




March 11, 2010

Municipal Affairs and AUMA Executive

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Introduction to AUMA

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- 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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Introduction to AUMA continued

2010

- Some of our current initiatives include: Water Conservation, Development of a Climate Change Action Centre, Municipal Sustainability Planning, the Future of Local Governance, a Review of Assessment, Welcoming and Inclusive Communities, and a Special Advisory Committee on Youth and local government.
- Since our work is diverse, we interact with all of the Cabinet and with MLAs.
- In addition to working with government, AUMA also works closely with other associations and key municipalities. We have working protocols with AAMDC, the City of Calgary, Urban Development Institute, Sustainable Alberta Association, Alberta Recreation and Parks Association, and the Alberta Construction Association.

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Introduction to AMSC

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- Alberta Municipal Services Corporation (AMSC) is a for-profit organization formed in 2005 and owned by the AUMA.
- AMSC leads in design, development and provision of shared corporate and networked products and services that address the needs of their customers (including public entities, municipalities, and community groups).
- AMSC's core services include: General Insurance, Employee Benefit, Energy Supply, Pensions and Muni-Funds.
- AMSC has 11,483 participants in its benefit services and 749 participants in its insurance services.

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AUMA's Provincial Budget

2010

AUMA's Core Recommendation:

1. Transition from the current municipal grant system to a permanent system of annual transfers with outcomes-based reporting on provincial, local and joint priorities.
2. Cap Education Property Tax Dollars at \$1.2 Billion as previously promised.
3. Stimulate the economy by continued investments in municipal infrastructure, through transfers and partnerships.

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AUMA's Response to Budget 2010

Positive Points:

1. The total amount allocated to the MSI in 2010 is \$876M, (\$826M in capital grants and \$50M in operating grants).
2. The total of all focused municipal grants (the majority of which reside in Municipal Affairs and Transportation) remains similar.
3. The Green Transitive Incentive Program (Green Trip) has been funded to \$70M in 2010, with \$200M in each of 2011 and 2012.
4. The Province's commitment to fund the hiring of additional police officers in Alberta has been followed through on, to a total of \$148M.
5. The Seniors Lodge Assistance Program increased from approximately \$32M to over \$35M – an increase of 10.3 per cent.

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AUMA's Response to Budget 2010

Concerns:

1. The education portion of the property tax was increased by \$69M this year.
2. The transition of AMIP funds to MSI means that the majority of transfers to municipalities will occur through the MSI allocation formula thus funding for urban municipalities will be reduced.
3. The Municipal Water Wastewater Program has decreased by 57.2%.
4. The Municipal Sponsorship Program (MSP) has been eliminated.
5. The Community Initiatives Program (CIP) was cut by 6.4%. This is significant given the elimination of the Wild Rose Foundation and the re-direction of community groups to the CIP for funds.
6. The formula and total amount for the Municipal Police Assistance Grant remains the same, despite AUMA's vigorous efforts to make change in this area.
7. The Affordable Housing Program has been cut by 53.6 per cent.

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Government-to-Government

- AUMA sees a need to strengthen the relationship between the various orders of government by making clear the spheres of authority, avenues for change, and safeguarding a clear process for discussion.
- Currently, there is a clear lack of genuine consultation on matters that directly impact municipalities: e.g. franchise fees, Bill 202–Municipal Auditor General, and Bill 203–Local Election Campaign Contributions
- It is long past the time for the parent-child dynamic that sometimes creeps into provincial/municipal relations. Like the Provincial government, 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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Future of Local Governance and the MSS Working Group

AUMA made the following supplementary recommendation as part of the annual Budget Submission:

- Support AUMA with a Municipal Governance Toolkit and work with the Association to review incentive programs, and build a “made-in-Alberta” incentive solution that would encourage municipal governments to change if their sustainability assessment showed that they should make operational changes or restructure.
- AUMA has agreed to participate in the Government’s Municipal Sustainability Strategy Working Group; however, AUMA has concerns about limitations in the Terms of Reference to potential revenue solutions.

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Matters of Interest: Assessment and MGA Review

- 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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Thank you

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

We would like to hear about your Ministry's upcoming initiatives.

Thank you for your time and consideration.

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