



September 17, 2024

Honourable Nate Horner, ECA
President of Treasury Board and Minister of Finance
208 Legislature Building
Edmonton, AB T5K 2B6

Dear Minister Horner:

In recent years, Alberta has succeeded in drawing hundreds of thousands of new residents to our province. That trend is expected to continue, and Premier Smith has remarked that the Government of Alberta has a goal of doubling our population by 2050. The growth of Alberta's population requires significant involvement from Alberta's municipal governments to support the necessary housing growth and investments in community infrastructure to ensure Alberta's communities continue to be attractive places that will draw new residents and businesses to Alberta.

I write to you today to request a meeting to discuss Alberta's future and your vision for how Alberta's cities, towns, villages, summer villages, and specialized municipalities can work in partnership with the Government of Alberta. We would also like to discuss your upcoming budget for the 2025-26 fiscal year and what investments will be important to help sustain the growth in Alberta's population in the short and long term.

For context, we would like to understand your vision as it relates to the following issues:


Investments in Local Infrastructure to Support Our Growing Population

ABmunis appreciates that the province will launch a new Local Growth and Sustainability Grant later this year; but you will likely hear from some of Alberta's fastest growing cities that the budget of \$20 million is far short of what is needed to respond to growth challenges in Alberta's cities. Moreover, the Government of Alberta's total investment in municipal infrastructure has trended downwards for over a decade and is currently hundreds of millions of dollars below historic levels.

The reduced level of funding support from the province combined with significant population growth is only going to lead to one of two scenarios. In one of those scenarios, municipal councils will have to significantly increase property taxes on Albertans or delay the replacement and building of community roads, transit, water and wastewater systems, recreation centres, and other facilities that Albertans use each day. We would like to understand your government's role and vision for how to best fund the local infrastructure that will be needed to help keep Alberta an attractive place to live and do business.

Grants in Place of Taxes

As you know, property owned by the Government of Alberta such as schools, hospitals, courthouses and related properties are exempt from property taxes. Recognizing that municipalities must provide infrastructure and services to these properties; the province has compensated those municipalities each year through the Grants in Place of Taxes (GIPOT) program. However, in 2019, the GIPOT program was significantly cut, which placed an unfair financial burden on Albertans that live in municipalities with provincial facilities as they bear an increased property tax burden to fund these properties while Albertans from other communities use those facilities at no cost. We would like to understand the province's hesitation to fully fund the GIPOT program to support municipalities that have provincial facilities.



Affordable Housing

Our member municipalities are increasingly raising concerns about the rate of homelessness in many communities across Alberta and the corresponding increase in municipal expenses to address the issue. We know your government is attempting to manage this challenging issue and we would appreciate an opportunity to discuss the province's plan for affordable housing investments so we can update our members and help them plan for their future.

Provincial Property Taxes

In Budget 2024, the province increased provincial property taxes by 9.2 per cent, and forecasts to increase that tax by 4.5 per cent in 2025-26. Municipal councils are forced to add that to Albertans' property tax bills while also collecting what they need to fund their municipality's operations. How are municipal councils expected to minimize increases in property taxes on their residents when municipalities are forced to increase property taxes on behalf of the province, plus source additional funding to meet the gap left by the province's reduction in funding for municipal infrastructure? Plus, maintain a balanced budget as required by legislation. With that question in mind, we would appreciate an update on your Ministry's work with Municipal Affairs to review how provincial property taxes could be changed to enable more property tax dollars to be available for municipal councils to fund local infrastructure priorities.

Loans to Local Authorities Loan Pricing:

In January 2024, we met with you and discussed our concerns with the province's 2020 policy that charges a premium on loans to local authorities for community infrastructure. You communicated that you were open to reviewing that policy and made similar comments at our Spring 2024 Municipal Leaders' Caucus. We are interested in an update on the status of this review.

The decisions you and your colleagues make in the development of the 2025 provincial budget will have a long-term impact on how municipal governments operate and their ability to respond to Alberta's growth. We look forward to an opportunity to meet with you to discuss these issues and your government's vision for how municipalities can support Alberta's long-term growth. Our staff will reach out to your office to make the necessary arrangements. Please also feel free to reach out to me anytime by email at president@abmunis.ca or on my cell phone at (780) 312-0660.

Sincerely,



Tyler Gandam
President, Alberta Municipalities

cc: Hon. Danielle Smith, Premier and Minister of Intergovernmental Relations
Hon. Nathan Neudorf, Minister of Affordability and Utilities
Andrew Boitchenko, MLA, Drayton Valley-Devon
Hon. Devin Dreeshen, Minister of Transportation and Economic Corridors
Hon. Mike Ellis, Deputy Premier and Minister of Public Safety and Emergency Services
Hon. Brian Jean, Minister of Energy and Minerals
Hon. Dale Nally, Minister of Service Alberta and Red Tape Reduction
Hon. Rajan Sawhney, Minister of Advanced Education
Hon. Rebecca Schulz, Minister of Environment and Protected Areas
Hon. Ric McIver, Minister of Municipal Affairs