

Good morning and thank you for joining us for this breakfast. My name is Lisa Holmes, and I am the President of AUMA.

We very much appreciate that you have taken the time out of your busy schedules to be here, and meet with AUMA and our executive. In particular, I'd like to acknowledge:

- Minister Larivee,
- Minister Carlier,
- Minister Sabir, and
- Minister Sigurdson

This breakfast provides a great opportunity for dialogue on matters affecting the communities and citizens that we all serve and to discuss how we can partner to address economic, environmental and social issues and opportunities.

I'm pleased to introduce my colleague, Councillor Jim Stevenson, from the City of Calgary who is a Vice-President on our Board of Directors.

About AUMA

The Alberta Urban Municipalities Association empowers municipalities by providing visionary leadership, solutions-based advocacy, and service excellence.



I'd like to start with a brief introduction for those of you who may not be familiar with the AUMA.

Our association was formed in 1905 to represent the voice of municipalities.

We represent nearly 300 urban municipalities from across the province.

Collectively our municipalities are home to about 86 per cent of the province.



Our name is a bit misleading with the “urban” focus as it sounds like we are only representing the big cities.

But we also represent all the villages, summer villages and towns in rural areas across the province.

In fact, 80% of our members are communities with a population of 5,000 or less.

This vast range of members provides AUMA with a unique perspective on what communities of all sizes and locations really need.

As the needs of a village are very different from the needs of a city like Edmonton or Calgary, we spend a lot of our time developing solutions that will meet this diversity of needs.

We are known for our principle that “one size does not fit all” and that flexible approaches are required.

We are proud to be a solutions-based organization and we take care to always have constructive ideas to offer whenever we are shining the spotlight on a challenge or opportunity.

So we hope that AUMA is on each ministry’s list of top 10 “go to” places when it comes to

inviting input or obtaining information.

We value our partnership with the provincial government and are here to help you in understanding the needs of municipalities as the level of government closest to the people.



Municipalities are responsible for delivering quality of life services and providing supports for the business community.

While the needs of communities can vary, every community needs a level of service relating to water and waste water management, transportation, health and safety and recreation and culture.

As you can see in this slide, most of these services are not discretionary. For example, a municipality must ensure their water and wastewater plants operate in compliance with federal and provincial standards. Solid waste must be regularly collected and recycled or disposed of in an environmentally sustainable manner. The list is long in terms of providing those essential services.

You can see the average spending that municipalities allocate to these important services.

Municipal budgets are finite and largely driven by their property taxes, with heavy reliance on federal and provincial grants.

These grants are critical as municipalities own 60 per cent of public infrastructure yet receive only 10 per cent of the tax dollars.

This is what makes us so reliant on government grants to make up the shortfalls.


Historically, every municipality had their own sets of services that they independently managed and delivered.

Over time, however, we have seen a real shift towards regionalization, where municipalities are coming together more and more to collaborate on shared facilities and services as it is often too costly or inefficient for every municipality to individually own and operate these services.

The Growth Management Boards in the Capital and Calgary regions are big examples of collaboration but we also have collaboration occurring on smaller scales in communities across the province.

Top of Mind National Issues

- Infrastructure funding
- Legalizing marijuana
- Broadband
- Disaster funding and mitigation
- Affordable housing
- Women in Government
- Rural sustainability




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On behalf of our members, AUMA engages in matters that have a national as well as provincial impact.

For example, here is a snapshot of some very top of mind national issues that we discussed just last week when municipal associations across Canada came together in Ottawa.

As you may know, the federal government announced a two-phase infrastructure plan that committed \$120 billion over 10 years. The federal/provincial bilateral agreement for phase 1 for Alberta was signed on September 1. AUMA is pleased with the 50/40/10 federal/provincial/ municipal cost sharing agreement for water and wastewater funding and the 50/25/25 federal/provincial/municipal cost sharing formula for transit. Municipalities continue to call on the federal government to model funding around the very successful Gas Tax Fund which avoids the administrative burden of grant applications and instead sets out clear direction on how the funding can be used and allocated funding to specific municipalities through a formula. Municipalities are accountable for ensuring this funding is put to appropriate use and report their results.

Another issue is the legalization of marijuana for recreational use. Given health and safety issues, I'm sure it won't surprise you that municipalities have a lot to say about requirements for a regulatory system for the production, distribution, and

consumption of marijuana. Examples of hot topics include how to restrict access by young people, the impact on drug testing in workplaces, restrictions on the operation of a motor vehicle and relationships to existing smoking restrictions in public places.

Municipalities are also keen to learn how the \$500 million federal investment in broadband service will unfold. We know from a recent survey of our municipalities that access in many communities and rural areas in Alberta is “poor” or “very poor,” with barriers such as high costs, data caps, unreliable connections, slow internet speeds and poor customer service. This is a big concern as the lack of broadband access has restricted economic development and access to healthcare in our communities.

Municipalities are seeking assurance that disaster assistance funding will continue to be available from the federal government at appropriate levels and that municipalities can qualify for disaster mitigation program.

Affordable housing is a pressing issue in many municipalities so the federal commitment of \$3.4 billion in social infrastructure is a key interest. Municipalities are providing input into a National Housing Strategy and are profiling the need to address homelessness and develop a poverty reduction strategy.

Municipalities are aware of the importance of increasing the proportion of female leadership. While we are doing pretty good in Alberta and have exceeded the original target of 30 per cent in many municipalities, there is a long way to go.

Municipalities are intrigued to learn that the federal government is interested in setting up a rural secretariat. Of course it would be nice if everyone could agree on what “rural” means. The last time the federal government defined rural, they focussed on small communities with a population of 100,000 or less. In Alberta that’s a very big city not a rural area!

The Imperative for Market Access



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Another top of mind issue that we've been advancing with the federal government is regarding market access.

We need our products to reach the coast so that we can access additional customers for Alberta's products and allow Alberta to receive global prices for our products.

To grow our provincial and national economies, we must have multiple pipelines out of Alberta.

As well, we have been urging the federal government to reconsider the tanker ban.

MGA - Key pillars for AUMA

- Regional Collaboration
- Collaborative Partnership
- Municipal Funding



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Many of these issues are top of mind for our discussions with you as our provincial decision makers.

One of the most critical priorities for all municipalities is the Municipal Government Act review.

For many years now, the MGA has been out of date and does not reflect that economic and social patterns have changed. Service needs and expectations are out of alignment with municipal boundaries, governance models, and funding systems.

Over the past few years, AUMA has had 3 main areas of focus within the MGA review.

- The first is the need to modernize legislation to reflect the growing importance of regionalization. We've had some progress in this area in terms of regional approaches and sharing costs of services and infrastructure.
- We appreciate the province's move towards greater regionalization through provisions such as intermunicipal collaboration frameworks, intermunicipal development plans, and growth management boards within the MGA.

However, there are two areas that still need work:

- The provincial-municipal relationship needs to be reframed as a collaborative, government to government partnership.
 - The revisions to the MGA did not include mandatory consultation. We

appreciate the additional effort that the province has made in working together with municipalities, for example in involving AUMA in embargoed MGA discussion guides and releasing draft regulations – but there needs to be a legislated commitment to involve municipalities on regulatory changes that impact municipalities.

- We also need to address concerns with municipal finances to ensure that municipalities have the necessary revenue to provide essential services to Albertans.
 - We were disappointed that province didn't include legislated funding approaches as part of the MGA amendments. But we were pleased with the Premier's commitment this month to engaging with municipalities to deliver predictable and stable funding, and we are looking forward to working with the province to find a solution that meets our members' needs.

MGA Successes

- Governance and administration:
 - Regional approaches: Intermunicipal collaboration frameworks
 - Accountability: Elected official training, code of conduct
- Planning:
 - Clarity: hierarchy of plans
 - Greater flexibility: scope of offsite levies
- Assessment and taxation:
 - Subclasses
 - Forthcoming changes in the regulations

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The MGA review, through Bills 20 and Bill 21 have provided some positive changes for municipalities.

The biggest change is the move to mandatory regional approaches, as was mentioned in the previous slide.

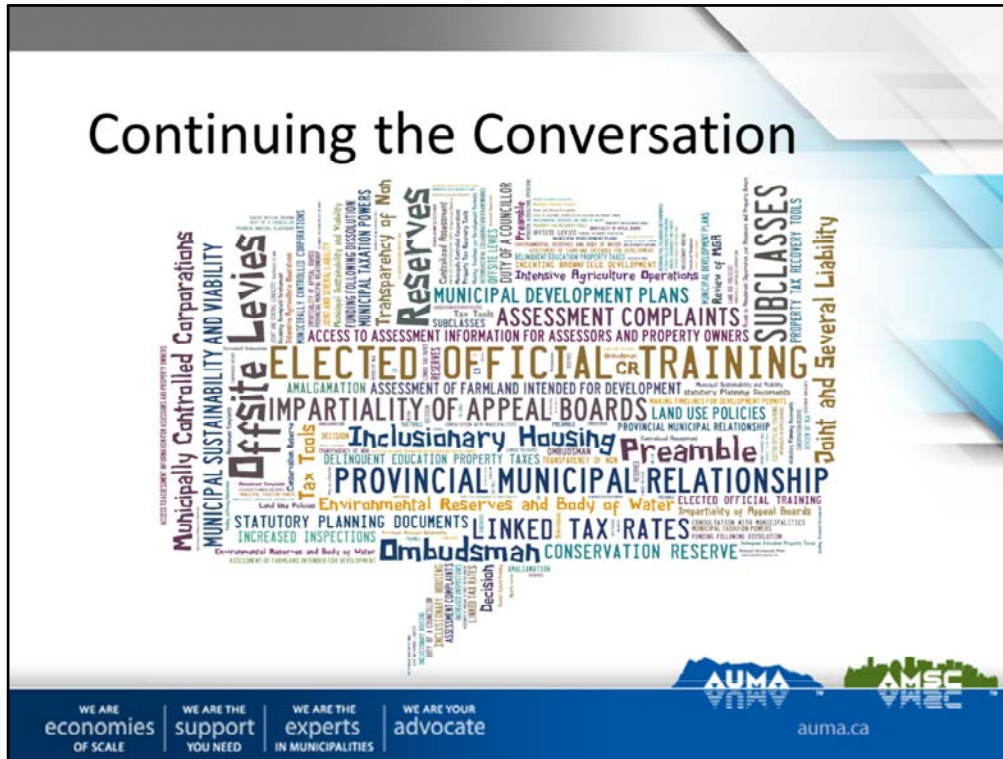
In addition, we appreciated the changes to the Act that enable efficient municipal operations and provide clarity to strengthen municipal capacity.

For instance, there were changes that outlined requirements for corporate planning, public participation policies, elected official training, and codes of conduct.

In terms of planning, we appreciated the clarity provided by the hierarchy of plans, and the additional flexibility afforded to us with the scope of offsite levies.

By removing the 30 per cent threshold barrier, municipalities will be better positioned to ensure that costs for new infrastructure are distributed fairly and that they are equipped to build the complete communities that residents expect.

In terms of assessment and taxation, we appreciate that municipalities will be able to have multiple subclasses for non-residential assessment, and we look forward to many changes coming into the regulations that will streamline the assessment and taxations systems.



AUMA is pleased that the province is committed to making additional changes to the MGA.

This shows that government is listening to feedback from municipalities and recognizes that the changes made to date do not go far enough and that we need to take the time to get it right.

Most important is the need for stable and predictable funding which I'll come back to in just a minute.


There are several other changes that AUMA will be seeking:

- Changes are still required to areas of shared responsibility, such as brownfield redevelopment and affordable housing.
- Municipalities continue to require greater flexibility on land use decisions, including flexibility for municipal reserves and redevelopment levies.
- Changes need to be made to increase protection for municipalities relating to joint and several liability, and an oversight body should be established to oversee sanctions for future municipal codes of conduct.
- These outstanding issues remain important to municipalities and AUMA

will continue to work with government on behalf of our members to make these improvements to the MGA.

Provincial Budget 2017

- Stable and predictable infrastructure funding
 - Contributions to Building Canada Fund
 - MSI and Water/ wastewater funding
- Education tax requisition
- Grants in Lieu of Taxes
- Police funding
- Redeveloping brownfields
- Carbon levy rebate





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We are also very interested and invested in what happens with the provincial budget this spring.

We know that these are challenging economic times so we have been very focused on the changes that will have the most impact for our province's recovery.

Our most critical ask of the province for the budget is to provide stable and predictable infrastructure funding for municipalities. This includes:

- Honouring the \$300 million pledge for municipal projects through the provincial/regional component of the Building Canada Fund and provide a timely and transparent process for the selection of projects.
- Maintaining the contribution formula of a 50 per cent federal, 40 per cent provincial, and 10 per cent municipal share for federal infrastructure programs.
- Replacing the Municipal Sustainability Initiative funding with a statutory and indexed program where funding is allocation – not application – based.
- Continuing to support water and wastewater management so that public health and compliance with federal and provincial standards can be assured.

Further, we would ask that the government:

- Freeze or reduce the provincial education tax requisition dollars to ensure that municipalities have the option of increasing the property taxes for municipal services, within the taxpayers' tolerance for increases.
- Reinststate the grant in lieu of taxes for social housing, so the province honours its share of the financial responsibility associated with services to these facilities.
- Increase Municipal Police Assistance Grants and develop a new funding model so that all municipalities pay for a share of policing effective one year after the new model is developed.
- Redevelop brownfield sites into productive economic use through implementing the recommendations in the 2012 brownfield working group's report which offer solutions for site remediation certification and liability and
- Provide a carbon levy rebate for municipalities.

Other Key Interests

- Transportation Strategy/Infrastructure
- Market Access
- Wild Fire Management
- Family and Community Support Services
- Seniors' Housing
- Affordable Housing



Each ministry has an impact on municipalities, and municipalities have the ability to impact the work that is done in each ministry.

So to close, I just want to take a moment to thank the Honourable members for some of the positive work that they have done:

Of course, we would firstly like to thank Minister Larivee. Minister, you have been a strong advocate for municipalities. We thank you for taking your role as steward of municipalities so seriously and for continuing to bring the municipal perspective to government.

Minister Carlier: Agriculture and Forestry

- AUMA appreciates the advocacy that the Minister of Agriculture and Forestry continues to do on behalf of Alberta producers. Your hard work is increasing market opportunities for a variety of Alberta products and we look forward to assisting you in increasing market access. We also appreciate the FireSmart program in terms of preventing wildfires.

Minister Sabir: Human Services

- AUMA would like to commend the Minister of Human Services on increasing the funding for FCSS. The indexing of this funding is important to keep pace with

demand from those vulnerable Albertans who depend on this help. And please keep going on the homelessness initiative – things are working well!

Minister Sigurdson: Seniors and Housing

- We look forward to continuing to work with the Minister of Seniors and Housing to ensure that Alberta's seniors have the resources they need to age with dignity and have access to modernized lodges. We appreciated the opportunity to provide input into the Affordable Housing Strategy and congratulate you on your desire to have measurable targets to measure impacts.

Moving Forward Together

- Regionalization
- Partnership
- Rural Alberta



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We welcome your questions and comments about the opportunities and challenges that I have profiled this morning.

In particular, we are interested in dialogue on three key topics.

- Regionalization – this has been a major theme of the changes to the MGA, including intermunicipal collaboration frameworks – which includes the way we govern, plan, and fund our municipalities. We would like to discuss – what are other ways that the province is incorporating regional approaches into policy. In what other ways is the move to regionalization on your radar?
- Partnership: How can AUMA and the province work together as partners? What role do you see that municipalities have in achieving the provincial outcomes?
- Rural Alberta: We’ve heard a lot about making sure we protect rural Alberta. How can we work together to advance the sustainability of our rural communities?

PAUSE FOR DISCUSSION/COMMENTS

CLOSING

As the provincial government and municipalities share many common goals, we urge you to proactively engage AUMA in the opportunities and challenges you are addressing and to collaborate on outcomes that we can all be proud of.

On behalf of AUMA's Board of Directors I would like to thank you again for being here.

We look forward to continuing to build this partnership – together.