



April 20, 2020

The Honourable Kaycee Madu
Minister of Municipal Affairs
132 Legislature Building
10800 – 97 Avenue
Edmonton, Alberta T5K 2B6

Dear Minister Madu:

On behalf of the Alberta Urban Municipalities Association (AUMA) and our members, we are pleased that your government is seeking input from municipalities on shovel-ready projects that can be funded as part of a provincial economic stimulus package. This news is welcomed by AUMA and municipal leaders as it will create thousands of jobs for Albertans who are currently struggling due to the current economic crisis caused by depressed oil prices and the COVID-19 pandemic.

As we understand that your ministry is currently exploring options for how economic stimulus funding can be rolled out for municipal infrastructure projects, AUMA recommends two key levers for this stimulus funding.

1. That this new economic stimulus funding for municipal infrastructure be implemented using the fundamental mechanisms of the Municipal Sustainability Initiative (MSI) program. While the new program must be separate from MSI, the allocation formula and guidelines of MSI would serve as a foundation for the delivery of new economic stimulus funding and would result in the following benefits.
 - **Minimize red tape** – The MSI formula is an established and successful mechanism to flow funding with minimal administrative burden for the province or municipalities. The simple allocation of funding would eliminate the costs and time for the province to create a new system for collection and review of applications and would also eliminate the time for municipalities to submit applications that have no guarantee of success.
 - **Diversity in job creation** – MSI allows municipalities to invest in a broad range of infrastructure projects based on community need. By using a similar set of guidelines, the economic stimulus funding would create jobs across numerous trades and industries without overloading one particular sector.
 - **Spread jobs across the province** – By distributing funding to all municipalities, jobs will be created in every community across Alberta. This includes construction contractors as well as indirect investments in local retail and service businesses such as suppliers, restaurants and accommodation providers.
2. This new and additional infrastructure stimulus funding will need to be a multi-year investment in Alberta's economy. It is recommended that the Provincial government front-load the funding in the 2020-21 budget year, and then cash-flow the funds to municipalities for projects over the next 1 to 3 years. This will allow for municipal projects that require a few more months of design before they can be considered as shovel-ready to be funded and proceed. Also, by committing to and

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accounting for historically significant stimulus infrastructure costs in 2020-21, this gets the expenditure booked in an already horrific financial year for the province and allows for the funds to be cash-flowed out in future years, when the province can focus on budget balancing.

Collectively, our goals are the same. A focus on job creation and ensuring Albertans receive value for their money. The use of MSI as the foundation for economic stimulus funding will minimize red tape and ensure that communities, businesses, and workers from all parts of the province can benefit.

Thank you for your consideration of our proposal and if you would like to discuss this matter further, please feel free to contact me by email at president@auma.ca or my cell phone at (403) 363-9224.

Sincerely,

A handwritten signature in black ink, appearing to read 'Barry Morishita', with a stylized flourish at the end.

Barry Morishita
AUMA President

cc: The Honourable Jason Kenney, Premier of Alberta
The Honourable Travis Toews, President of Treasury Board and Minister of Finance
Al Kemmere, President, Rural Municipalities of Alberta
Ken Gibson, Executive Director, Alberta Construction Association
Ron Glen, Chief Executive Officer, Alberta Roadbuilders and Heavy Construction Association