

Resolution Title: Commitment to Formal Municipal Consultations on the Future of Provincial Revenue Sharing

WHEREAS municipalities are under the jurisdiction of provincial governments as outlined in the *Constitution Act, 1867* and as such have a legitimate expectation for revenue sharing;

WHEREAS municipalities, their residents and the economy benefit from long-term, stable financial commitments from other orders of government;

WHEREAS municipalities receive approximately eight (8) cents of every tax dollar generated by all three levels of government;

WHEREAS municipalities are limited in their ability to raise needed revenue other than through property taxes;

WHEREAS municipalities are responsible for over half of the public infrastructure;

WHEREAS the population of Alberta is expected to grow by nearly one million over the coming decade, putting increased pressure on infrastructure and municipal assets; and

WHEREAS the Government of Alberta has a history of revenue sharing with municipal governments through programs like the current Municipal Sustainability Initiative (MSI);

WHEREAS the Government of Alberta has announced a two-year continuation of the Municipal Sustainability Initiative while they review the program to reaffirm outcomes;

WHEREAS the Government of Alberta has not made changes to the provision of statutory grants or provincial revenue sharing through any of their proposed amendments to the Municipal Government Act

NOW THEREFORE BE IT RESOLVED that the Alberta Urban Municipalities Association (AUMA) seek a commitment from the Minister of Municipal Affairs to timely, inclusive and comprehensive consultations with municipalities on the future of provincial revenue sharing to occur within the first six month of 2018 to ensure adequate time for feedback to be incorporated prior to expiry of the Municipal Sustainability Initiative (MSI) and that the details of those consultations are shared with municipalities sufficiently in advance.

BACKGROUND

Most municipalities rely on provincial and federal revenue transfers to address the infrastructure deficit. The federal New Building Canada Fund and provincial MSI programs are just two examples. MSI was a welcomed program that was refined with time to allow municipalities to address their local infrastructure priorities and the two-year extension is greatly appreciated.

As complex organizations delivering meaningful services to citizens, all municipalities in Alberta rely on **stable and predictable** provincial revenue sharing. Funding of this nature has been leveraged in the past to successfully build and rehabilitate critical community infrastructure, support Albertans and plan for

the future. The projects enabled by MSI over the past decade have had significant, positive community impacts. Without long-term predictable funding from the Province, the future of important community-building, collaborative, and climate-action initiatives and projects will be jeopardized. Certainty allows municipalities to continue work on projects that will keep Albertans working and stimulate the economy while getting the best value for those investments.

It is critical that municipalities are acknowledged as a valued partner in making the lives of everyday Albertans better. In order to hold the Government of Alberta accountable in this regard, municipalities must be persistent in seeking an open and formal consultation process where the future of provincial revenue sharing can occur.