



Presentation to Standing Committee on Finance (FINA) Pre-Budget Consultations

Date: October 4, 2016

Time: 9:00 – 10:30 a.m.

Location: Delta Edmonton South Hotel and Conference Centre

SPEAKING NOTES FOR PRESENTATION

Introduction:

- Thank you for the opportunity to present to this standing committee.
- The Alberta Urban Municipalities Association represents 269 urban municipalities across the province, including villages, towns and cities.
- As such, the Government of Canada's budget is of significant interest to our organization in terms of the budget's impact at the local level.
- Canada is facing challenging economic times. Alberta is particularly vulnerable given our natural resource economy, and we are seeing that in the form of an unemployment rate of roughly eight per cent and thousands of lost jobs over the past year.
- We therefore appreciate the federal government's recent funding commitments for infrastructure and housing, which not only address tangible infrastructure needs but also result in job creation and support for economic growth.

- We were pleased that the Government of Canada and the province honoured our call for a 50 per cent federal contribution, 40 per cent provincial and 10 per cent municipal for water related infrastructure projects.
- This formula reflects the capacity of each government to raise revenue and we hope that future agreements maintain this cost sharing formula.
- And while I know you and your committee are more focused on funding priorities at a higher level, I would be remiss if I didn't highlight the importance of connecting the Budget decisions of government with the on-the-ground execution of agreements that can ensure the funding quickly goes where it is required.
- Future bilateral federal-provincial infrastructure agreements need to be resolved in a timely fashion so that the funding correlates with our construction season.
- One of the ways to ensure the efficient flow of funds is to use an allocation model similar to the Gas Tax Fund so that infrastructure dollars flow through the province to municipalities.
- This approach allows resources to be allocated effectively and avoids the administrative burden associated with a grant application process. This is beneficial for all levels of government.
- It also capitalizes on local knowledge, as municipalities are in the best position to prioritize infrastructure investments based on the needs of our communities.
- We also encourage the Government of Canada to establish the cash flows for infrastructure projects in advance of major expenditures. If the cash flows predictably and in accordance with these

schedules, municipalities will not have to “up front” the cost of projects.

- This would be very helpful for municipalities, particularly those that do not have significant reserves.
- In order for our communities to prosper, they must feel safe and secure. According to 2014 statistics, Alberta’s violent crime rate was 18 per cent higher than the national average and our property crime rate 33 per cent higher. Actions are needed to address high crime rates in Alberta.
- From a budget perspective, this can be helped by allocating more funds to increase the intake for the RCMP cadet program to fill vacancies. While Alberta receives one of the highest allotments of new RCMP graduates, a shortage of officers has resulted in continued vacancies. In 2014 there were 112 positions, almost 10 per cent, that were vacant.
- As a result, services are reduced despite RCMP officers working longer hours and taking on more responsibilities. Our RCMP members are at risk of burnout. This affects staff morale and limits service delivery. The incurrence of overtime also adds to financial pressures for municipalities.
- It is also very important to improve broadband access throughout the province.
- Currently, the ability of small and remote communities to contribute to Canada’s economic growth is hampered by limited broadband.
- Reliable, high speed internet is a cornerstone of modern life and has the power to transform small communities. It allows for

innovation and cost savings in transportation, healthcare, community services and business practices. These benefit the entire nation.

- In closing, I would like to address disaster funding. As you are well aware, Alberta has had more than its share of disasters in recent years.
- Local disasters can have profound implications for the rest of the country, as the recent fire in Fort McMurray so clearly illustrated.
- We therefore urge you to recommend the restoration of federal disaster program funding to appropriate levels as this funding is vital to assist communities in their recovery efforts.
- Thank you for the opportunity to speak with you today and for your ongoing efforts to address Canada's needs.
- I will be happy to take your questions.