



July 12, 2017

Honourable Wayne Easter, Chair
Standing Committee on Finance
Sixth Floor, 131 Queen Street
House of Commons
Ottawa, ON K1A 0A6

Dear Mr. Easter:

I am writing to submit the Alberta Urban Municipalities Association's (AUMA) input to the pre-budget consultations in advance of the 2018 Budget. This year's theme of "productivity and competitiveness" is particularly important to Alberta municipalities and their residents as Canada is facing challenging economic times and, given our natural resource economy, Alberta is particularly vulnerable. To this end, AUMA appreciates that the federal government has honoured its funding commitments for infrastructure, as these investments are critical to addressing the growing infrastructure deficit and need for fiscal certainty in our communities.

With respect to future infrastructure funding and program design, the following considerations are important:

- Delays in future bilateral federal-provincial infrastructure agreements must be resolved.
- Funding agreements should reflect each order of government's ability to pay. In light of the federal decision to reduce its contribution to 40 per cent in future bilateral agreements, AUMA supports a 40/40/20 federal/provincial/municipal contribution formula.
- In order for municipalities to best use these funds, an outcome-based, predictable funding approach should be used (i.e., funding should flow to municipalities and not be application based and consideration could be given to using the gas tax program since it is already established and its formula and administration are already developed and have proven to be successful).
- Cash flows for projects should be established in advance of major expenditures, and cash should ideally flow predictably according to these schedules so that municipalities do not need to "up front" the cost of projects. This will help those municipalities that do not have significant reserves, and prevent municipalities from exceeding their debt limits.

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- The federal government should provide additional certainty and details of the programs and eligibility that fall under the umbrella of social infrastructure and funds for affordable housing.

In addition, the 2018 federal Budget should consider:

- Restoring federal funding for disaster mitigation (e.g. flooding and fire mitigation) to previous levels so to deliver needed financial assistance to municipalities after a disaster has occurred.
- In order to address high crime rates in Alberta:
 - o Increasing the intake for the RCMP cadet program to fill vacancies that are creating risk of burnout in the existing force and hampering service delivery; and,
 - o Conducting an operational efficiency review to ensure existing RCMP resources are used in an optimal manner.
- Ensuring widespread access to broadband internet for smaller municipalities in remote areas. Reliable and high speed internet is crucial in all communities, and allows for innovation and cost savings in transportation, healthcare, community services and business practices.
- Restoring the tax exemptions that were removed in 2017 for non-accountable expense allowances paid to municipal office-holders. Removing this tax exemption will effectively reduce elected officials' salaries – which could make it more difficult to attract candidates, and could require municipalities to increase salaries by increasing property taxes accordingly.
- Increasing funding to ensure newcomers have access to customized language training services that allow newcomers to more easily integrate in the community and transition into the workforce.
- Providing funds to help offset increased costs relating to the legalization of cannabis - for example, funding additional police enforcement and public education.

Thank you for the opportunity to provide input into this important process. AUMA looks forward to working with the federal government further to ensure the prosperity and sustainability of communities across Alberta, and Canada.

Sincerely,



Lisa Holmes
AUMA President

cc: Ms. Jenny Gerbasi, FCM President