

## Transportation and Infrastructure

*Rural roads and bridges are not only vital to local communities but key components in Alberta's economic growth, connecting natural resources to national and international transportation corridors. RMA members are responsible for the largest road and bridge network of any stakeholder in the province; the building and maintenance of transportation infrastructure is the single biggest expense for most rural municipalities.*

### What is the RMA's position on the importance of having a municipal perspective on matters related to transportation and infrastructure?

- ◆ The Government of Alberta manages approximately 31,400km of roads and approximately 4600 bridges. This is the largest provincially managed road and bridge network in Canada.
- ◆ Rural municipalities manage the majority of Alberta's roads, bridges and culverts. The costs of managing transportation infrastructure form a significant portion of rural municipal expenses and requires more investment from all levels of government.
- ◆ Rural Alberta's transportation network connects communities, provides rural Albertans with access to important community services (such as healthcare), and supports the province's tourism industry by connecting major highways to many of Alberta's parks and natural wilderness areas.
- ◆ Rural roads and bridges provide the oil and gas, forestry, mining, renewable energy, and agriculture industries with access to the natural resources that they depend on. A safe and viable rural road and bridge network is key to supporting the provincial economy.
- ◆ As transportation infrastructure funding continues to lag behind need, rural municipalities in many areas of the province have been forced to weight restrict or close bridges.
- ◆ As the primary manager of bridges and roads in Alberta, rural municipalities should be thoroughly consulted before any changes are made to existing infrastructure grant programs, approval processes, or design standards.
- ◆ Industrial use places significant strain on infrastructure which requires municipalities to allocate a level of financial and human resources not typical in urban areas.
- ◆ Overall, municipalities in Alberta (both urban and rural) own and operate over 21,000km of water mains and over 15,000km of wastewater mains.
- ◆ RMA members own and operate approximately 7,000km of water mains and 2,500km of wastewater mains.
- ◆ 94% of RMA members have direct responsibility for managing water and wastewater infrastructure.
- ◆ Excluding cities, RMA members are responsible for 60% of municipally-owned water mains and 40% of municipally-owned wastewater mains in the province.

## What financial considerations do rural municipalities have with respect to infrastructure construction and maintenance?

- ◆ Municipal taxation revenues alone are not sufficient to build and/or maintain rural municipal infrastructure networks. As a result, municipalities face an increasing infrastructure deficit.
- ◆ A complete and accurate understanding of municipal finances must consider differences in service types, service levels, and infrastructure responsibility among municipalities. Due to their large geographical areas, low population, and intensive industrial activity that is reliant on municipal roads and bridges, Alberta's rural municipalities spend much more on transportation compared to other municipalities in Alberta and across Canada. For example, according to municipal financial statistics available in each province, in 2020 Alberta's rural municipalities on average spent more than 50% of their total expenses on transportation costs, compared to 30% for all Alberta municipalities, and approximately 10% for municipalities in Ontario and British Columbia.
- ◆ Long-term, predictable funding from other levels of government is necessary to ensure the sustainability of rural Alberta's transportation network and the viability of rural communities.
- ◆ In addition to increased long-term, predictable funding, the province should explore a near-term emergency funding program to address core infrastructure renewal. The funding should be restricted to renewal and maintenance work for roads, bridges and culverts, and water/wastewater/stormwater infrastructure only.
- ◆ Municipal infrastructure funding programs developed by other levels of government must reflect rural infrastructure needs. Per capita funding distribution and merit-based distribution mechanisms that place rural municipalities in competition with higher-capacity urban municipalities do not adequately address rural needs.
- ◆ Municipalities require ongoing funding and capacity support to advance asset management planning, which is a vital component of efficient infrastructure construction and maintenance.

## What collaborative relationships are essential to rural municipalities in matters relating to transportation and infrastructure?

- ◆ Municipalities are in the best position to determine local infrastructure priorities and should be empowered to meet those priorities.
- ◆ The Government of Alberta should utilize bridge infrastructure inventory data to assess municipal need for increased funding.
- ◆ In situations where industry benefits from the use of municipal roads and bridges, industry should collaborate with municipalities by contributing to maintenance and replacement costs. Local road permits are an effective tool to manage the impact of commercial vehicles on rural roads.
- ◆ Federal and provincial levels of government must work closely with rural municipalities to ensure that infrastructure, such as roads, bridges, airports, and transloading facilities are adequately supported, similarly to highways and ports that also serve as links in these supply chains.
- ◆ Technical information from Alberta Transportation must be up to date and reliable to assist municipalities with decision making on transportation infrastructure.

## How does the work of the RMA support the sustainability of Alberta's transportation and infrastructure systems?

- ◆ The RMA advocates on behalf of rural municipalities for consistent funding processes that promote the sustainability and growth of rural transportation networks.
- ◆ The RMA has completed a study of the infrastructure deficit in rural Alberta to accurately define the needs of municipal infrastructure and its current state. The report analyses bridge structures, roads and water/wastewater infrastructure and identifies a significant deficit, which needs to be remedied through adequate funding models.
- ◆ Long-term capital planning and asset management initiatives are important tools to maximize municipal resources in the provision of infrastructure. The RMA encourages these efforts and works with various committees in support of this type of planning.
- ◆ The RMA encourages member municipalities to work collaboratively to find innovative, cost-effective solutions to their infrastructure needs (e.g. cost sharing, use of own forces, alternative and innovative design).

## What current transportation and infrastructure related issues are impacting rural Alberta?

### Local Government Fiscal Framework

- ◆ With the Municipal Sustainability Initiative winding down after the 2023-24 budget year, the Government of Alberta has launched the Local Government Fiscal Framework (LGFF) as Alberta's primary municipal capital grant program. The LGFF is formalized through the *Local Government Fiscal Framework Act*.
- ◆ The 2025 LGFF funding allocation for RMA members is approximately \$170.5 million, approximately \$20 million more than in 2024. However, the 2025 LGFF allocation is a 27.2% reduction in provincial funding compared to the average Municipal Sustainability Initiative allocation between 2013 and 2023; accounting for inflation, the difference is nearly 40%. This heavily reduced amount of funding is wholly inadequate to support Alberta's rural municipalities as they attempt to build and maintain infrastructure to accommodate population growth and economic development.
- ◆ The LGFF allocation formula was developed primarily around the needs of high-growth municipalities. This overlooks the fact that residential growth is often supported by developer-contributed infrastructure and offsite levies, both options that are much less accessible in low-growth municipalities or for industrial growth.
- ◆ In order to effectively allocate LGFF funding, it is imperative that rural cost-drivers are identified and reflected in the formula to the fullest extent possible. To appropriately address both capital and operating needs, cost-drivers associated with non-residential growth need to be given the appropriate consideration to ensure the sustainability of both industry and the rural municipalities in which they are located.
- ◆ The LGFF allocation fund needs to be reviewed on a regular basis to identify areas of growth and improvement. Areas for consideration should include:
  - Clarification the objectives of the LGFF program to ensure alignment with the needs of municipalities
  - Recognition of non-residential growth and associated cost-drivers

- Incentivization of asset management

## Strategic Transportation Infrastructure Program

- ◆ Resource roads, local road bridges and community airports are critical to the viability of rural communities and Alberta's industrial and resource development. STIP provides rural municipalities with a dedicated funding source for this infrastructure and should remain adequately funded and accessible to rural municipalities.
- ◆ There is an increasing deficit in bridge infrastructure on municipal roads. Years of underfunding bridge maintenance have created a backlog of unfunded repairs.
- ◆ The 2024-2025 provincial budget included \$44 million in STIP funding, with forecasted reductions to \$33 million in 2025-2026 and \$35 million in 2026-2027. Given the existing infrastructure deficit, Alberta's recent economic growth, and the role of rural roads and bridges in supporting resource industries, STIP funding should be increased so that municipalities can continue to care for the majority of Alberta's infrastructure, without increasing the financial burden on rural areas.

## Infrastructure Deficit

- ◆ Rural municipalities play a critical role in supporting Alberta's economy. Without the massive road, bridge, and infrastructure network maintained by rural municipalities, industries such as oil and gas, agriculture, forestry, mining, and renewable energy would face significant challenges in accessing natural resources and markets.
- ◆ Alberta's rural municipalities maintain one of Canada's largest municipal infrastructure inventories with a limited set of revenue-generating tools and inadequate funding support from other levels of government. As a result of these funding limitations, rural municipal infrastructure is gradually degrading, posing risks to both rural communities and Alberta's resource industry sectors.
- ◆ The RMA recently completed an ambitious study to assess the current infrastructure deficit in rural municipalities. The study included the collection and in-depth analysis of provincial and municipal asset data to quantify the overall rural road, bridge, and utility infrastructure deficit. The study culminated with a final report which identified Alberta's overall rural municipal infrastructure deficit at \$17.25 billion, and projects that the deficit will grow to \$40.71 billion in 2028 based on current provincial funding available for rural municipal infrastructure projects.
- ◆ The results of the study not only underscore the urgent need for increased funding but also provide valuable insight to assist provincial decision-makers in prioritizing infrastructure investments in rural areas. It is imperative that the study findings inform the allocation of future infrastructure funding and support the development of a sustainable policy framework that addresses the needs of Alberta's rural municipalities. Adequate investment in rural municipal infrastructure can ensure that rural municipalities remain economically viable, and that industries critical to Alberta's prosperity continue to thrive.

## Asset Management

- ◆ By properly monitoring the age and condition of infrastructure and developing a long-term asset management plan for maintenance and replacement, municipalities will increase accountability and efficiency in managing their assets and improve service levels.
- ◆ Asset management is likely to become an important consideration in future grant funding programs. In some Canadian jurisdictions, asset management plans and policies are required to access grant funding, or are mandatory for municipalities through legislation.

- ◆ Due to the long-term nature of asset management planning, it is critical to establish buy-in throughout the municipality, from council to front-line employees. The RMA report, *Navigating the Asset Management Journey*, can help develop this buy-in.
- ◆ RMA has developed several short asset management training courses for both elected officials and municipal staff. Municipalities and other organizations interested in accessing this material are encouraged to contact the RMA.
- ◆ The RMA was a strong supporter of the Federation of Canadian Municipalities' (FCM) Municipal Asset Management Program (MAMP). MAMP was an eight-year \$110-million program, delivered by the FCM, which providing funding and other support to nearly 1600 municipal asset management projects. From 2017 and 2024, the RMA, along with partner organizations, received significant funding through MAMP to develop and deliver a variety of asset management capacity-building workshops and cohorts.
- ◆ The RMA is a strong supporter of Infrastructure Asset Management Alberta (IAMA), a grassroots organization that provides educational and networking opportunities for Alberta's municipal asset management community.
- ◆ As municipalities both own and conduct activities affecting underground infrastructure, the RMA supports a mandatory notification and registration system. However, such a program must be accompanied by financial support to register historic municipally owned infrastructure.
- ◆ The RMA advocates on behalf of rural municipalities for sufficient funding for rehabilitation of and/or the construction of new infrastructure that will be climate resilient.

## Rail

- ◆ Rail lines are pervasive in rural municipalities and create different challenges than in urban areas. For example, in the event of a blocked crossing, alternate routes are often difficult to access in rural areas. As a significant roadway authority in the province of Alberta, rural municipalities have a vested interest in any regulatory changes to railways (e.g. at-grade crossings, information sharing).
- ◆ As the Government of Alberta continues its work on the creation of its Passenger Rail Master Plan to inform the development provincial passenger rail network, RMA will represent and advocate on behalf of rural municipalities to ensure adverse impacts are minimized and opportunities are capitalized upon.

## Federal Next Generation Infrastructure Funding

- ◆ Historically, federal infrastructure funding programs have not been designed to reflect municipal infrastructure priorities in rural Alberta. Challenges with defining "rural" for rural-specific funding, with requiring significant municipal cost-share portions, or disincentivizing funding for core infrastructure such as roads and bridges have all limited the value of federal funding programs for rural municipalities.
- ◆ Any new federal infrastructure funding program should be designed using a rural lens, ensuring that funding is allocated based on rural-specific drivers of infrastructure need, and that population is not relied upon to distribute funding.
- ◆ The RMA looks forward to collaborating with the Government of Canada on new infrastructure funding to create a program which serves both urban and rural municipalities.

## Provincial Highways

- ◆ In rural areas, provincially managed highways are often vital links between communities. The RMA urges the Government of Alberta to provide consistent upkeep of rural highways, as their value to rural residents and



the province's economy are significant. This upkeep should include regular maintenance on road surfaces, and the consistent provision of signage, such as mileage markers, for both convenience and safety purposes.

- ◆ Rural municipalities understand local road access issues. As such, the authority to regulate provincial highway access and setback requirements should be delegated from the Government of Alberta to municipal governments.

## Community Airports

- ◆ In many rural and small urban municipalities, community airports provide an important link for industrial development, as well as serving as a hub for emergency services to fight wildfires or attend to seriously ill or injured residents. The maintenance of the provincial funding through the Strategic Transportation Infrastructure Program (STIP) and commitment to long term stable funding after the current program's expiry plays a large role in maintaining rural Alberta's access to air travel.
- ◆ Regional airports are partially supported by the Airports Capital Assistance Program (ACAP), a federal funding program. Current funding levels for ACAP are not adequate to support Canada's regional airports.

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