



For Immediate Release

January 4, 2024

Town of Okotoks urges Alberta Government to increase funding for municipalities

OKOTOKS, AB: The Town of Okotoks is calling on the province to substantially increase the funding 'pot' for the Local Government Fiscal Framework (LGFF) program. Under this new framework, the Town of Okotoks is set to receive less funding per capita than it has in the last 10 years.

The largest total annual capital funding provided to Okotoks from the province in the last 10 years was \$11.383 million in 2017. On average, the Town received \$5.805 million annually over the last decade. With the new LGFF funding announced last month, the Town's total capital funding from the province will be substantially less, at \$3.438 and \$3.968 million in 2024 and 2025, respectively.

Over the past 10 years, the average per capita funding Okotoks has received from the province was \$193 per capita. Under the LGFF, the Town is now set to receive only \$105 per capita in 2024 and \$119 per capita in 2025.

As the province continues to encourage people from across the country to move here with its [Alberta Is Calling campaign](#), without sufficient funds in the LGFF program, municipalities, who are experiencing growth—including Okotoks, will continue to face pressures on maintaining core infrastructure, meeting demands for service levels from increased growth and access to affordable housing

Although communities have continued to grow, the provincial government's spending on local infrastructure has dropped from 3.7 per cent of total spending a decade ago to just 1 per cent today.

Without additional funding to build infrastructure (i.e., roads, water and wastewater infrastructure, fire halls, recreational facilities etc.), the housing initiatives proposed by the federal and provincial governments will not succeed. Provincial funding must reflect the urgent need to address Alberta's housing crisis, including those in Okotoks.

While the Town of Okotoks appreciates the work that Municipal Affairs staff and Minister McIver put into developing the LGFF allocation formula and recognizes that it follows the principles developed by Alberta Municipalities, the overall size of the pot to provide the much needed infrastructure investment in the province is too small.

The Town of Okotoks calls on the provincial government to consider increasing the amount of funding available through the LGFF program. Growing communities, like Okotoks, are not well served by the insufficient funds in the program. All Alberta municipalities agree that the starting amount must be \$1.75 billion—the current amount of \$722 million is \$1 billion short.

Quotes:

“Without the province increasing the per capita funding, municipalities, including Okotoks, cannot sufficiently support the critical infrastructure needs that come with growth. Based on these new funding numbers for Okotoks over the next two years, it’s clear the provincial government isn’t maintaining the per capita funding needed to support the growth it is encouraging.” – **Mayor Tanya Thorn**

“Okotoks is preparing for growth as the Foothills Okotoks Regional Water Pipeline project moves forward toward completion. To adequately prepare for the growth that we know will come, we need to see that proper provincial LGFF per capita funding will be in place to support the required infrastructure to build and maintain community roads, bridges and recreation centres.” – **Elaine Vincent, Chief Administrative Officer**

Quick Facts

- In 2011, the Government of Alberta provided a total of \$420 per capita in provincial funding for municipal infrastructure. Since then, that amount has consistently dropped to only \$150 per capita in 2023. In 2011, funding for local infrastructure represented 3.7 per cent of the provincial government’s spending. Today, it accounts for just one per cent.
- The new LGFF program replaces the province's Municipal Sustainability Initiative (MSI) program this year. Under this new LGFF formula, Okotoks will receive the following:
 - o 2024 Capital Funding: \$3,437,881
 - o 2025 Capital Funding: \$3,968,225
 - o 2024 Operating Funding: \$438,100
- In 2024, local governments will receive \$722 million through the LGFF. Of this funding, \$382 million will be provided to the cities of Calgary and Edmonton, and \$340 million will be provided to the remaining local municipalities. Funding amounts

in subsequent years will reflect the percentage change in provincial revenues from 3 years prior.

- In 2025, LGFF funding will increase by 13.6% from the 2024 level, in line with growth in provincial revenues between 2021-22 and 2022-23. The \$98 million increase means \$820 million will be made available to Alberta communities. Of that, Calgary and Edmonton will receive \$434 million and remaining local governments will receive \$386 million.
- The LGFF Act requires that information on future funding levels is shared by September 30, 2 years prior to the funding year.
- In 2024, Okotoks' share of the \$340 million is allocated to 342 local municipal governments based on a funding formula outlined in the act. Under this formula, funding (for municipalities that are not Calgary or Edmonton) is calculated based on:
 1. Population (65%)
 2. Tangible capital assets (15%)
 3. Amortization of tangible capital assets (10%)
 4. Kilometres of local roads (10%)
- Under the LGFF, eligible capital projects include:
 - o roads and bridges
 - o public transit vehicles or facilities
 - o emergency services facilities or equipment
 - o water and wastewater systems
 - o solid waste management facilities or equipment
 - o other municipal buildings such as recreation and sports facilities, libraries, and cultural and community centres

Associated Links:

[Local Government Fiscal Framework](#)

[LGFF 2024 and 2025 allocations by local government](#)

[LGFF Act](#)

[Alberta Municipalities Proposal](#)

-30-

Media contact:

Marni Hutchinson

Communications Advisor

Town of Okotoks

C: 403.466.0792

mhutchinson@okotoks.ca

Backgrounder

LGFF program

In 2024, the Local Government Fiscal Framework (LGFF) replaces the province's Municipal Sustainability Initiative (MSI) program, which launched in 2007. The new model ties funding to provincial revenue increases from three years prior and calculates eligible funding using a formula, based on population and capital assets.

LGFF has a capital funding component and an operating funding component. Capital funding is legislated through the Local Government Fiscal Framework Act and is allocated to eligible local governments based on a formula. Capital funds may be used for infrastructure priorities that fall within program rules. Operating funding is also allocation-based; funds can be used to support capacity-building activities that improve efficiency and effectiveness, municipal services and planning activities. This funding is not legislated.

Town of Okotoks funding

The table below depicts the overall decline in capital funding allocated to the Town of Okotoks from the Province of Alberta, initially through the [MSI program](#), and now through the new LGFF program.

Town of Okotoks For Illustrative Purpose Only

| Funding Allocations by Year | LGFF Two Year Period 2024-2025 | | MSI Ten Year Period 2014-2023 | | | | | | | | | | Total 10 Year Period | Average over 10 Years |
|--|-----------------------------------|-------------|-------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------------------|--------------------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | | |
| LGFF/MSI Program Funding | | | | | | | | | | | | | | |
| Total Capital Allocation (\$) | \$3,968,225 | \$3,437,881 | \$3,209,241 | \$3,209,241 | \$7,913,922 | \$6,293,162 | \$4,267,640 | \$4,264,104 | \$11,383,205 | \$6,594,072 | \$4,397,196 | \$6,603,990 | \$58,045,773 | \$5,804,577 |
| Provincial reported population (estimated for 2023-2025) | \$33,222 | \$32,901 | \$32,369 | \$31,959 | \$31,538 | \$31,102 | \$30,614 | \$30,399 | \$30,041 | \$29,716 | \$28,016 | \$27,331 | | |
| Per Capita Total Capital | \$119 | \$106 | \$99 | \$100 | \$251 | \$202 | \$139 | \$140 | \$379 | \$219 | \$157 | \$242 | | \$193 |
| Allocation Shortfall - Alternative Estimates for consideration | | | | | | | | | | | | | | |
| Estimated allocation shortfall to the average per capita of 193 | 2,439,814 | 2,888,954 | | | | | | | | | | | | |
| Revised funding requirement based on average per capita (2014-202) | 6,408,039 | 6,326,835 | | | | | | | | | | | | |
| Estimated allocation shortfall to the average allocation | 1,836,352 | 2,366,696 | | | | | | | | | | | | |
| Revised funding requirement based on average funding (2014-2023) | 5,804,577 | 5,804,577 | | | | | | | | | | | | |
| Total Operating Allocation (\$) | \$438,100 | \$438,100 | \$438,100 | \$219,050 | \$219,050 | \$251,100 | \$201,936 | \$204,218 | \$208,704 | \$208,577 | \$199,088 | \$207,713 | \$2,357,536 | \$235,754 |
| Per Capita Total Operating | \$13 | \$13 | \$14 | \$7 | \$7 | \$8 | \$7 | \$7 | \$7 | \$7 | \$7 | \$8 | | \$8 |