



November 24, 2016

Honourable Rachel Notley
Premier of Alberta
307 Legislature Building
10800 – 97 Avenue
Edmonton, AB T5K 2B6

Dear Premier Notley:

AUMA appreciates the opportunity to profile key municipal matters for consideration in the province's 2017 Budget.

It is imperative to fund municipal infrastructure to advance economic development, ensure public safety and wellbeing, and enable environmental stewardship. Municipalities are still recovering from the capital spending cutbacks over a decade ago, with the resulting infrastructure deficit further compounded by the shortfalls in the Municipal Sustainability Initiative (MSI) funding and pressures associated with Alberta's recent and unprecedented economic downturn. The economic slow-down is an ideal time to address these deficits through investments that create employment to stimulate the economy while increasing our productivity and competitiveness.

We appreciate your recent public commitment to work with municipalities to ensure stable and predictable funding and we offer the following requests for your consideration:

- Honour the province's 2016 commitment to allocate \$300 million to municipal projects using the provincial/regional component of the Building Canada Fund and provide a timely and transparent process for the selection of projects.
- Maintain the contribution formula of a 50 per cent federal, 40 per cent provincial, and 10 per cent municipal share for federal infrastructure programs.
- Replace the Municipal Sustainability Initiative funding with a statutory and indexed program where funding is allocation – not application – based.
- Continue to support water and wastewater management so that public health and compliance with federal and provincial standards can be assured.

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Honourable Rachel Notley

Page 2

In addition, municipalities request that the province freeze or reduce the provincial education tax requisition dollars to ensure that municipalities have the option of increasing the property taxes for municipal services, within the taxpayers' tolerance for increases.

As well, we urge the province to reinstate the grant in lieu of taxes for social housing, so the province honours its share of the financial responsibility associated with services to these facilities.

Given Alberta's high crime rates, we hope you will increase Municipal Police Assistance Grants and develop a new funding model so that all municipalities, with appropriate notice, will pay for a share of policing.

As part of your government's commitment to environmental stewardship, we are seeking your support for a carbon levy rebate for municipalities, similar to BC's approach. As well, we hope you will implement the recommendations in the 2012 brownfield working group's report which offers solutions for site remediation certification and liability.

We look forward to continuing to work with your government as partners in Alberta's economic, social and environmental sustainability.

Sincerely,



Lisa Holmes
AUMA President

cc: Cabinet