



NEWS RELEASE
October 24, 2019

AUMA responds to Budget 2019

AUMA expected a provincial budget of restraint, and that was the budget the government delivered. We are relieved that the budget supports municipalities by maintaining critical programs for policing, libraries, Family and Community Support Services (FCSS), and the infrastructure operating budgets for small communities. We look forward to further funding details.

However, the planned changes to some municipal programs cause us concern. While Budget 2019 keeps the Municipal Sustainability Initiative (MSI) stable for this year, it will be depleted over subsequent years, leading to a new fiscal framework with a funding level that fails to address the long-term infrastructure needs of Alberta's communities.

"Despite a lack of consultation from the government on a new municipal funding framework, AUMA will continue to advocate for a framework that supports the province's financial goals while also meeting the needs and responsibilities of our communities," says AUMA President Barry Morishita.

"While the province reduces its budget by 2.8 per cent over the next four years, it has proposed reducing our infrastructure funding by almost 10 times that amount. With municipal governments currently facing a multibillion-dollar infrastructure deficit, these funding cuts will lead to crumbling community infrastructure or higher taxes for property owners for years to come," President Morishita explains.

Additionally, AUMA is extremely disappointed with the government's decision to replace the *City Charters Fiscal Framework Act*, backtracking on their campaign promise. We also have significant concerns about the extraordinary reduction to Grants in Place of Taxes (GIPOT) for municipalities that are home to provincially-owned buildings and facilities. A reduction in grant revenue equivalent to one per cent of property taxes for a city the size of Edmonton is a substantial impact and could result in downloading provincial costs onto city taxpayers. We understand that those municipalities with more than five per cent of their revenue coming from GIPOT will be exempt, which we appreciate.

Changing the terms of these agreements restructures the relationship our largest cities have with the provincial government.

"We're here to support each other – rural and urban, municipal and provincial – through Alberta's current economic context so we can all share in brighter times ahead. These are the things our local governments want to build strong communities, and a stronger Alberta," says President Morishita.

For more information:

[AUMA's Budget 2019 webpage](#)

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