

- Adequate funding that is equitable to what Edmonton and Calgary will receive.
- Predictability by calculating the amount of annual funding based on the province's actual revenues from three years prior.
- Stability by enshrining the fiscal framework in legislation.

This approach would help municipalities effectively plan for their future, while being flexible to the Province's fiscal realities and ensure that Albertans benefit from high quality community infrastructure.

Good to know:

The province has approved a new infrastructure program for Calgary and Edmonton but the future of funding for all other communities remains unknown.