



NEWS RELEASE

What Alberta's communities need Budget 2026 to deliver

Crumbling infrastructure, population growth, inflation and downloading need to be addressed

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EDMONTON – Alberta Municipalities (ABmunis) is eager to learn what the Government of Alberta's Budget 2026 will bring and determine how it will affect communities across the province.

The 264 summer villages, villages, towns, and cities for which ABmunis advocates have clearly communicated that current provincial investments in local infrastructure fall well short of meeting their needs. An unanticipated surge in population growth, ongoing inflationary pressures, continued downloading of responsibilities by other orders of government, and funding gaps for community preventative services have combined to strain local government budgets.

Infrastructure investments needed

Over the last 15 years, successive provincial governments have reduced their investments in local infrastructure by more than half. This has placed an outsized burden on municipalities tasked with maintaining aging infrastructure, such as underground water pipes and wastewater treatment systems, and rapidly building new infrastructure for growing communities.

ABmunis calls on the provincial government to address this pressing need and increase funding for community infrastructure. Without substantial additional new investment by the Government of Alberta, we anticipate that the municipal infrastructure deficit will continue to grow by upwards of \$1 billion a year.

Inflationary pressures mounting

It's no secret that local governments are struggling with continuing cost increases. For example, a fire truck now costs \$1 million more than it did in 2020 – an increase of 73 per cent. Additionally, RCMP wages increased by 24 per cent between 2017 and 2022. And construction costs are so high that many councils are delaying repaving roads or changing their plans to replace community buildings, like libraries and recreation centres.

Without greater assistance from the provincial government, local governments will have no alternative but to increase property taxes to pay for the ongoing increases in services costs and the growing costs caused by delaying maintenance of aging infrastructure.

Preventative social services

On top of these budget pressures, higher orders of government are downloading costs onto municipal governments and removing revenue streams. The Alberta government increased funding for Family and Community Support Services (FCSS) programs slightly in 2023, from \$100 million/year to \$105 million/year, following eight years of unchanged funding. These services help families in need and make a significant difference by helping to prevent crises, but government funds are falling short of meeting the need.

Municipal governments have had to cover the government's share of costs by significantly increasing their spending on community social services and programs to meet their residents' needs and expectations, placing their budgets under additional strain. ABmunis estimates FCSS needs about \$60 million more per year from the province to maintain current programming levels.

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Provincial government funding for municipalities needs to be increased. By investing more significantly in local infrastructure and preventative social services, Alberta communities will be able to avoid costly infrastructure failures, mental health crises, and continue to meet the evolving needs of their rapidly growing populations.

Municipal governments have few options available to increase revenues to balance their strained budgets. But the steady accumulation of downloaded services from higher orders of government and the cumulative declines in provincial funding support over the last 15 years have left local governments with no choice but to raise property taxes if they are to meet their communities' needs and expectations.

Resource: Alberta Municipalities' [Property Taxes Reimagined](#) initiative.

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From the smallest village to the largest city, across every region of the province, Alberta Municipalities (ABmunis) represents the communities where over 85% of Albertans live. Founded in 1905, ABmunis now serves 264 of Alberta's 334 municipalities, making it the province's largest municipal group.

We work with elected and administrative leaders of Alberta's summer villages, villages, town, cities, and specialized municipalities to advocate for solutions to their common issues. And we help them build resilient and thriving communities by providing valuable services. We use our members' combined purchasing power to negotiate the best possible value and competitive pricing on employee benefits, insurance, energy, and other services needed to run an effective and efficient municipality.