



NEWS RELEASE

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Alberta Municipalities President Cathy Heron's assessment of Budget 2022

EDMONTON – *The following is a statement from Alberta Municipalities President Cathy Heron about Budget 2022:*

The Government of Alberta is to be congratulated for tabling a 'back to balance' budget yesterday. It's a significant accomplishment.

While my congratulations are sincere, as a municipal leader, I must point out that many factors contributed to the provincial government's balanced budget.

One of them is the downloaded costs and responsibilities that municipalities continue to take on. In some cases, downloading is direct, as in the case of policing costs. In others, municipalities are being pushed to take on additional responsibilities because the province and the federal government are not fulfilling growing needs that fall within their jurisdictions.

This downloading of costs and responsibilities is particularly acute when we think about healthcare and social services. Chronic underinvestment in areas like affordable housing and seniors housing puts considerable pressure on other locally and provincially delivered services. Alberta Municipalities is disappointed that, while this budget pays lip service to affordable housing, the dollar figures simply do not back it up.

There are some positive signs of investment in healthcare, including mental health and addictions, and we will continue to monitor these files closely to ensure that Albertans throughout the province benefit from the investment.

Budget 2022 continues the downward trend in provincial funding for community infrastructure. This trend, which began in 2015, applies to all core capital funding programs that municipal governments rely on, including the Municipal Sustainability Initiative (MSI), Water for Life, Municipal Water and Wastewater Partnership, and the Strategic Transportation Infrastructure Program. This budget confirms that the Local Government Fiscal Framework (LGFF) will replace the MSI in 2024-25, but the funding level is still well below municipal expectations – 37% less than the annual average of MSI over the past 10 years.

Albertans are about to receive a 1.5% increase in their provincial education tax. While we appreciate that this is lower than the 3.1% increase forecasted in last year's budget, we believe it would have been better if the provincial government had frozen this tax altogether.

While the provincial government has many options to increase its general revenue, property taxes are municipalities' primary source of revenue. Municipal governments – our members – have worked diligently to keep property tax increases to a minimum in the face of increased expenses resulting from the provincial downloading of costs and responsibilities, along with inflationary pressures.

We believe homeowners and businesses would have benefitted from a break from this tax increase, considering the difficult economic times Albertans have endured during the pandemic. After all, there is only one taxpayer.

Alberta Municipalities and our members have been beating the broadband 'drum' for some time now, and Budget 2022 signals that the provincial government heard us. We are delighted that the Government of Alberta will invest \$390 million over the next four years in broadband projects for under-served communities. If the provincial government succeeds in getting the federal government to match its funding, which includes \$240 million in new money, the total funding available could be as much as \$780 million!

We have flagged our members' concerns with program requirements associated with the federal government's Universal Broadband Fund, and the Minister of Service Alberta has expressed his willingness to explore better ways to allocate the investment.

We are also reaching out to Service Alberta to pursue the recommendation passed by our members that a provincial strategy is still needed to better coordinate broadband investments to enhance access to the reliable, high-speed internet services many of our communities desperately need.

For more information:

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From the smallest village to the largest city, across every region of the province, Alberta Municipalities (ABmunis) represents the communities where over 85% of Albertans live. Previously known as the Alberta Urban Municipalities Association (AUMA), ABmunis was founded in 1905 to provide urban and rural-region communities a united voice.

We work with elected and administrative leaders of Alberta's summer villages, villages, town, cities, and specialized municipalities to advocate for solutions to their common issues, which we categorize as economic, environment, governance, infrastructure, or social.