



Union of Municipalities
of New Brunswick

Union des municipalités
du Nouveau-Brunswick



Pre-Budget Submission 2026

Union of Municipalities of New Brunswick

www.umnb.ca/prebudgetsubmission

Executive Summary

In 2025, municipalities invested a total of \$1.423 billion dollars in total service expenditures in the province of New Brunswick [1], an increase of 18% from the year before (\$1.205B). A recent report by David Campbell (Jupia Consultants, 2025) highlighted that New Brunswick has the 2nd lowest number of municipal workers per 10,000 residents in the country yet remain 22% more productive than workers in the overall government sector [2]. New Brunswick's local governments are among the most productive in the country, helping to maximize provincial investments while providing tangible community-level benefits across the province.[3]

UMNB was pleased to see investment deliveries from the provincial government on previous recommendations from our pre-budget submission for the 2025-2026 budget. These investments included funding allocations for additional cellphone towers, greater financial commitment to necessary municipal infrastructure like water and wastewater systems for new housing as well as additional funds to bolster services being administered at homeless shelters in key regions across the province. We also saw support for a UMNB communities pilot project where newly formed municipalities received additional support in the areas of financial and operational planning to ultimately help build internal capacity. Finally, the long-awaited capital renewal and municipal fiscal capacity funding model is now made available to local governments in this fiscal year. This will help to build greater asset and infrastructure management capacity at municipalities especially as the estimated \$2.5 billion infrastructure deficit faced by municipalities remains a substantial barrier for larger economic growth within the province.

We also commend the provincial government on their recent release of the progress report card demonstrating an increase in housing starts across the province. As a sector, municipalities remain committed to support the creation of more affordable housing for all New Brunswickers.

We know that we continue to experience a moment of tremendous political, economic, and social upheaval on many fronts. With shifts away from trade relationships, growing geopolitical tension, and greater public mistrust of institutions, the road ahead is uncertain. That is why it is now more important than ever to name those challenges out loud and to address them head on, in lockstep as equal government partners committed to serving all New Brunswickers.

It is clear that the provincial government worked toward building a foundation for transformational change in 2025. With the establishment of new collaborative care clinics, the increase in housing starts, and changes to internal trade agreements, the pathway to transformative change is taking shape.

We want to make the collective message of local governments across New Brunswick clear in advance of the upcoming release of the provincial budget: **generational change opportunities, especially in the area of new economic growth, are only possible when the “roads can rise up to meet them.”**

Right now, the necessary built infrastructure to capitalize on generational economic growth opportunities is insufficient. As such, the following recommendations center on the importance of continuing to push significant infrastructure investment in 2026-2027 and are being submitted on behalf of our 60 municipal member strong organization.

[1] Data of total service expenditures by all municipalities in 2025 through the Municipal Statistics Data. Note that this does not include total capital investments/expenditures made by local government.

[2] David Campbell, *Considerations on the Potential Impact of Sharing HST Revenue with Municipalities*, 2025. (p. 5).

[3] David Campbell, *Considerations on the Potential Impact of Sharing HST Revenue with Municipalities*, 2025. The author notes that “labour productivity in municipal government services is 22 percent higher than the government sector overall, double the premium for the country as a whole.” (p.28).



Recommendations in advance of the 2026 - 2027 provincial budget

Recommendation #1: That the provincial government commit to a doubling of the existing provincial housing and infrastructure funds provided to local governments to maintain necessary development momentum.

Recommendation #2: That the provincial government commit to updating and operationalizing *“From Surfaces to Services; an inclusive and sustainable transportation strategy for the province of New Brunswick, 2017-2037”* to address transportation shortages in our local communities.

Recommendation #3: That the provincial government commit to a digital government and shared services fund to help local governments to adapt and build digital infrastructure capacity in an ever-evolving tech space.

Recommendation #4: That the provincial government commit to a municipal climate adaptation and mitigation fund for all local governments to assist with necessary, on-the-ground climate action including the integration into asset management and infrastructure.

Recommendation #5: Empower the Union of Municipalities of New Brunswick to expand services to support municipal government.

About the Union of Municipalities of New Brunswick (UMNB)

The Union of Municipalities of New Brunswick (UMNB) is a bilingual association of 60 local governments of all sizes, representing over half the New Brunswick population. Since 1994, UMNB has been a dedicated advocate for the creation of strong, sustainable communities throughout the province.

At UMNB, we actively engage and collaborate with all New Brunswick municipalities, working toward building vibrant and sustainable communities through advocacy and the provision of valuable services for our members. Our organization is committed to being member-driven, serving as both the voice and authority of municipalities in New Brunswick and striving to ensure effective representation for our diverse membership.

Our members actively shape UMNB's priorities and policies through member resolutions, at regional Zone meetings, and during our Annual General Meeting. This collaborative decision-making process empowers our members to address local challenges and share effective solutions, ultimately enhancing the quality of life for their citizens.

In 2024, UMNB successfully amalgamated with the Cities of New Brunswick Association, uniting as a practical response to concerns stemming from the provincial government's mandated municipal reform process. This merger strengthens our ability to present a united front, addressing challenges collectively.

Recommendation #1

That the provincial government commit to a doubling of the existing provincial housing and infrastructure funds provided to local governments to maintain necessary development momentum.

The reestablishment of Housing New Brunswick in 2023 was an important step forward that identified a dedicated department committed to addressing housing challenges at a provincial level. The department continues to work toward building internal capacity and the UMNB would like to collectively acknowledge the successful work at the department in 2025 with a hope to continue to build on that momentum. The department has clearly articulated a definition of affordability being tied to income, stepping beyond the traditional CMHC definition of 30% of household income. This helps to provide guidance to local governments who work to support both private and non-profit developers who wish to develop more affordable units or mixed housing in our towns and cities.

Last year also saw the signing and rolling out of the 10-year federal-provincial agreement for the *Canadian Housing Infrastructure Fund* to help support municipal governments with the creation or redevelopment of municipal infrastructure, like water and wastewater, that is essential for housing development. Effective planning, and predevelopment construction costs such as geotechnical surveys, the development of long-term construction and housing proforma budgets, and incorporating energy efficiency practices, continue to increase for developers. To continue to increase the affordable housing stock across the province, we urge the Regional Development Corporation to continue to robustly fund the *Preconstruction and Infrastructure Fund* that helps to offset these costs.

With the upcoming release of the provincial government's economic development strategy, and the federal government's focus on defence infrastructure and a more interconnected national economy, municipalities need to be at the forefront. Those goals run directly through our province's cities, towns, villages, and rural community. Investing in municipal infrastructure is a direct investment in ensuring we can get products to market and that we have communities that can attract the residents that businesses need to grow.



What municipalities need:

- Doubling of the existing *Affordable Rental Housing Program (ARHP)* at Housing New Brunswick.
- More funding provided for the new *Capital Community Housing Acquisition Fund* to aid the community housing sector in an acquisition of rental properties to maintain affordably priced housing as an opportunity to prevent more individuals from falling into homelessness.
- Doubling of the existing *Pre-Construction and Infrastructure Fund* available at the Regional Development Corporation from \$22 million to \$44 million.
- Creating an internal tracking system at Housing New Brunswick to identify typology of housing being built and make that data public monthly.

Recommendation #2:

That the provincial government commit to updating and operationalizing “*From Surfaces to Services; an inclusive and sustainable transportation strategy for the province of New Brunswick, 2017-2037*” to address transportation shortages in our local communities.

Transportation continues to be a major barrier for economic growth and productivity across the province. A lack of transportation options, most notably in rural regions, prevents access to health care, jobs, and necessary community services, and exacerbates affordability challenges among New Brunswickers. It also prevents both population growth and retention necessary to support various sized industry and business sector employers. With the province releasing its economic development strategy in the coming weeks, now is the time to designate a minister responsible for transit and to establish a fund to support the interconnectedness of the network being developed.

The provincial transportation strategy, *From Surfaces to Services*, turns 10 years old next year and many of the recommendations are unfulfilled. In 2023, Statistics Canada reported, on average, that New Brunswickers spend 18.4% of their average household income on transportation, up from 16.7% in 2021. The report highlights the historical transfer of failing private transit services from the 1970s into the responsibility of New Brunswick’s larger urban centres and encourages the province to shift toward an integrated transportation vision.

The report, developed in partnership with some of New Brunswick’s most notable experts in the transit sector, clearly identifies policy and legislative changes needed as well as identifies relevant departments, going one step further to assign specific provincial departments with roles and responsibilities for implementation. The provincial government must prioritize updating this report, operationalizing the necessary policy and legislation changes, and either assign a department with the resources, and internal expertise, to push this mandate forward or create a new department mandated with a clear directive. It is time to implement recommendation #5 from the strategy, develop an immediate action plan to operationalize it, and leverage federal funds to implement.



What municipalities need:

- The provincial government to implement a broad ‘vision for mobility’ that includes transit, bus services, interoperable options, and passenger rail services.
- An operationalized timeline for implementing a provincial transportation strategy that brings together existing transportation agencies that are presently operating independent of a broader provincial transit system.
- Identifying and assigning ownership to a provincial department, or creating a new agency, that is committed to enacting transportation planning and services in the province.
- Clear direction provided on the role of the Regional Service Commissions from the newly designated transportation mandate.
- Committed provincial funds to build new as well as bolster existing transportation infrastructure.

Recommendation #3:

That the provincial government commit to a digital government and shared services fund to help local governments to adapt and build digital infrastructure capacity in an ever-evolving tech space.

Trusted leadership requires transparency, adaptability, and efficiency, all of which are shared objectives promoted by the current provincial government. Local governments have seen an increase in public interest and participation in recent years through social media platforms, consultation processes on essential government priorities like municipal plans, as well as in-person council meetings and Right to Information requests. In light of this, local governments have been working hard to update their internal technology capacity to align with the changing world.

Available tools, like e-Scribe helps to modernize communications, document organization and management, as well as overall operational efficiency and citizen experience. Local governments are also looking at how AI-based technologies can help boost capacity and improve service to the public. Municipalities are adopting AI, but more education and training are needed to ensure councils are using this for the highest and best use in line with the protection of information and data sovereignty.

What municipalities need:

- Committed provincial funding for the digital modernization of government services including improved tech-based services like e-Scribe, e-permitting, etc. to enhance operational efficiency, availability of public data, and citizen experiences.
- Greater capacity building on how local governments can improve cybersecurity and protect citizens' private information.
- Dedicated training for municipalities related to the opportunities and risks of AI.



Recommendation #4:

That the provincial government commit to a municipal climate adaptation and mitigation fund for all municipal governments to assist with necessary, on-the-ground climate action.

In 2025, the *Canadian Climate Institute* (CCI) issued a ‘costs of climate change’ series, documenting the true costs of accelerating climate damages across the country. From healthcare to housing developments to emergency response, experts estimate that price tags could rise as high as \$100 billion spent annually on addressing climate disasters by 2055.[4]

The climate crisis is rapidly accelerating, and New Brunswick is not shielded from its impact. In 2025 the province saw how warming conditions that created a hot, dry summer resulted in a large number of forest fires, with the Department of Natural Resources projecting a \$14 million deficit due to fire suppression and mobilization last summer. New Brunswickers continue to see the impact of a changing climate through coastal and riverine erosion, impacting access to our waterways and oceans, essential to the growth of our local economies.

Local governments across New Brunswick have been mandated to create local climate adaptation and mitigation plans, outlining climate risks and vulnerabilities as well as possible adaptive solutions, by 2030. This includes integrating climate considerations into upcoming asset management plans.

[4] *Canadian Climate Institute. Damage Control: Reducing the Costs of Climate Impacts. <https://climateinstitute.ca/reports/damage-control/>.*



What municipalities need:

- Capacity building on how to integrate climate considerations into local asset management planning, municipal plans, etc. and on-the-ground projects.
- A clear template and structure on how climate adaptation plans are to be developed with experts.
- Access to climate models, projection data, etc. to help inform community-based risks and vulnerabilities.
- The provincial government to commit a separate provincial fund to support the creation of climate adaptation plans directly and not through an application-based process with a competitive fund like the current *Environmental Trust Fund*.
- The provincial government provide each municipality and region with a comprehensive overview of present and future climate risks and vulnerabilities as clear visual tools and updated to the most recent release of the IPCC AR6 climate data.
- The provincial government to commit to funding the action items and adaptive solutions proposed in the climate adaptation plans through a new *Climate Implementation Fund* that can be stackable with federal and municipal dollars.
- A process to educate and support coastal municipalities on how to incorporate the upcoming *State of the Coast* recommendations into their municipal plans and by-laws to adapt to flood prone areas.

Recommendation #5:

Empower the Union of Municipalities of New Brunswick to expand services to support municipal government.

UMNB has served New Brunswick municipalities for over 30 years and continues to grow as an organization representing communities of all sizes and in both official languages. UMNB continues to be an important voice for local governments as we strive to represent their needs across multiple advocacy platforms.

Many municipal associations across the country are supported by their provincial governments to build capacity within the municipal sector through service delivery. For example, most recently the Nova Scotia Federation of Municipalities received funding from the provincial government to support staff roles committed to mineral and mining development as well as climate change adaptation and mitigation. Both roles allow the municipal association to provide additional, on the ground support to members as they navigate provincial policy changes. This ultimately helps increase efficiency and effectiveness in achieving provincial objectives, and build a strong synergy between both orders of government

Our members have continued to identify the need for further assistance in asset management which is especially pressing given that municipalities own and manage a majority of public infrastructure in Canada.[5] With Phase 2 of Asset Management planning now mandatory, and escalating challenges due to climate change, supporting UMNB is the most efficient and effective way to build capacity and enable new and expanded local governments to set themselves up for success in this critical area of long-term decision-making.

[5] Federation of Canadian Municipalities.

Conclusion

In changing geopolitical times, it is important that municipal government is strong, well-resourced and prepared to take on any challenge in support of our shared residents. We need to work together to think differently about how we fund and ensure services for all New Brunswickers so that communities may thrive.

When local governments and the provincial government work in partnership to provide trusted leadership to New Brunswickers, we can ensure good stewardship of public dollars and make smart investments that make our shared vision a reality.



Response to the GNB “*Difficult Decisions: Planning for 2026-2027 budget*”

In preparation for the upcoming 2026-2027 provincial budget, the government of New Brunswick released an options paper titled “*Difficult Decisions*” to help gather public feedback. The following is the UMN response to the proposed options outlined in this consultation process:

Improving health and long-term care efficiency:

UMNB supports the recommended effort of “shifting beds from hospitals to long-term care facilities to provide the required care in a more appropriate setting, at a lower cost” which aligns directly with our recently adopted U-25-02 resolution [6].

Asset rationalization/divestiture:

Asset rationalization and divestiture is a common financial lever to address large scale deficits and to lessen the long-term maintenance costs of capital assets on provincial books. As an exercise, this could be a beneficial process to reevaluate the current condition of provincial assets, usage, and whether revitalization, renovation, or finding an alternate use is worthwhile.

Local governments have long contended with the onerous, and at times opaque, and at times opaque, divestiture process through the Department of Transportation and Infrastructure especially as it relates to acquiring surplus land for housing development.

[6] U -25-02 BE IT RESOLVED THAT the Union of Municipalities of New Brunswick calls on the Government of New Brunswick, specifically the Department of Social Development, to: 1. Immediately increase the number of long-term care beds across the province, with priority given to areas served by major regional hospitals such as Saint John, where acute care capacity is under significant strain; 2. Accelerate and streamline the assessment and placement process for long-term care, ensuring individuals who no longer require hospital-level care can transition into appropriate residential or supportive housing settings without delay; 3. Invest in transitional care models and community-based housing solutions to reduce the reliance on hospitals as holding environments for medically stable seniors.

In the event of the province pursuing this, UMNB encourages the development of a robust engagement process with our membership to ensure that any identified assets are being carefully considered by municipalities and other potential stakeholders, most notably the non-profit housing sector, for future affordable housing development. This will, in turn, generate more revenue for the provincial government through greater, more affordable housing options for New Brunswickers and ensuring the productive use of land across the province. UMNB has internal committee structure that can help to guide this process if necessary.

Road Surface Policy:

Local government reform redrew many previous municipal boundaries to include old rural areas and expand the geographical and population scope of local government. Dr. Craig Brett's report *Toward a New Fiscal Framework for Municipalities*, identified a population increase of almost 38%^[7] in new municipal boundaries due to this restructuring.

With the new boundaries came new liabilities in the form of both shared services (i.e.: fire departments) as well as some rural road infrastructure that remains on the provincial asset books. The 2025 Municipal Statistics report ^[8] shows that 17.8% of municipal budgets (\$253,576,000) was spent on 'transportation services' as it continues to be the second highest expense, following protective services, on municipal finances. Without other revenue sources and the understanding of the true condition of these roadways, municipal governments cannot afford any downloaded costs.

As partners in asset management, we encourage the provincial government to work alongside expert organizations in the province (such as the New Brunswick Infrastructure Institute) and local governments to undertake an evidence-based comprehensive review of the current road surface policy to quantify the current conditional costs of the roads, and to create a data informed cost structure for long-term maintenance.

Assessing Government Grants:

UMNB cautions the provincial government reducing or eliminating grants for local non-profit, community organizations, and educational/learning institutions as a cut to spending approach due to their importance in building and maintaining community services and overall community vibrancy/resiliency. This creates the risk of another downloaded service to municipalities, where local government will backfill provincial cuts and put more pressure on property taxpayers.

^[7] Dr. Craig Brett, "Toward a New Fiscal Framework", 2024.

^[8] Municipal Statistics, 2025.

Revenues

Property Tax and Levy Modernization:

Simplifying the current property tax system is an essential outcome of the property tax overhaul. New Brunswick has one of the most centralized property assessment and taxation systems in Canada, and this has resulted in confusion around key aspects such as how assessment and taxation policy are developed, how they differ from one another, and the respective roles of the property tax in financing both provincial and municipal public services. The What We Heard report released in November 2025 demonstrates that although municipal services such as policing, fire, recreation, and transportation are almost entirely funded by local property taxes, many citizens do not differentiate how the role and impact of the local property tax differs from other taxes that they pay, such as the HST and income taxes.

Local governments share the province's goal of creating a fair, adequate, and transparent system, and UMNB supports a provincial review of all exemptions, including the challenges associated with the rural road levy being applicable solely to owner-occupied homes, the FLIP program, and the inequities created by the Spike Protection Mechanism. By enabling more financial flexibility on local rate setting and the potential to shift some tax revenue to local communities, the province could provide local governments with greater ability to balance rising assessments with the rates needed to generate adequate revenue to finance local services without unduly burdening the residential sector.