



# Local Government Fiscal Framework

Capital Program Guidelines

*Alberta* 

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# Glossary

This section provides definitions and explanations of key terms frequently used throughout the Local Government Fiscal Framework (LGFF) program guidelines. The glossary aims to provide clarity and understanding, ensuring local governments have a common understanding of the terminology used in the context of the LGFF program requirements, grant application and/or reporting. Glossary terms used in the guidelines are hyperlinked to this section (only the first usage of a glossary term in a section or sub-section will show the hyperlink in blue, but all uses are hyperlinked).

**Application:** A formal request submitted by a local government to obtain acceptance from the Minister to apply LGFF funding to a specific project(s) within a specific functional category (e.g., roads, recreation, storm water) or system. It includes a description of the proposed asset(s), activities(s) and/or scope of work, estimated project costs, funding sources, estimated start and end dates, and partnerships to enable program staff to determine project eligibility. An application can consist of more than one project if the projects all fall under the same functional category. For example, the functional category is Roads and Bridges, and the supporting projects are: Township Road 443, Range Road 123, Breton Street; or the functional category is Parks, Sport, and Recreation, and the supporting projects are: Meadows Park walking trail, Miller Park playground.

**Asset Management:** The process of making decisions about the use and care of infrastructure to deliver services in a way that considers current and future needs, manages risks and opportunities, and makes the best use of financial resources. Asset management practices are performed throughout an asset's life cycle and allow local governments to sustainably manage infrastructure in a planned and integrated manner to maximize value to the community.

**Capital Plan:** A plan that outlines the local government's planned five-year capital property additions, and allocated or anticipated funding sources as required under section 283.1 of the [Municipal Government Act](#) (and further defined in the [Municipal Corporate Planning Regulation](#)).

**Cash Flow Update:** At any time, local governments can update estimated project costs, including funding sources (e.g., LGFF amount, municipal sources) on an application and its respective projects to ensure Municipal Affairs has the most up to date information on projects. Applications are accepted based on "estimated costs" and as projects are tendered and/or costs are realized, changes to the LGFF funding amount may occur. A cash flow update ensures financial transparency for the actual costs, and provides a proactive risk management approach to address any over-commitments and/or budget shortfalls.

**Charter Cities:** The cities of Calgary and Edmonton as defined under section 141.4 of the [Municipal Government Act](#).

**Financial Information Returns (FIR):** The document required under sections 277 and 278 of the [Municipal Government Act](#) which requires municipalities to annually prepare a financial information return and send it, together with an auditor's report, to the Minister by May 1 of the following year.

**Functional Category:** Refers to the classification or grouping of a project(s) based on its shared function (e.g., roads and bridges; water; parks, sport, and recreation).

**Local Government:** As per section 1 of the [Local Government Fiscal Framework Act](#), a local government is a municipal authority, a Metis Settlement or the Townsite of Redwood Meadows Administration Society.

**Metis Settlements:** The eight communities governed by the [Metis Settlements Act](#), which includes Buffalo Lake, East Prairie, Elizabeth, Fishing Lake, Gift Lake, Kikino, Paddle Prairie, and Peavine Metis Settlements.

**Municipality:** A local government that is governed by the [Municipal Government Act](#). This includes the Special Areas Board and Improvement Districts. The term "municipality" is not inclusive of the Metis Settlements.

**Primary Capital Asset:** The primary capital asset is distinguished by its importance and/or significance to the work being funded by LGFF (e.g., 80% of the project cost includes road construction while the remaining cost is related to storm water, water, and wastewater. In this case, the primary capital asset would be roads).

**Primary Outcome:** An outcome is a change expected as the result of a project. While an LGFF project may have many outcomes, the primary outcome is the principal change expected, or the main reason a project is undertaken.

**Program Year:** The same as the calendar year (i.e., January 1 to December 31). This is different than the Government of Alberta's and Metis Settlements' fiscal year, which is April 1 to March 31.

**Project:** The application focuses on the broader functional category like parks, sport, and recreation, while the individual projects within it involve specific places, buildings, and/or activities such as upgrading the Centennial Aquaplex, replacing the Winterburn Arena, or purchasing an ice resurfer.

**Restructured Municipalities:** Municipalities that have undergone dissolutions (ceasing to operate or exist as a municipality and being absorbed by another municipality) or amalgamations (merging of two or more municipalities).

**Resulting Capital Asset:** The physical asset acquired or rehabilitated as a direct outcome or consequence of the project (e.g., kilometres of new roads built, square meters of the building upgraded, number of service maintenance equipment purchased).

**Revenue Index Factor:** The mechanism that determines how total LGFF program funding changes annually. It means that subsequent year's funding will change by the full percentage change in provincial revenues from three years previous (refer to sections 6 and 9 of the Schedule to the [Local Government Fiscal Framework Act](#)).

**Statement of Expenditures and Program Outcomes (SEPO):** Annual reporting of financial (e.g., total project costs, LGFF funding applied) and non-financial information (e.g., project status, project outcomes, updated start dates).

**System:** A collection of independent elements that are interrelated and share functional or structural relationships. These elements together form a unified capital network, where the proper functioning of each component impacts the overall performance of the entire system. For instance, road construction and the replacement of associated sidewalks, water, and wastewater lines can be considered a system (despite the individual projects having separate functional categories).

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# Local Government Fiscal Framework

## Capital Program Guidelines

### 1. Introduction

The Local Government Fiscal Framework (LGFF) is Alberta's primary program to fund local infrastructure and operational activities. Annually, LGFF invests hundreds of millions of dollars into [local governments](#). Of particular importance is the investment in capital infrastructure, which allows [municipalities](#) and [Metis Settlements](#) in Alberta to build and maintain the vital roads, bridges, water/wastewater, community recreation, and other infrastructure upon which Albertans rely. This critical provincial investment contributes to a higher quality of life and increased economic activity across the province. LGFF capital funding is legislated through the [Local Government Fiscal Framework Act](#), which includes a designated formula for determining how funding changes each year.

The LGFF program provides local governments with substantial flexibility in using funding for a wide variety of eligible [projects](#), while maintaining transparency and accountability for provincial investments. The guidelines provide local governments with instructions and criteria related to the various aspects of the LGFF Capital program.

Additional information and support are also available from the LGFF program Grant Advisors (refer to [Section 14](#)) and on the [website](#). This document addresses only the LGFF Capital program and does not deal with the LGFF Operating program.

### 2. Program Objective and Outcomes

The objective of the LGFF is to provide funding to [municipalities](#) and [Metis Settlements](#) to support [projects](#) that develop, improve, maintain, or otherwise alter infrastructure assets in Alberta communities, to facilitate the resiliency and livability of local communities, and to support local and provincial economic activities.

While the objective outlines the goals of the LGFF program, the program outcomes measure the achievements of the program.

The expected LGFF program outcomes are:

- increased economic activity in Alberta municipalities and Metis Settlements;
- increased livability of Alberta municipalities and Metis Settlements; and
- increased resilience of municipalities and Metis Settlements in response and adaptation to the effects of disasters, extreme weather events, and changing local conditions.

These outcomes will be achieved by funding infrastructure projects and other key activities at the local level, including [asset management](#), and disaster resiliency planning and adaptation. To measure progress towards the outcomes, [local governments](#) are required to report on project results (refer to [Section 11](#) for further information on outcomes reporting).

### 3. Key Dates

Activity	Responsibility	Timeline
<a href="#">Application</a> Submission	<a href="#">Local Government</a>	Submit <b>anytime</b> throughout the year through the LGFF Capital online portal.
Annual LGFF Program Budget Estimate	Government of Alberta	By <b>September 30</b> two years prior to the <a href="#">program year</a> (e.g., for the 2026 program year, the estimate will be announced by September 30, 2024).
Individual Local Government's Allocation Estimates	Government of Alberta	Fall of each year, following the LGFF program budget estimate.
Annual LGFF Allocation Commitment	Government of Alberta	After <b>April 1</b> , following provincial budget approval.
Annual LGFF Allocation Payment	Government of Alberta	By approximately <b>June 30</b> , following provincial budget approval and after all payment conditions are met (refer to <a href="#">Section 10</a> ).
<a href="#">Statement of Expenditures and Project Outcomes (SEPO)</a> Submission	Local Government	Due <b>May 1</b> for <a href="#">municipalities</a> . Due <b>August 1</b> for <a href="#">Metis Settlements</a> (refer to <a href="#">Section 11</a> ).
<a href="#">Project</a> Recognition and Communication Requirements	Local Government	<b>Ongoing.</b> For media events and news releases, local governments must provide a minimum of 20 working days' notice (refer to <a href="#">Section 13</a> ).

### 4. Submission Method

LGFF [applications](#) and reporting must be submitted through the LGFF Capital online portal. The LGFF online portal is accessed by logging into [www.maconnect.alberta.ca/MACConnect](http://www.maconnect.alberta.ca/MACConnect) and clicking on the LGFF tile or by clicking on [www.lgffcapital.alberta.ca](http://www.lgffcapital.alberta.ca), which will direct you to the login page.

LGFF Capital training material and other resources are available on the LGFF Online resources page in the portal and on the program website at [www.alberta.ca/local-government-fiscal-framework](http://www.alberta.ca/local-government-fiscal-framework).

Questions or requests to access LGFF can be directed to the contacts listed in [Section 14](#) below.

### 5. Funding Formula and Allocations

LGFF Capital funding is determined by the [Local Government Fiscal Framework Act](#). The Act stipulates that the baseline funding amount for the first year of the program (\$722 million in 2024) will increase or decrease the following year based on the percentage change in provincial revenues from three years prior, which is known as the [Revenue Index Factor](#). The Revenue Index Factor is then applied to the amount of program funding each year to determine the following year's funding. For example, given provincial revenues increased by 13.6 per cent from 2021-22 to 2022-23, in the 2025 [program year](#), the funding provided under LGFF also increases by 13.6 per cent. The same is true of revenue decreases. This ensures that [local governments](#) have full partnership with the Government of Alberta and share equally in the government's revenue increases and decreases.

LGFF will provide local governments with about two years' advance notice of their funding allocations to enhance their ability to plan their capital budgets effectively. For example, a local government's funding estimate for 2027 will be provided in 2025 but will be formally committed following provincial Budget approval in 2027.

Local governments' allocations will also vary based on changes to the data in the formula. For example, for a local government whose population is growing at a faster rate than the rest of the province, their share of the overall funding amount would likely grow, given their population's higher weighting in the formula. These changes will be calculated prior to local governments receiving advanced notice of their funding allocations.



LGFF Capital funding is split with approximately 53 per cent of funding allocated to the [charter cities](#). The funding is split between the two charter cities based on the following formula established in the Act.

Charter Cities Allocation Formula	
Population	48%
Education Property Tax Requisition	48%
Kilometres of Local Roads	4%

The remaining funding is to be allocated among the remaining eligible local governments (refer to [Section 6](#)), based on the following formula:

Other Municipalities and Metis Settlements Allocation Formula	
Base Amount	\$150,000 (\$60,000 for summer villages)
Needs-Based Component	3% of overall funding, allocated to local governments with populations below 10,000 that have a limited local assessment base compared to their peers.
Population	65%
Tangible Capital Assets	15%
Amortization of Tangible Capital Assets	10%
Kilometres of Local Roads	10%

The factors used in the LGFF formula are derived largely from the [Financial Information Returns](#) submitted to Municipal Affairs. It is of utmost importance that local governments submit high-quality and accurate data in a timely manner, as this data directly affects the funding amounts.

### 5.a. Time Limit to Use Allocated Funds

To provide flexibility in scheduling [projects](#) and/or to accommodate larger projects requiring more than one year’s grant allocation, capital funding allocated and not expended in the year it was allocated may be carried forward to the next five subsequent years. Funds that are carried forward must be expended on an accepted project(s) before December 31 of the fifth subsequent year for [municipalities](#) (March 31 for [Metis Settlements](#)), as any unspent amount will be reduced from future LGFF allocations. Time extensions will not be permitted.

### 5.b. Restructured Municipalities

[Municipalities](#) that undergo restructuring will receive an allocation that is equivalent to the funding amount that would have been calculated for each individual municipality as if restructuring had not occurred. This calculation will apply in the year the restructuring occurred plus the five subsequent years.

If two or more municipalities amalgamate, the amalgamated municipality will receive LGFF funding equivalent to the amount that would have been allocated to the former municipalities as if the amalgamation had not taken place.

If a municipality dissolves, the receiving municipality will receive LGFF funding equivalent to the amount that would have been allocated to the former municipality as if the dissolution had not taken place, in addition to its own allocation (also calculated as if restructuring had not occurred).

For example, if a municipality dissolved on July 1, 2025, the receiving municipality would receive the benefit of the LGFF allocation calculated as if the municipality had not dissolved for the next five years (i.e., 2026 through 2030). In addition, any unspent LGFF funding (based on the final 2025 [SEPO](#) reporting) from the dissolved municipality prior to July 1, 2025 will be transferred to the receiving municipality.

It is critical that the receiving municipality submits the dissolved municipality’s audited financial statements to Municipal Affairs to ensure the correct unspent funding is transferred to the receiving municipality. In addition, all LGFF applications must be marked as completed/fully funded on the final SEPO for the dissolved municipality.

## 6. Eligible Applicants

An eligible applicant includes any city, town, village, summer village, specialized municipality, municipal district, [Metis Settlement](#), the Special Areas Board, the Townsite of Redwood Meadows Administration Society, and those Improvement Districts that have populations according to the latest Municipal Affairs Population List.

Eligible applicants may contribute funds to other eligible entities for eligible LGFF [projects](#) that provide a municipal service or benefit and do not limit public access.

Eligible entities include:

- Non-profit organizations, as defined in section 241 of the [Municipal Government Act](#), (e.g., a society);
- Libraries and library [systems](#) established under the [Libraries Act](#);
- Regional services commissions established under Part 15.1 of the [Municipal Government Act](#);
- Controlled corporations as defined in section 75.1 of the [Municipal Government Act](#); and
- Provincial agencies, Crown-controlled school jurisdictions, universities, comprehensive community colleges, polytechnic institutions, and a health care agency board.

When contributing LGFF funding to a non-profit organization and/or other eligible entities, the [local government](#) must bind the organization to all LGFF conditions and obligations that would apply if the local government was completing the project, including the need to report on project expenditures and outcomes. It is recommended the local government enter into a binding legal agreement with the recipient to protect its interests. The local government remains responsible for all uses of the funding.

## 7. Asset Management

An [asset management](#) plan provides a structured and comprehensive approach to effectively manage the [local government's](#) assets, establishes longer term financing needs, optimizes asset lifecycles, and regularly schedules maintenance, rehabilitation and replacement work for the long-term sustainability of its assets. Asset management plans should include:

- a comprehensive description of asset portfolios;
- current level of service performance for each asset and desired level of performance;
- asset risk and strategic risks;
- anticipated capital [projects](#) required to deliver service and mitigate risks;
- asset valuation such as current and projected replacement costs and funding needs;
- consequences of not following the plan; and
- timelines for major projects.

When asset management practices are adhered to, residents and businesses in Alberta communities experience improved and more reliable municipal services. These asset management practices can offer various advantages to local governments, including:

- helping to decide what infrastructure needs to be replaced or renewed and the appropriate timing for doing so;
- determining the appropriate amount to save for future infrastructure renewal;
- improving economic sustainability by lowering service delivery costs;
- evaluating and communicating trade-offs between service, cost, and risk management;
- providing a defensible way of prioritizing projects and allocating resources;
- enhancing transparency with the public and fostering greater public confidence in municipal government; and
- maximizing the value of infrastructure investments over the long-term.

Asset management planning and implementation is essential to supporting local municipal infrastructure, and the long-term outcomes of the LGFF program. While an asset management plan is not required to receive LGFF funding, the adoption of asset management strategies, plans, and activities by local governments of every size and type is encouraged to ensure their

infrastructure investments are used in the best way possible. This proactive approach ensures optimal utilization of local infrastructure and maximizes the effectiveness of LGFF expenditures.

To ensure [municipalities](#) have basic asset management practices in place, the [Municipal Government Act](#) requires local governments to prepare a [Capital Plan](#) identifying their anticipated capital property additions and funding sources for a minimum of five years. Although this requirement does not specify how each local government will determine the projects to be included in this plan, it does imply that appropriate asset management processes will be used to ensure that the resulting plan adequately reflects local infrastructure pressures and needs.

Under the LGFF, local governments will be asked whether they have an asset management plan on their annual [SEPO](#) (refer to [Section 11](#)), and if so, when it was last updated, or if not, to identify the barrier to creating one.

Additional information about asset management is available on the Federation of Canadian Municipalities asset management [web page](#), including the Asset Management Toolkit and Handbook, which provides technical resources for asset management at various levels of complexity.

## 8. Applications

LGFF [applications](#) must include sufficient information to determine eligibility, including a description of the proposed asset(s); activities; scope of work for each identified [project](#); estimated project costs and funding source; and estimated start and end dates. Each individual project should be listed under the 'Projects' section of the application form. No more than 20 projects that relate to the same [functional category](#) (e.g., roads and bridges, water, wastewater) are permitted on an application form.

### 8.a. Application Process

To support performance measurement, [local governments](#) will be required to select a [primary outcome](#) on their [application](#) (e.g., improved public transit/transportation and mobility, extend service life of assets, etc.), and to identify the local government's assessment of the current condition of the asset(s) to be upgraded at a [project](#) level. The condition ranking will be based on a scale of 1 – 5, with the conditions being as follows.

- 1 => Very Good: Very Good Condition, only normal maintenance required.
- 2 => Good: Minor defects only, minor maintenance required.
- 3 => Fair: Significant maintenance required to return to an acceptable level of service.
- 4 => Poor: Significant renewal/upgrade required.
- 5 => Very poor: Asset unserviceable, requires replacement.

For a comprehensive list of project activities and assets eligible for LGFF funding, please refer to [Appendix 1](#). Ineligible activities are outlined in [Appendix 2](#).

The application must be certified by the Chief Administrative Officer or a delegated authority. This certification confirms that the provided information is accurate and adheres to the program guidelines and funding agreements.

Decisions by the Minister regarding application status are final.

#### Grouping Similar Assets

Under the LGFF program, local governments can submit up to 20 projects on the same application provided the list of projects falls under the same [functional category](#) (e.g., parks, sport and recreation projects; roads and bridges projects; public security and safety projects; etc.) or is part of the unified [system](#) (see below).

The projects should have a similar function or purpose. For example, the replacement of a fire truck and the purchase of rescue protective equipment can be combined on the same application, as both projects fall under the "Public Security and Safety" functional category. Another example is the construction of a waste disposal landfill and the installation of a recycling collection container system, both of which contribute and relate to "Solid Waste Management."

On the other hand, an application for libraries cannot be combined with an application for a recreational trail, as they are unrelated functional categories.

### **Interconnected Assets (e.g., System)**

A local government can submit an application that encompasses multiple functional categories when they are considered part of a unified system of independent but interrelated elements and/or assets, such as roads, bridges, and underground utilities.

Note: If there are significant modifications to the application's scope, additional locations and/or identified assets or functional categories, local governments must submit a new application as project scope changes are not permissible.

## **8.b. Project Eligibility**

Eligible [projects](#) can include the purchase, construction, development, betterment, rehabilitation and non-routine maintenance of capital assets owned by a [local government](#) or an eligible entity identified in [Section 6](#).

Ineligible projects include operating expenditures, costs of leasing assets, water licence costs.

A detailed list of eligible capital project activities and capital project assets is provided in [Appendix 1](#). For a list of ineligible capital projects refer to [Appendix 2](#).

Project eligibility may be restricted to core infrastructure for those local governments facing infrastructure management challenges (refer to [Section 12](#)).

In addition, projects submitted should have an end-date of no more than five years after the [application](#) is submitted, meaning the local government would have up to five years to complete the project. Larger projects that are not planned to be completed within five years should be submitted in phases.

## **8.c. Project Mapping**

Under the LGFF, [project](#) mapping is an important aspect of the [application](#) process. It will provide a visual representation of the proposed locations and their geographical relevance, allowing users to easily understand the potential impact and reach of the LGFF funding. Mapping project locations and/or assets will also enhance transparency and accountability to Albertans by providing a clear view of where and how LGFF funds are being used.

Project mapping examples:

- a) Purchase of an asset: if a [local government](#) is purchasing a fire truck, it would select the location of where the asset will be located (i.e., address of the fire hall).
- b) Upgrades/rehabilitation of several recreational facilities: if a local government is upgrading the community arena, field house, and the aquaplex, then it would need to add these three projects and select the three locations.
- c) Contributing LGFF funding: if a local government is contributing funds to another local government, it would select the location of the project in the neighbouring community.
- d) Engineering Plans and Feasibility Studies, or other projects without a specific location: if a local government is preparing design and engineering plans for their road network, the local government would select the location of their administration building.

In the project description section, the local government should provide a brief description of the work being done at the location.

If a local government is unclear on how to map their project, please contact an LGFF Grant Advisor for assistance (refer to [Section 14](#)).

## **8.d. Updates to Project and Financial Information**

The LGFF does not permit amendments to previously accepted [applications](#). However, changes to the Project and Financial Information section are allowed under the following circumstances:

1. updating [project\(s\)](#) cost and/or funding sources, including the LGFF funding amount;
2. updating the project start/end dates; and
3. updating the [resulting capital asset](#) quantity.

[Local governments](#) can submit a [cash flow update](#) to an accepted application at any time.

Regularly updating the cash flow keeps budgets accurate by considering current and projected project costs, reflects any changes to funding sources, and accounts for any unexpected minor application adjustments (e.g., extending the number of

kilometres of an accepted road project). By keeping project costs current, local governments can promptly recognize and address potential budget overruns or funding gaps. In addition, accurate project cost data informs decision-making at all levels of government.

Cash flow updates can be submitted to the department at any time, and generally do not require Ministerial acceptance. However, instances involving a substantial increase in LGFF funding commitments may receive closer examination by the department and may require approval by the Minister. Cash flow updates made by [municipalities](#) with project eligibility restrictions (refer to [Section 12](#)) will also face greater scrutiny.

It is important to note that if there are significant modifications to a project's scope, and no funding has been expended, local governments should withdraw the original project and submit a new application. A project scope change refers to situations where the activities described in the original application differ from the activities that will actually take place. Consequently, this change may result in a shift in the assigned [functional category](#) from the original application.

The addition of a new project or location on a previously accepted application is not permitted.

## 8.e. Withdrawal

[Local governments](#) can exercise the option to withdraw their [application](#), provided that no LGFF funds have been used for any of the [projects](#) listed in the application. If this condition has been met, there are two ways to withdraw the LGFF application:

1. mark the application as withdrawn on the [SEPO](#); or
2. email [ma.lgffcapital@gov.ab.ca](mailto:ma.lgffcapital@gov.ab.ca) and request the application to be withdrawn.

## 8.f. Minimum Application Threshold

The minimum LGFF funding requested on an [application](#) must be at least 10 per cent of the [local government's](#) current year LGFF allocation, or \$5 million, whichever is lower.

The minimum application threshold will not apply in the following situations:

- where the project involves an infrastructure/[asset management](#) plan and/or IT systems; or
- contributions to other eligible entities (including other local governments).

In rare cases, if an exemption is needed, the local government should contact a Grant Advisor (refer to [Section 14](#)).

## 8.g. Maximum Project Commitment Limit

A [local government](#) has the flexibility to commit its future LGFF capital allocations, including credit items, to eligible [applications](#) prior to receiving its annual allocation.

Should these commitments notably surpass the local government's projected future annual allocations, a Grant Advisor may contact the local government for a more in-depth evaluation of those applications to mitigate the risk of over-committing grant funding and resource misallocation. Local governments may be required to reduce their LGFF commitments prior to the department recommending them for acceptance by the Minister.

## 8.h. Joint Projects

Where a [project](#) is being undertaken that involves funding from more than one [local government](#), the local government should identify all contributing parties in the project description of the [application](#).

Each local government must submit an application for its own portion of the project to be funded by LGFF. The local government that is directly responsible for the project should include the total project costs, listing the contributions of the other local government(s) in the "Municipal Sources" project section. The other contributing local government(s) should include only its portion/contribution of these costs.

## 9. Project Management

### 9.a. Provincial Standards

LGFF-funded [projects](#) undertaken by [local governments](#) must comply with provincially regulated standards. For example, LGFF-funded projects involving regional water and wastewater [systems](#) should appropriately align with the [Environmental Protection and Enhancement Act](#).

Where an LGFF project impacts a highway under provincial jurisdiction, the local government must enter into a separate agreement with Alberta Transportation and Economic Corridors to carry out the work and/or receive permission to access the highway right-of-way. Grant Advisors may request confirmation from the local government of the agreement with Alberta Transportation and Economic Corridors.

### 9.b. Requirements for Awards of Contracts

All calls for proposals or tenders for [projects](#) to be funded under the LGFF must be carried out in accordance with the rules, regulations, and laws governing such activities and in accordance with the best current practices. They must also be advertised in accordance with the guidelines of the [Canada Free Trade Agreement](#) (CFTA) and the [New West Partnership Trade Agreement](#) (NWPTA).

The [local government](#) may award contracts for planning, design, engineering, and architectural services for a municipal capital project based on best overall value consistent with the local government's policies. The local government may award contracts for the construction or purchase of a municipal capital project by public tender based on either unit prices or lump sum amounts. The LGFF program does not require local governments to award project to the lowest tender and does not prohibit them from using a process that qualifies suppliers prior to the close of call for tenders where the process is consistent with the CFTA and NWPTA, as long as the tender selected is the best value.

### 9.c. Use of Municipal Forces

Where a [local government](#) has been unable to secure an appropriate or cost-effective private sector response to a proposal or tender for a capital [project](#), or anticipates that it will be able to carry out the project in a more efficient or cost-effective basis, project costs can include the cost of municipal forces (staff and equipment) used to carry it out. Costs can include all labour costs, including benefits, attributable to work carried out on and off-site. Labour costs associated with general municipal administration are excluded.

### 9.d. Use of Other Grants

Under the LGFF, grant stacking (i.e., the practice of combining multiple grants or funding sources) for an LGFF [application](#) is permitted. LGFF funds may be used to fund the municipal portion of provincial-municipal grant programs and the municipal contribution for federal-municipal grant programs that require a municipal contribution, unless doing so is prohibited by that program. For example, if a [local government](#) is replacing a water line for \$1.0 million and is using \$500,000 of Canada Community-Building Fund money, LGFF funds may be used to fund the remaining \$500,000. When choosing to use multiple grant funding sources, it is the local government's responsibility to understand the separate requirements of each respective grant program.

More information about the requirements of other provincial grant programs can be found on the [Municipal Grants Web Portal](#).

## 10. Payments

Disbursement of LGFF allocations occurs when the [local government](#) meets specific criteria and following legislative approval of the provincial budget. The following conditions must be met for the payment to occur.

- Execution of the LGFF Memorandum of Agreement (MOA): the local government has submitted the executed MOA.
- [Application](#) Commitment(s): Submission of sufficient applications that commit all LGFF capital funding allocated to date including income earned.
- Certification of the [SEPO](#): Certification of the previous year's financial and outcomes reporting.
- Carryforward Amount: The carryforward amount on the prior year's certified SEPO must be less than or equal to the current year's LGFF allocation.

A local government with more than one year's carryforward allocation will not receive payment until it notifies the department that it needs the payment. If the current year's allocation is required, it should contact a Grant Advisor (refer to [Section 14](#)) and provide a rationale explaining the circumstances that necessitate the payment.

## 11. Reporting

The LGFF reporting process involves both financial and outcome reporting at the [project](#) level within the [application](#). Once all the projects are marked as completed/fully funded and have complete outcome reporting, then the application is considered completed/fully funded.

### 11.a. Statement of Expenditures and Project Outcomes (SEPO)

All [local governments](#) are required to annually submit a [SEPO](#) that reports on the previous year's expenditures and outcomes.

[Municipalities](#) are required to submit a SEPO by May 1 of each year to align with their financial year end of December 31 (e.g., the 2024 SEPO is due by May 1, 2025). [Metis Settlements](#) are required to submit their SEPO by August 1 of each year, to align with their financial year end of March 31 (e.g., the 2024 SEPO is due by August 1, 2025).

In instances where a municipality dissolves in the middle of the [program year](#) (e.g., a municipality dissolves into another municipality on July 1), the receiving municipality must submit a SEPO for both itself and the dissolved municipality by May 1 of the following year.

Consistent with the LGFF's encouragement of [asset management](#) (refer to [Section 7](#)), the SEPO asks whether the local government has an asset management plan and if so, when it was last updated. If it does not have an asset management plan, the SEPO asks the local government to identify the barrier(s) to creating one.

Following the questions related to asset management, the SEPO consists of two parts: Financial reporting and Outcomes reporting.

The Financial report captures the following information:

- the LGFF carryforward amount from the previous program year;
- the LGFF allocation for the reporting year;
- credit items earned in the reporting year;
- total funding available in the reporting year;
- all accepted [applications](#), including application name, and their respective [projects](#) and statuses, reporting year total project costs and funding sources;
- total LGFF funding applied in the reporting year on a project level; and
- LGFF funding to be carried-forward to the next program year.

On an annual basis, Municipal Affairs will compare the SEPOs against the [municipality's](#) audited financial statements to ensure financial alignment with their LGFF reporting. [Metis Settlements](#) are also required to submit audited financial statements under the LGFF for the same purpose. If discrepancies are noted, Grant Advisors will work with the local government to determine the nature of the discrepancy and/or determine next steps (if applicable).

SEPO resets (reversing a SEPO from Certified status) will be permitted in order to make corrections to individual projects' status. SEPO resets will not be permitted to reverse an LGFF expenditure for the purpose of replacing the LGFF funding for the expenditure with an alternative funding source, including but not limited to other grant programs. It is strongly recommended that the audited financial statements break down the deferred revenue by specific grants to reduce any unforeseen administrative burden on the local government. If the financial statements are submitted late, the SEPO certification and allocation payment will be delayed.

The Outcome report captures the following information for completed projects only:

- the project's [functional category](#), name, and [primary outcome](#);
- the [resulting capital assets](#) (e.g., roads) and the actual quantity upgraded and/or constructed (e.g., # of lane km);
- the asset condition after upgrades (refer to [Section 8](#)); and
- whether the project addresses disaster resilience through the use of disaster-resilient materials, technologies, etc.



Projects that identify energy efficiency, renewable energy, energy transition or green buildings as their primary outcome, or those that include the above but not as their primary outcome, will require additional SEPO reporting on energy consumption before and after the project (refer to [Appendix 3](#) for additional details).

Outcome information is collected to satisfy a number of requirements, including but not limited to program accountability, Government of Alberta decision-making, program planning, and policy-making.

All supporting documentation such as reports, drawings and invoices for each project must be retained by the local government for a minimum of three years following completion of the project. The SEPO may be subject to a review by the provincial Auditor General.

SEPOs are submitted through the LGFF Capital online portal by the Chief Administrative Officer or other authorized representative of the local government.

## 11.b. Credit Items

Funds available under the LGFF program are not provided for the purpose of generating investment income. However, recognizing that any LGFF funds held in a financial institution may earn some investment income, that income must be reported on the [SEPO](#) and will become part of the total LGFF funding available. These funds must be used towards eligible costs on LGFF approved [projects](#).

In addition to investment income earned, other credit items must be reported on the SEPO, if these credit items were realized within five years of completion of the LGFF-funded project. Examples of credit items include:

- net proceeds or market value (whichever is greater) to a maximum of the grant applied, from the sale or trade-in of capital assets purchased with LGFF funds; and
- net proceeds from an insurance claim on capital assets purchased with LGFF funds.

It is strongly recommended that [local governments](#) maintain a separate bank account for LGFF funding to ensure financial transparency, accountability, and compliance, including proper reporting of credit items and/or income earned.

The amount of income earned on grant funds may be calculated by one of two methods:

- actual income earned on the funds being held; or
- notional income earned on the funds. This can be calculated by multiplying the average LGFF funding balance by the number of months the grant funds were held in an account, by the average annual interest rate for those months.
  - For example: If a local government has a carry forward amount of \$100,000 held in an interest-bearing account for a period of eight months with an annual interest rate of five per cent, the credit item amount reported should be \$3,333 (e.g.,  $\$100,000 \times 8/12 \times 5\%$ ).

## 12. Project Eligibility Restrictions

### 12.a. Purpose

In exceptional instances, local governments grappling with viability and infrastructure challenges may be subject to LGFF [project](#) eligibility restrictions. These restrictions aim to prioritize the resolution of critical infrastructure needs over less pressing projects. Specifically, in these cases, project eligibility in these communities will be restricted to core infrastructure only. This will ensure that provincial grant funding targets critical infrastructure first, while maintaining local autonomy to determine which specific core assets to support through the LGFF.

For this purpose, core infrastructure is defined as capital assets related to:

- roads and bridges;
- water, wastewater and storm water [systems](#);
- police, fire and emergency services;
- infrastructure management systems; and
- disaster mitigation.



[Local governments](#) under these restrictions can seek permission from the Minister to spend LGFF allocations on non-core infrastructure in only exceptional circumstances.

If local governments under these restrictions need to make [cash flow updates](#), those cash flow updates will be subject to a higher degree of scrutiny to ensure the local government continues to focus on core infrastructure.

## 12.b. Measures Used

Annually, [local governments](#) submit data on a variety of infrastructure and financial matters to Municipal Affairs through their audited Financial Statements and [Financial Information Returns](#). Utilizing this data, Municipal Affairs has established two measures for assessing when [project](#) eligibility restrictions would be applied.

Local governments will be recognized as having viability and infrastructure management challenges if both of the following measures are triggered in three consecutive prior years:

1. Investment in Infrastructure Ratio – triggered when the indicator falls below 1.0; and
2. Capital Grants as Percentage of Investment in Infrastructure – triggered when the indicator is above 0.8.

### 1. Investment in Infrastructure Ratio

The total cost of annual additions to tangible capital assets relative to the annual amortization on all tangible capital assets, measured as a five-year average. A ratio of 1.0 means that replacement of existing tangible capital assets and investment in new assets occurs at the same rate as the estimated wear or obsolescence of existing capital assets. The indicator is calculated based on data submitted annually through audited Financial Statements and/or Financial Information Returns. More information on the Investment in Infrastructure indicator can be found on Alberta's [municipal indicators webpage](#).

### 2. Capital Grants as Percentage of Investment in Infrastructure

Amount of annual capital funding allocated under the Municipal Sustainability Initiative/LGFF and Canada Community-Building Fund relative to total cost of annual additions to tangible capital assets, measured as a five-year average. A ratio of more than 0.8 means that the local government relies heavily on provincial and federal allocation-based grants to fund its infrastructure investments. The indicator is calculated based on data submitted annually through the audited Financial Statements and/or Financial Information Returns.

## 12.c. Warning Process

Starting in 2024, Municipal Affairs will assess each [local government's](#) Investment in Infrastructure ratio and Capital Grants as Percentage of Investment in Infrastructure ratio for the period of three prior years. Those with an investment ratio less than 1.0 and Capital Grants ratio higher than 0.8 in each of the three years will be advised by the Minister that they are at risk of having eligibility restrictions placed on their LGFF expenditures if both indicators are also triggered in the subsequent year, and the local government is not able to demonstrate to the Minister that its core infrastructure is in good condition.

This process will occur on an annual basis and will take place in late summer/early fall, except for the first warnings, which will be issued in winter 2024.

After a warning is issued, the local government will have the opportunity to demonstrate the state of its core infrastructure through submission of an asset condition assessment. The warning will be revoked if the assessment indicates that core infrastructure is in good condition. If the core infrastructure condition is not known at that time, the local government can make the decision to evaluate its infrastructure as part of an [asset management](#) plan, an activity that is eligible under the LGFF.

There may be exceptional or extenuating circumstances for the local government that result in a warning not being necessary.

## 12.d. Placing and Removing Restrictions

[Local governments](#) that receive a warning indicating that they are at risk of having eligibility restrictions placed, whose assets are in poor or unknown condition, and whose Investment in Infrastructure ratio continues to be less than 1.0 and Capital Grants ratio continues to exceed 0.8 in the following year, will be subject to [project](#) eligibility restrictions.

This means that once the restrictions are in effect, new projects will be accepted only if they pertain to core infrastructure.

Project eligibility restrictions will be in place until at least one of the two ratios is at the required level for a minimum of three consecutive years following the year the restrictions were imposed, or until the local government is able to demonstrate that its core infrastructure is in good condition, whichever is earlier.

### Example

In fall 2024, the municipality of Sampleford receives a warning that it is at risk of having project eligibility restrictions imposed because its Investment in Infrastructure ratio was below 1.0 and its Capital Grants ratio was over 0.8 in three prior consecutive years. Sampleford does not have an up-to-date asset condition assessment report and is unable to demonstrate that its core infrastructure is in good condition.

In fall 2025, Municipal Affairs confirms that both ratios are outside of the required levels and Sampleford is advised that no new projects requesting LGFF funding will be accepted, unless they support core infrastructure defined in [Section 12.a](#). These restrictions do not impact Sampleford's ongoing public works building project that has been previously accepted for LGFF funding.

Sampleford remains subject to project eligibility restrictions until 2029, at which time three consecutive years have passed when one or both of the ratios have met or exceeded the required thresholds. Once the restrictions are lifted in fall 2029, Sampleford regains flexibility to apply LGFF funding to non-core infrastructure projects, subject to all other program conditions.

		Municipality of Sampleford	
Program Year	FIR Data Year	Investment in Infrastructure	Capital Grants as % of Infrastructure Investment
--	2021	0.95	0.85
--	2022	0.90	0.90
2024	2023	0.85	0.95
2025	2024	0.90	0.85
Project Eligibility Restricted to Core Infrastructure for a Minimum of 3 Years			
2026	2025	0.95	0.95
2027	2026	1.05	0.90
2028	2027	1.00	0.80
2029	2028	0.95	0.75

Fall 2024: Warning is issued

Fall 2025: Eligibility restrictions placed

3 consecutive years when Investment in Infrastructure and/or Capital Grants ratios within required level

Fall 2029: Eligibility restrictions lifted

## 13. Project Recognition and Communication Requirements

### 13.a. Signs

Placing signs at construction sites is a long-standing practice to communicate key [project](#) details to the public. Albertans can easily recognize where infrastructure investments are being made in their communities and the benefits of those investments through project signage.

Government of Alberta (GOA) signage for high visibility projects is generally required on LGFF-funded capital projects with total costs over \$5 million. Signage must follow the GOA signage guidelines found at the [Government Identity Program website](#) (refer to the Capital Project Signage section of the [Visual Identity Manual](#)).

The cost of the sign is an eligible expense under LGFF.

For LGFF-funded projects which also receive any funding under other provincial or federal funding programs, the signage requirements of those respective programs must also be adhered to.

### 13.b. Media Events and Other Communications Activities

[Local governments](#) may choose to highlight LGFF-funded [projects](#) by publicizing the projects (e.g., council minutes, annual reports, local media) and by celebrating key project milestones through media events, including news conferences, news releases, public announcements, and official ceremonies.

Media events for LGFF-funded projects may not occur without prior knowledge of the provincial government. If the local government decides to hold a media event, it must provide a minimum of 20 working days' notice to Municipal Affairs by emailing [ma.lgffcapital@gov.ab.ca](mailto:ma.lgffcapital@gov.ab.ca).

For scheduling media events with the Minister of Municipal Affairs, the local government should send an invitation to the Minister's Office general mailbox at [minister.municipalaffairs@gov.ab.ca](mailto:minister.municipalaffairs@gov.ab.ca) and copy Municipal Affairs at [ma.lgffcapital@gov.ab.ca](mailto:ma.lgffcapital@gov.ab.ca). The invitation must include event details, proposed date, and project information (e.g., name of project, grant funding source) and must be sent a minimum of 20 working days in advance of the event.

If the notice of the media event is not provided within the specified timeframes, the province may require the media event to be rescheduled.

If a local government publicizes a project through a news release, the news release should acknowledge the province's contribution and, when doing so, must include a quote from the Minister or other GOA representative as determined by the province. The request for a quote must be made to Municipal Affairs a minimum of 20 working days prior to the news release by emailing [ma.lgffcapital@gov.ab.ca](mailto:ma.lgffcapital@gov.ab.ca).

If the request for a quote is not made within the specified timeframes, the province may require the news release to be rescheduled.

For LGFF-funded projects which also receive any funding under other provincial or federal funding programs, the media and communications requirements of those respective programs must also be adhered to.

To discuss project recognition options or communications requirements, please call Municipal Affairs at 780-422-7125, toll free by first dialing 310-0000, or email [ma.lgffcapital@gov.ab.ca](mailto:ma.lgffcapital@gov.ab.ca).

## 14. Contacting the LGFF Program

To contact the Local Government Fiscal Framework Capital program Grant Advisors, please contact

Phone: [780-422-7125](tel:780-422-7125)

Toll free: [310-0000](tel:310-0000) before the phone number (in Alberta)

Email: [ma.lgffcapital@gov.ab.ca](mailto:ma.lgffcapital@gov.ab.ca)

Hours: 8:15 am to 4:30 pm (open Monday to Friday, closed statutory holidays)

For information on the LGFF Capital online portal, please contact:

Phone: [780-644-2413](tel:780-644-2413)

Toll free: [310-0000](tel:310-0000) before the phone number (in Alberta)

Email: [ma.lgffcapital@gov.ab.ca](mailto:ma.lgffcapital@gov.ab.ca)

Hours: 8:15 am to 4:30 pm (open Monday to Friday, closed statutory holidays)

# Appendix 1: Eligible Activities and Project Examples by Functional Category

## Activities

Costs directly related to, and in support of, the following activities are eligible for LGFF capital funding, where the activity is associated with an eligible project example outlined below.

### 1.a) Acquisition

- Purchase of equipment that will be used primarily to maintain a capital asset and/or system
- Purchase of vehicles and/or buildings (i.e., fire trucks, public works vehicles, etc.) used to maintain a capital asset and/or system and/or which provides a municipal service (i.e., purchase of a building to relocate the library)
- Purchase or replacement of ancillary or small equipment that are capitalized to provide services in connection with an infrastructure asset, such as remote data access terminals, meter reading devices, radios, equipment location devices, and geographic positioning systems
- Purchase of land and rights-of-way (including legal and survey fees), where the land is intended for a specific, eligible capital project funded by any federal or provincial grant. Where LGFF is used to purchase land, the resulting capital asset must be completed within 5 years of the purchase; or, for the cities of Calgary and Edmonton only, within 10 years for transportation and utility corridors

### 1.b) Construction and Development

- Engineering and architecture, including functional planning, design, tender preparation and advertising
- Construction expenditures including the cost of supervision. Where capital projects are constructed or developed using municipal staff, all labour costs, including benefits, attributable to work carried out on and off the construction site, as follows:
  - On-site costs: site supervision; operating, leasing, maintenance, and insurance costs attributable to municipal construction equipment used at the construction site; and equipment mobilization and demobilization costs
  - Off-site costs: staff and space costs associated with off-site design and construction of project components that are subsequently installed on site; off-site construction supervision, material requisitioning and site monitoring; and off-site general project management including contract management, purchasing and procurement of materials and services, project scheduling, and budget monitoring
- Where capital projects are constructed or developed using construction equipment that is owned or leased by the local government, the following costs are eligible:
  - costs of locating the equipment at and removing the equipment from the construction site (mobilization and demobilization)
  - all operating, leasing, maintenance, and insurance costs attributable to the use of the construction equipment at the construction site
- Restoration of grass-standard landscaping in areas disturbed by construction or reconstruction of infrastructure facilities

### 1.c) Betterment

The enhancement of the service potential of a capital asset (including land) that results in an increase in physical output or service capacity, lowering of associated operating costs, extension of the useful life, or improvement in the quality of output, including:

- Removal of pollution or contaminants from environmental media such as soil, groundwater, sediment, or surface water intended to address/mitigate health and safety concerns (with or without a resulting capital asset), including enhanced landscaping necessary for the mitigation of environmental impacts to eligible capital infrastructure, facilities, etc.

- Land betterment (i.e., rehabilitation, reclamation, and remediation) on land owned by a local government or eligible entity, where the land is intended for a specific, eligible capital asset; or the betterment activities are intended to address/mitigate health and safety concerns (with or without a resulting capital asset)
- Significant enhancements or improvements for the safety of users of transportation or other municipal infrastructure system
- Energy efficiency upgrades (refer to Appendix 3)

## 1.d) Rehabilitation

The complete replacement or rebuilding of a major component of a capital asset to extend its useful life beyond the original expected or design life. Examples include:

- Repaving or re-gravelling a road surface
- Replacing or re-lining a section of water or wastewater line between logical system nodes or intersections
- Replacing the roof or the heating, ventilation and air conditioning system of a building
- Substantial reconstruction of the exterior/interior of a building

## 1.e) Non-routine Maintenance

Any non-routine, but recurring activity necessary to ensure that an asset reaches its normal design life and/or retains an acceptable appearance throughout its life, such as:

- Significant upgrades to building components (e.g., replacing a roof)
- Repair or replacement of individual parts of an infrastructure asset's major components or systems, such as repairing cracks and holes in a road, repairing or replacing sections of water or wastewater lines, replacing the compressor in a building's air conditioning system
- Aggregate loss activities such as dust abatement, or sealant application

## 1.f) Other

- Studies, plans, and system-wide reviews that directly relate to capital infrastructure
- Relocation and adjustment of associated utilities, including municipally-owned gas and electric utilities
- Communications and project recognition costs for LGFF-funded projects when requested by the Minister of Municipal Affairs
- For the cities of Calgary and Edmonton only, borrowing costs (representatives from the cities of Calgary or Edmonton should contact a Grant Advisor for information on how to apply LGFF toward borrowing costs)
- Other capital infrastructure costs as may be deemed appropriate by Municipal Affairs

## Asset Examples by Functional Category

Costs directly related to, and in support of the following assets are eligible for LGFF capital funding, where the asset is associated with an eligible activity defined above.

The purchase of land and/or rights-of-way including legal and survey fees, are eligible under LGFF capital where the purchase is associated with an asset identified below which is funded by any federal or provincial grant.

## 1.g) Airports

Assets related to regional and community air transportation services, including:

- Primary runway, cross-wind runways, secondary runways and taxiways, and runway extensions
- Aprons
- Primary taxiway from main/terminal apron to runway

- Airport buildings, including terminals and storage areas/sheds
- Development areas, access roads, fencing, and drainage
- Lighting and navigation equipment

## 1.h) Children and Family Services

Assets that support social programming for people in need, children, families, and seniors, including:

- Daycare centres
- Seniors' centres
- Family and community support facilities
- Youth centres
- Cemeteries

## 1.i) Cultural Infrastructure

Assets that support and promote the development of arts and culture, including:

- Cultural or community centres
- Convention or trade centres
- Exhibition buildings
- Performing arts facilities
- Museums and Art galleries
- Tourist facilities
- Designated local heritage sites
- Zoo facilities
- For Metis Settlements only: Harvesting Trails to facilitate Métis harvesting practices

## 1.j) Environmental Sustainability

Assets that support the protection of the environment, including:

- Renewable and alternative energy projects
- Building retrofits where the primary purpose of the project is energy efficiency
- Brownfield remediation

## 1.k) Housing

Assets that support affordable housing and supportive living for seniors, low-income families and those with special needs, including:

- Seniors lodges
- Community housing
- Special needs housing

## 1.l) Information and Communication Technology

Assets that support the use of telecommunications technologies, including:

- Broadband and other telecommunication infrastructure where the local government maintains at least 51 per cent ownership in the asset (e.g., fibre optic or copper cable, radio, cell towers, satellite links)

## 1.m) Infrastructure Management and Planning

Assets that support systematic infrastructure planning and management, including:

- Infrastructure management systems capable of recording and retrieving information on various types of infrastructure, including key infrastructure characteristics and condition, on a consistent basis to assist systematic infrastructure planning and management, including:
  - purchase of computer hardware and software (including software licenses) to facilitate asset management
  - collection and input of data

## 1.n) Libraries

Assets related to library programming, including:

- Library buildings

## 1.o) Municipal Buildings, Facilities, and Equipment

Assets that are necessary to the overall operation of the local government and which are common to the services provided by the local government, including:

- Municipal halls or administrative buildings
- Public works facilities
- Maintenance equipment buildings
- Sand and salt storage sheds
- Animal control facilities and shelters
- Fuel storage tanks
- Operational services buildings
- Equipment used primarily to maintain a qualifying asset or system:
  - backhoe loaders
  - excavators
  - loaders/skid steers
  - gravel trucks
  - motor graders
  - sanding trucks
  - wastewater cameras
  - street sweepers
  - tandem trucks
  - tractors
  - tractor-mounted equipment
  - vacuum trucks
  - public works vehicles
- Small and ancillary equipment used for services related to a qualifying asset if the equipment is capitalized rather than expensed:
  - radios
  - fire-fighting breathing apparatuses

## 1.p) Parks, Sport, and Recreation

Assets related to operations of facilities and related programming for recreational opportunities, including:

- Recreational and sports facilities, including baseball diamonds, swimming pools, ski areas
- Campground facilities
- Playgrounds and equipment
- Permanent park facilities
- Public wharves, docks, and piers
- Trail systems
- Ice resurfacers

## 1.q) Public Security and Safety

Assets related to the reduction of crime and the promotion of safe and secure communities:

- Police
  - Police stations
  - Police training facilities
  - Fixed central communications and computerized information management hardware and software that is integral to the delivery of police services
  - Peace officer vehicles
  - Police vehicles under municipal jurisdiction
- Fire
  - Fire halls
  - Fire training facilities
  - Specialized firefighting and rescue vehicles (including basic on-board equipment necessary for vehicle functionality), such as:
    - pumper trucks
    - rapid attack trucks
    - aerial trucks
    - water delivery tankers (or tanker shuttles)
    - dangerous goods spill recovery tankers and related equipment
    - mobile command post vehicles (excluding cars and pickup trucks)
    - equipment vehicles
    - personnel carriers (vehicles with the primary purpose of transporting multiple fire services personnel to the scene of the fire)
    - wildland equipment trailers
  - Specialized firefighting and rescue protective equipment
  - Fixed central communications and computerized information management hardware and software that is integral to the delivery of fire services
- Disaster and Emergency
  - Emergency operations centres
  - Emergency vehicle storage and administration facilities
  - Multi-service emergency response facilities
  - Emergency response telephone systems
  - Portable emergency power generators
  - Rural signage systems
  - Fixed central communications and computerized information management hardware and software that is integral to the delivery of emergency services
  - Ground ambulances, as well as basic on-board equipment necessary for vehicle functionality
  - Ambulance stations
  - Fixed central communications and computerized information management hardware and software that is integral to the delivery of ambulance services



## 1.r) Public Transit

Assets related to the provision of public transit services, including:

- Light Rail Transit (LRT) lines, station structures, park and ride facilities, and LRT maintenance facilities. LRT lines must be designated in the local government's transportation system bylaw
- Major public transit terminals and transit garages
- Public transit vehicles, LRT vehicles, and accessible community public transit vehicles as well as specialized transit vehicles for seniors and/or persons with disabilities
- Comprehensive transit-stop retrofit programs to achieve a "barrier free path of travel" to accessible transit services
- System-wide capital transit improvement or betterment projects
- Major capital transit security devices, communication equipment, and other public safety enhancements

## 1.s) Roads and Bridges

Assets related to roadways, bridges, and related structures, including:

- Costs associated with aggregate purchase, abatement, hauling, crushing and storage (pit or facility), and the application of new gravel to roadways and/or non-routine re-grading of existing gravel back onto roadways
- Railway or Light Rail Transit (LRT) grade separations and roadway crossings
- Other ancillary works such as sidewalks, commuter bikeways, lighting and energy efficient retrofitting, traffic control signals, pedestrian signals, storm drainage, and utility relocations
- Traffic management projects such as major intersection improvements, major traffic signal coordination, etc.
- Noise attenuation devices as a part of a qualifying project, and rehabilitation of existing noise attenuation devices on qualifying roadways or transit ways, consistent with the local government's noise attenuation policy
- Transportation planning studies and major infrastructure systems planning reviews (municipality-wide or regional)
- Pedestrian trail systems along roadways
- Parking facilities
- Transportation studies to address specific environmental and/or safety concerns including environmental impact assessments
- Snow dump sites and snow storage facilities

## 1.t) Solid Waste Management

Assets relates to collection and management of garbage and other waste material, including:

- Waste collection depots
- Solid waste and recycling collection container systems
- Recycling and material recovery facilities
- Organics management systems
- Thermal treatment systems
- Waste disposal landfills
- Waste transfer vehicles, landfill compactors, loaders, and material handlers

## 1.u) Stormwater

Assets relates to collection and management of stormwater, including:

- Stormwater ditches and major relocation of existing storm water ditches
- Stormwater or waterway flooding containment structures
- Stormwater collection lines including service lines, and catch basins

- Stormwater retention ponds and treatment facilities
- Outfall storm water to the point of discharge or disposal and related works

## 1.v) Wastewater

Assets related to the collection or removal, treatment, and disposal of sanitary sewage, including:

- Wastewater collection system extensions, betterment, and replacements, including service mains to the property line
- Wastewater pumping facilities and lift stations
- Wastewater lines from the collection system to the wastewater treatment facilities
- Wastewater treatment facilities, and lagoons
- Outfall wastewater lines from wastewater treatment facilities to the point of discharge or disposal and related works

## 1.w) Water

Assets related to treating and supplying water, including:

- Raw-water supply lines and storage facilities (reservoirs)
- Water treatment facilities
- Water quality management and monitoring systems (e.g., SCADA system)
- Water pumping facilities
- Treated-water supply lines, storage facilities and related works
- Water distribution system extensions, betterment, and replacements, including individual services to the property line and municipally-owned water meters
- Meter reading equipment

## Appendix 2: Ineligible Capital Project Activities

The following activities whether related to, or in support of, a capital asset are not eligible for LGFF capital funding. See Schedule 1 for eligible capital project activities and assets.

### 2.a) General Government and Administration

- Planning expenditures not directly related to specific capital infrastructure
- General municipal administration activities
- Public relations, stakeholder relations, partnership and governance development, communication/media services, and grant funding application and reporting activities
- Management of programs to monitor/maintain existing facilities and components of facilities

### 2.b) Operating Support

- Routine Maintenance, including any routinely scheduled, recurring, or superficial activity necessary to ensure that an asset reaches its normal design life and/or retains an acceptable appearance throughout its life, such as:
  - vehicle servicing or oil changes
  - snow sweeping/removal (including provincial highways)
  - cleaning of buildings or facilities
  - the operation of facility mechanical systems
- Goods and Services Tax (GST)
- Borrowing costs (exception for the cities of Calgary and Edmonton only, for whom such costs are eligible – representatives from these two cities should contact a Grant Advisor for information on how to apply LGFF toward borrowing costs)
- Depreciation or amortization
- Loan fees
- Operating costs

### 2.c) Acquisition

- Small equipment purchases or assets with an expected life of one year or less and treated as an immediate expense and/or not capitalized (rather than a long-term asset)
- Cars and other fleet vehicles
- Land purchase where the land is not intended for a specific eligible capital asset, and/or is intended for resale

### 2.d) Other

- Land betterment (i.e., rehabilitation, reclamation, remediation) where the land is intended for resale
- Land betterment where the land is not intended for a specific eligible capital asset, nor is the land being bettered to mitigate/address health and safety concerns
- Water licence cost
- Costs funded under other grant programs
- Portions of capital projects funded by special levies
- Beautification and cosmetic activities, including public art installations, fixed permanent artistic components of buildings and facilities, community welcome signs, tree planting, and decorative lighting

# Appendix 3: Reporting on Primary Outcomes

## Primary Outcomes

For reporting purposes, the primary outcomes that are available for a local government to identify are as follows:

- Improved public transit/transportation and mobility
- Established, and/or increased utilization of, asset management systems
- Increased use of disaster resilient technologies, materials, codes and/or standards
- Extended service life of assets
- Increased energy efficiency/lowered operating costs
- Expanded use of renewable energy
- Supported energy transition
- Developed green buildings
- Improved air and water quality
- Improved community activity
- Improved public safety
- Improved business support
- Improved support for population growth

If a local government chooses energy efficiency, renewable energy, energy transition or green buildings as the primary outcome, additional reporting is required on the SEPO when the project is complete.

- Energy efficiency is defined as using less energy or lowering operating costs to perform the same task or produce the same result. For example, energy efficient buildings use less energy to heat, cool, and run equipment and electronics. For energy efficiency projects, local governments will be required to provide:
  - the average annual energy consumption before the project;
  - the estimated/average annual energy consumption after the project; and
  - the type of energy involved.
- Renewable energy is defined as energy derived from sources that are not depleted when used, for example sunlight and wind. For renewable energy projects, local governments will be required to provide:
  - the average annual energy production before the project;
  - the estimated/average annual energy production after the project; and
  - the type of energy produced.
- Energy transition is defined as a broad shift in technologies and behaviours that are needed to replace one source of energy with a lower carbon source. For energy transition projects, local governments will be required to provide:
  - the average annual conventional energy consumption before the project;
  - the estimated/average annual clean energy consumption after the project; and
  - types of energy involved.
- Green building is the practice of creating structures and using processes that are environmentally responsible and resource-efficient throughout a building's lifecycle. For example, green buildings may incorporate sustainable materials in their construction; create healthy indoor environments with minimal pollutants; and/or feature landscaping that reduces water usage. For green building projects, local governments will be required to provide:
  - Green Building certification type (e.g., LEED, Passive House, etc.);
  - estimated energy use intensity (kWh/m<sup>2</sup>); and
  - the building's estimated renewable energy production (kWh/year).