



MEMBER REQUEST FOR DECISION (RFD) SPRING 2021 MUNICIPAL LEADERS' CAUCUS

*Version 2: Updated on April 13 with an addition to the recommendation proposed by the Town of Sexsmith and accepted by the Village of Forestburg.

DATE:

April 14-16, 2021

TOPIC:

Local Government Fiscal Framework (LGFF) Implementation

RECOMMENDATION:

The Council from the Village of Forestburg requests that the AUMA advocate for the provincial government to implement the proposed Local Government Fiscal Framework at the beginning of the province's 2023-24 fiscal year **with the following amendment:**

- **Removal of the 50 per cent limitation in the revenue index factor calculation so that annual changes in LGFF funding is equivalent to annual changes in the Government of Alberta's revenue.**

BACKGROUND:

The recent provincial government budget indicated that the Municipal Sustainability Initiative (MSI) will be reduced and extended and that the replacement program, the Local Government Fiscal Framework (LGFF), will not be launched until 2024-25. While the starting amount of LGFF has been indicated to be the same as the 2021-2023 average of the reduced MSI Program at \$722 million, reference has been made by the Minister of an "escalator clause" that has not been defined or understood by municipalities as to its financial impact on the program.

The revised launch date of LGFF will occur following the expiration of the current provincial government's electoral mandate which will be no later than June of 2023. In order to provide certainty and predictability for Alberta municipalities and minimize further risks that electoral change may bring to provincial grant supports to municipalities, the Village strongly recommends that AUMA press the provincial government for an earlier implementation.

The Village of Forestburg believes there is adequate time for this program to be fully developed over the next two years and launched at the beginning of the Government of Alberta's 2023-24 fiscal year which is April 1, 2023.