

August 29, 2013

Honourable Alison Redford
Premier of Alberta
307 Legislature Building
10800 - 97 Avenue NW
Edmonton, AB T5K 2B6

Dear Premier Redford:

As one of the oldest, biggest and fastest growing cities in Alberta, the City of Edmonton strongly relies on the Municipal Sustainability Initiative (MSI) to advance its capital programs.

With its considerable flexibility, broad eligibility guidelines and no matching funding requirements, MSI has been essential to managing our city's growth and significant renewal needs. In the City's current three-year capital program, 63 per cent of our MSI funding has been used for existing infrastructure to ensure that our municipal assets are performing well and continuing to meet the needs of citizens.

However, while MSI is a key source of funding for the City's considerable renewal needs and priorities, the grant allocation methodology – based on population, education tax requisition and local roads – does not consider a municipality's infrastructure obligations, the role a big city plays in the facilitation of the regional economy, or the age of its infrastructure assets in the distribution formula. As such, Edmonton – with substantially more infrastructure to maintain on a per capita basis, a significant amount of infrastructure underpinning the regional economy, and a greater percentage of aging assets past the mid-point of their useful life – carries a greater infrastructure burden than most other municipalities in the province.

Our municipality of 820,000 people is bearing a disproportionate amount of expenditures that benefit a surrounding population of more than one million, without proportional revenue support. What is more, other municipalities in the region typically have a greater portion of the total cost of projects provided by the provincial government than does Edmonton. Thus, our MSI dollars are stretched to deal with a much broader scale of needs: providing infrastructure for the region and the challenge of renewing our aging infrastructure.

To address this current funding imbalance, I am asking your government to consider a different approach to allocating MSI that recognizes the increased infrastructure requirements of big cities, as well as asset age. I welcome the opportunity to discuss with you more equitable options and look forward to meeting at your earliest convenience.

Yours truly,

Stephen Mandel
Mayor

c: Honourable Doug Griffiths