Alberta Municipalities
Strength In Members

August 31, 2026

Honourable Jason Nixon, ECA
President of Treasury Board and Minister of Finance
208 Legislature Building
10800 – 97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Nixon:

On behalf of Alberta Municipalities (ABmunis), thank you for your continued engagement with municipal leaders as the Government of Alberta prepares Budget 2027. Alberta's municipalities share your government's commitment to ensuring our province remains the best place in Canada to live, work, invest, and raise a family. Municipalities are active partners in supporting Alberta's continued growth, but the ability to do so depends on a fiscal partnership that recognizes the infrastructure, services, and local conditions required to sustain that growth.

As Alberta's population grows, the pressures on municipal finances are becoming more acute. Inflation, reduced real per-capita provincial support, new provincial requirements, increased policing and regulatory costs, rising provincial property taxes, and growing expectations for municipalities to fill gaps in provincial services are all converging on the same limited local revenue base. The result is a mounting burden on property taxpayers and a growing risk that communities will be unable to deliver the infrastructure and services needed to support housing, economic development, and quality of life.

Budget 2027 is an opportunity to establish a more durable provincial-municipal fiscal partnership. As you develop Budget 2027 ABmunis respectfully asks the Government of Alberta to consider four mutually reinforcing priorities: increased infrastructure funding, a phased increase to preventive social services funding through Family and Community Support Services (FCSS), housing-enabling investments and policy alignment, and a broad conversation about Alberta's fiscal framework that includes municipal governments.

These priorities build on ABmunis' Budget 2026 submission and reflect the fiscal pressures outlined in our recent correspondence to your predecessor on municipal finances, as well as our work with partners to protect Alberta's off-site levy model and advance housing supply.

<u>**Invest in municipal infrastructure to support growth and affordability**</u>

Municipal infrastructure is the foundation of Alberta's growth. Roads, bridges, water and wastewater systems, recreation facilities, transit, stormwater systems, and other local assets enable new housing, support industry, attract investment, and allow families and workers to build their lives in Alberta communities. When municipalities cannot keep pace with growth or maintain existing assets, the consequences are felt by residents, businesses, and the provincial economy.

For more than 15 years, provincial infrastructure support for municipalities has declined in real per-capita terms. At the same time, Alberta has experienced rapid population growth and escalating construction costs. Municipalities have responded by deferring maintenance, rescoping projects, delaying replacement of critical assets, and increasing reliance on local property taxes and user fees. These choices are not

300, 8616 - 51 Avenue NW ▪ Edmonton, AB, T6E 6E6 ▪ abmunis.ca ▪ hello@abmunis.ca
T 780.433.4431 ▪ F 780.433.4454 ▪ AB Toll Free 310.MUNI

sustainable. They increase long-term costs, create risks of service failure, and make housing and business investment more expensive.

ABmunis asks the Government of Alberta to increase predictable, flexible, and long-term capital funding to municipalities in Budget 2027, including through the Local Government Fiscal Framework and complementary water, wastewater, and transportation infrastructure programs. Funding should be sufficient to help communities address existing infrastructure deficits while also building the assets required for new housing and population growth.

This investment is also an affordability measure. If provincial support does not keep pace with growth and infrastructure costs, municipalities are left with few options other than increasing property taxes, increasing fees, borrowing more, or delaying necessary work. A stronger provincial infrastructure partnership will help reduce pressure on property taxpayers, support housing supply, protect public assets, and strengthen Alberta's competitiveness.

Phase in a sustainable increase to Family and Community Support Services (FCSS)

FCSS are among Alberta's most effective tools for prevention and early intervention. FCSS is marking its 60th anniversary this year, and this longevity is a reflection of how valued it is in Alberta communities. Locally driven FCSS programs help Albertans before they reach crisis, reducing pressure on more expensive systems such as health care, emergency services, policing, housing supports, and child and family services. These programs are particularly important as communities respond to population growth, affordability pressures, mental health and addictions challenges, social disorder, and the needs of seniors, youth, families, and newcomers.

Despite its proven value, FCSS funding has not kept pace with Alberta's population growth or inflation over the last decade and municipalities have increasingly contributed beyond their required share to keep local prevention programs operating, even while facing their own fiscal pressures. The result is that communities are being asked to do more prevention work with fewer real resources, while the province bears the downstream costs when people fall into crisis.

In our previous budget advocacy, ABmunis requested an immediate increase in core FCSS funding to restore the program's purchasing power and reflect Alberta's growth. For Budget 2027, we are asking the province to take a phased approach that recognizes current fiscal constraints while establishing a clear path to sustainability.

ABmunis asks the Government of Alberta to commit in Budget 2027 to a multi-year increase to core FCSS funding, phased in over several years, with annual increases that move the program toward a level that reflects population growth and inflation. Once the program has been restored to an appropriate level, funding should be indexed annually so preventive services do not fall behind again.

This phased approach would allow the province to make meaningful progress within its fiscal plan, while giving municipalities and FCSS providers the predictability needed to retain staff, plan programs, and respond to local needs. It would also align with the government's broader interest in reducing long-term pressure on health care, justice, emergency response, and other crisis-oriented systems.

Support housing by protecting municipal infrastructure tools and investing in enabling infrastructure

Alberta continues to lead the country in housing starts because municipalities, builders, and the province have worked within a framework that supports growth while ensuring the cost of growth is shared fairly. A central part of that success is Alberta's off-site levy model, which allows municipalities and developers to plan for and fund the infrastructure needed to support new development.

Housing cannot be built without infrastructure. New homes require roads, water and wastewater systems, stormwater management, parks, emergency services, and community amenities. If municipalities are unable to recover reasonable growth-related costs through off-site levies or receive adequate support from other orders of government, those costs do not disappear. They shift to existing property taxpayers through higher property taxes or utility fees, reduce the pace of infrastructure construction, or limit the ability of municipalities to approve and service new development.

ABmunis asks the Government of Alberta to continue defending Alberta's off-site levy model and to ensure that provincial and federal housing and infrastructure programs respect municipal autonomy, local cost conditions, and the need for growth to pay for growth. Provincial and federal funding should complement, not undermine, the tools municipalities use to responsibly plan and service new neighbourhoods.

Allocation programs like the LGFF and Community Stream of the Building Canada Strong Fund contribute towards essential municipal infrastructure with less administrative burden on federal, provincial and municipal governments than carve out, application-based programs. Focusing on increases to programs such as these which are focused on outcomes and flexible enough to meet the needs of diverse communities has the added benefit of reducing the need to put taxpayer dollars towards grant administration.

Launch a broad conversation on Alberta's fiscal framework that includes municipalities

ABmunis' Property Taxes Reimagined initiative has highlighted a core challenge: Alberta's current fiscal framework is placing too much pressure on property taxes while municipal responsibilities and expectations continue to grow. Property taxes are an important local revenue tool, but they are not well suited to absorb the cumulative impact of inflation, population growth, infrastructure deficits, provincial downloading, increasing property tax requisitions by the Government of Alberta, and the cost of responding to unmet social and economic needs.

The province has acknowledged the need to review Alberta's fiscal framework. Municipal leaders must be part of that conversation. Alberta has one taxpayer, and decisions made by one order of government directly affect the fiscal room and accountability of another. When provincial funding declines, provincial costs are downloaded, or provincial property taxes rise, municipal councils are left to explain higher property tax bills and reduced local capacity, even when the underlying pressures originate outside municipal control.

ABmunis asks the Government of Alberta to initiate a broad, transparent, and collaborative conversation with municipalities on the future of Alberta's fiscal framework. That conversation should examine which order of government is responsible for which services, how those services should be funded, how provincial and municipal property taxes interact, and whether municipalities have the right mix of tools to deliver the services Albertans expect.

This should begin with shared facts, transparent data, and a willingness to understand how provincial and municipal decisions interact. ABmunis is ready to contribute the research, member stories, and policy analysis developed through Property Taxes Reimagined to help inform that work.

Conclusion

Alberta's municipalities want the province to succeed. We also know that Alberta's success depends on strong, well-serviced, and financially sustainable communities. Budget 2027 is an opportunity to strengthen the provincial-municipal partnership by investing in the infrastructure that supports growth, restoring preventive social services through a practical phased approach, protecting the tools that enable housing, and beginning a broader conversation about how Alberta funds public services.

ABmunis would welcome the opportunity to meet with you and your officials to discuss these priorities as you develop Budget 2027. We look forward to continuing to work with the Government of Alberta to build strong communities and a sustainable fiscal future for all Albertans.

Sincerely,

Dylan Bressey
President, Alberta Municipalities

Cc: Hon. Danielle Smith, ECA, Premier and Minister of Intergovernmental Relations
Hon. Nathan Neudorf, ECA, Minister of Assisted Living and Social Services
Hon. Mike Ellis, ECA, Deputy Premier and Minister of Public Safety and Emergency Services
Hon. Brian Jean, ECA, Minister of Energy and Minerals
Hon. Joseph Schow, ECA, Minister of Jobs, Economy, Trade and Immigration
Hon. Rajan Sawhney, ECA, Minister of Indigenous Relations
Hon. Andrew Boitchenko, ECA, Minister of Tourism and Sport
Hon. Dan Williams, ECA, Minister of Municipal Affairs
Hon. Tanya Fir, ECA, Minister of Arts, Culture and Status of Women
Chantelle de Jonge, MLA, Chestermere-Strathmore
Tany Yao, MLA, Fort McMurray-Wood Buffalo

ABmunis' 2027 Budget Submission

1 Municipal infrastructure...

funding is not keeping pace with growth.

>> Our Ask

Increasing long-term, flexible, predictable infrastructure funding.

The impact

- Reduced infrastructure deficit
- Better service delivery
- Stronger local economies

3 Supporting housing...

current approaches to funding housing-enabling infrastructure are not sustainable.

>> Our Ask

Protecting Alberta's off-site levy model and investing in housing-enabling infrastructure.

The impact

- Increased housing supply
- Faster community growth and development
- Lower cost pressure on existing taxpayers

2 Family and Community Support Services (FCSS)...

funding has not kept pace with Alberta's population growth or inflation over the last decade.

>> Our Ask

Committing to a phased, multi-year increase in FCSS funding tied to population growth and inflation.

The impact

- Stronger, healthier communities
- Reduced pressure on high-cost public systems through prevention and early intervention
- Meaningful progress within the province's fiscal plan

4 Alberta's fiscal framework...

municipal leaders are not included in conversations that directly affect municipalities.

>> Our Ask

Initiate a broad, transparent, and collaborative conversation with municipalities on the future of Alberta's fiscal framework.

The impact

- Better alignment between provincial and municipal priorities
- More informed fiscal decision-making
- More sustainable funding approaches for public services

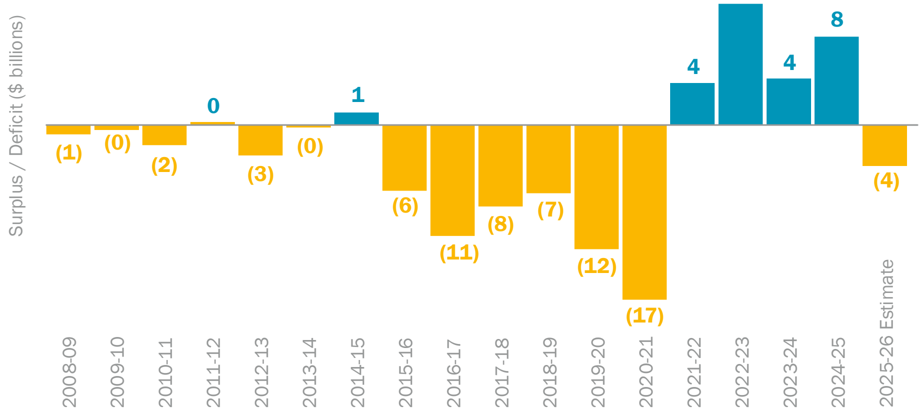
Connect with us: advocacy@abmunis.ca
ABmunis.ca

Security Classification: Private

Alberta Municipalities
Strength In Members

The GoA faced deficits in 12 of the last 17 years

GoA's annual Surplus / Deficit



This shows that local councils believe these programs are important and that their communities need more support. In 2024, Alberta Municipalities' members called for the Alberta government to increase its FCSS funding to $161 million to keep pace with Alberta's inflation and population growth.

GoA decrease of funding (per capita)

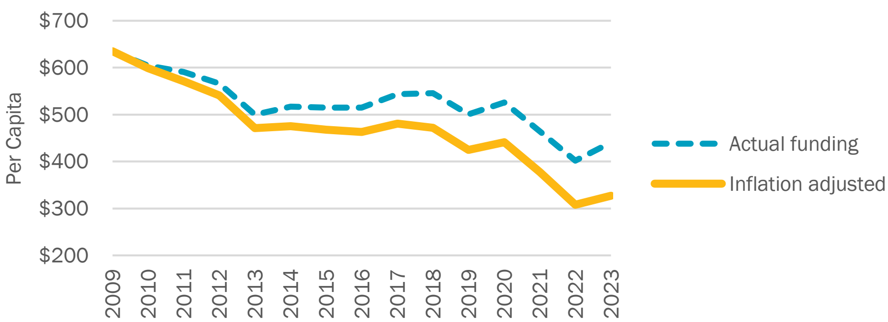
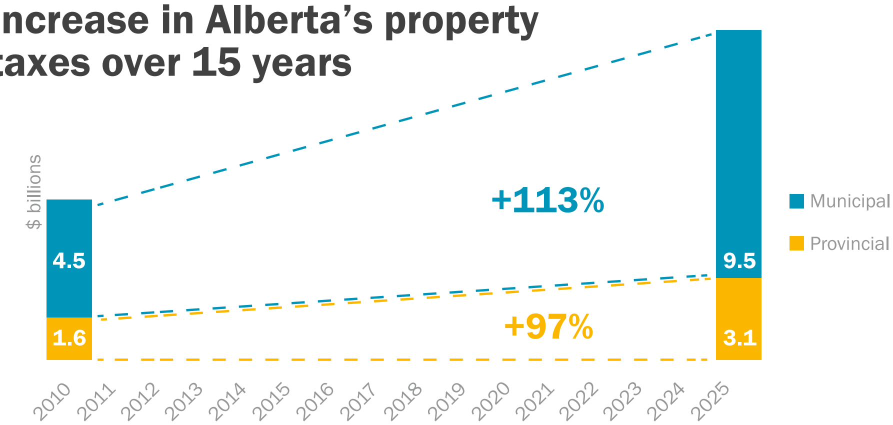


Figure 1: Includes capital and operating funding. Calculated using Alberta Municipal Affairs, Financial Information Returns, Schedules D and E(2). Inflation adjusted figures are based on 2009 constant dollars using Alberta's Consumer Price Index, Statistics Canada Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted. Population sourced from the Government of Alberta Regional Dashboard.

Funding decreased
From **$623** in 2009
to **$318 per person** in 2024

Property taxes increased
From **$6B**
to **$12.6B**
in **15 years**

Increase in Alberta's property taxes over 15 years



Source: Provincial property tax figures are sourced from the Alberta government's annual fiscal plan. Municipal property tax figures are sourced from Municipal Affairs' annual financial information returns, Schedule D(1), column 01720. 2025 municipal property tax is an estimate based on the average annual increase between 2010 and 2024.

Connect with us: advocacy@abmunis.ca
ABmunis.ca

Alberta Municipalities
Strength In Members