

March 11, 2010

Alberta Rural Caucus and AUMA Executive

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Outline

- Better Government to Government Relationships: Province and Municipalities
- Value of Out-come Based Transfers
- Matters of Interest: Taxation and MGA Review;
- Education Amount of Property Tax; and
- Key Private Members' Bills
- Thank you

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Introduction to AUMA

2010

- The Alberta Urban Municipalities Association (AUMA) is a not for profit organization that began in 1905 and provides leadership in advocating local government interests to **all orders of government** and other organizations.
- AUMA represents **278** of Alberta's municipalities, including villages, summer villages, towns, and cities.
- AUMA acts as an advocate, a change facilitator, a governance supporter, and information manager, and a network participant.
- AUMA's initiatives tackle environmental, governmental, social, economic, and cultural issues and objectives.

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Municipalities in Today's Alberta

2010

- Many municipalities are struggling for viability in Alberta today.
- AUMA is addressing this need but in order to do this effectively and permanently, municipalities need to have their voice heard and respected.
- Municipalities also need a system in place for ensuring that their needs, including both physical and social infrastructure, are met.

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Better Government to Government Relationships

- Well defined spheres of authority plus clear avenues for change and clear processes for discussion will strengthen the relationship between the various orders of government.
- Currently, there is a lack of genuine consultation on matters that directly impact municipalities.
- Municipalities represent the citizens and communities that make up Alberta.
- Only through genuine, respectful collaboration and cooperation will the better Alberta we all seek be realized.

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Better Government to Government Relationships

- AUMA drafted a proposal by which municipalities would have a system of transfers in lieu of the current system of grants.
- The benefit to the Province is that this system would be in sync with the economy and municipalities would better be able to foresee what their funding would be year to year and could plan more effectively.
- This proposed system would also include performance measures for municipalities and thereby increase accountability.
- We presented the Agreement to all Ministers and Deputy Ministers in various meetings over the past 2 years.
- The principles behind our proposal were consistent with parts of Municipal Affairs' mandate: "Implement an accountability framework to ensure provincial funds provided to municipalities are used to meet agreed upon objectives," yet there has been little Provincial support for this idea.
- Despite these facts, the proposal was rejected.

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Value of Outcome-Based Transfers 2010

Outcome-based transfers would have several advantages over the current grant system:

1. provide stable, predictable funding;
2. provide a transparent system based on accountability that can be measured;
3. provide a more equitable system for municipalities of various sizes and capacity; and
4. provide a system that is in line with the economy.

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Matters of Interest: Assessment and MGA Review 2010

- In 2009, AUMA completed two papers on Assessment: the first focused on identifying the issues and the second went into further detail on addressing a number of key issues.
- AUMA has struck a Task Force on Assessment to continue this work in 2010.
- AUMA is aware that the Government of Alberta is planning a review of significant portions of the MGA.
- AUMA believes that the MGA is the most important legislation for municipalities and it is absolutely necessary that the Province engage AUMA in meaningful discussions and negotiations with respect to MGA amendments from first instance.

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Education Portion of Property Tax

- In the 2010 Provincial Budget, the education portion of the property tax was increased by \$69M.
- Both the education portion of the property tax as well as the personal and corporate taxes continue to increase yearly.
- AUMA asks why the Government of Alberta requires a portion of the property tax when their exclusive revenue sources continue to increase and are lucrative.

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Private Members' Bills

- Three recent Private Members' Bills have a direct impact on municipalities: 2009 Bill 202; 2009 Bill 203; and 2010 Bill 203.
- There was a lack of effective consultation with municipalities on all of these bills.
- AUMA would like to insure meaningful consultation on municipal matters.
- Meaningful consultation means better communication between orders of government and a more effective and efficient legislative system.

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Thank you

2010

AUMA appreciates all opportunities to collaborate with the Government of Alberta in working towards innovative, safe, healthy, environmentally sustainable and efficient province.

Thank-you for your time and consideration.

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