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Changes required by province to ensure municipal sustainability

EDMONTON – The Alberta Chambers of Commerce and the Certified General Accountants Association of Alberta released a report today, which called for municipal sustainability without the introduction of new revenue tools.

The report, which is the second in the Alberta Vision 2020 series, stressed a number of recommendations to the provincial government, now that the Province is debt-free.

“During the 1990s, the provincial and federal governments were eliminating their own deficits, and as a result municipalities had to “share the pain” as they received less in transfers from the senior orders of government,” said Ken Kobly, Alberta Chambers of Commerce. “Now that our province is in such an enviable financial position, we are calling on them to establish sustainable and predictable funding to municipalities by reallocating resources to the local level,” added Kobly.

“This report builds on the key themes reported in phase one. Various effect of risks such as an aging population, decreasing resource royalties, rural to urban migration, the risk of spending future surpluses, and increasing health costs will be felt not only at the provincial level, but also at the local level,” said John Carpenter, Executive Director and CEO of CGA-Alberta. “We want the province to start planning now, for the risks we know are coming twenty years from now.”

Population and fiscal stresses on Alberta Municipalities makes the following key recommendations to the Government of Alberta:

- Reduce municipal spending obligations by reassigning certain responsibilities to the provincial level;
- Allow municipalities greater flexibility in capital finance to encourage greater use of borrowing through non-traditional means; and,
- Reform and increase transfers to provide a predictable, sustainable level of funding to municipalities to facilitate municipal long term planning.

All 83 Members of the Legislative Assembly (MLAs) have been provided with a copy of the report. The ACC and CGA-Alberta will also be meeting with various government representatives in the coming weeks.

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The full report is available at www.albertavision2020.ca.

Vision 2020 is a broad-based, research project aimed at understanding Alberta's and Canada's social and economic policy options. To gain better insight on what those options might look like, we need to identify the trends that will form the foundation for the future. By identifying the trends we are in a better position to provide policy recommendations to the government, to help with planning beyond the current political cycles.