

# Budget 2005

## – a municipal perspective

by Tyler MacAfee, AMM Director of Policy and Communications



AMM President Ron Bell was interviewed by a number of media outlets following the Provincial Budget Speech on March 8 at the Manitoba Legislature.

On March 8, the Provincial Government tabled its Budget for the 2005-2006 budget year. The Provincial Budget is one of the most important documents for municipalities as it lays out provincial funding priorities for the upcoming year. While unravelling the complexities of any budget takes time, it is apparent the 2005-06 Provincial Budget will impact municipalities in a number of ways.

One of the most important issues for municipalities is the total removal of education funding from property. This is a top issue for the AMM and one the AMM discussed at length with the Finance Minister in the lead-up to the budget. Budget 2005 provides a further reduction of education funding from farmland to 50% as announced in the November Throne Speech and reduces the Provincial Education Support Levy (ESL) by \$30 million continuing on the Province's five-year plan to phase out the ESL. The AMM was disappointed that there were no further reductions beyond what was already committed. The AMM was hoping to see a five-year plan ending with the total removal of education funding from property.

Budget 2005 also failed to increase funding for the Community Places Program, an

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important source of funding for municipal recreation centres. The 2004 budget saw funding cut from this program and the AMM was hopeful this funding would be returned in Budget 2005. This year's budget also failed to reinstate the Manitoba Airport Capital Assistance Program (MACAP). Municipalities will still have access to the operating grants, but the capital grants will not be available to municipalities this year. There was also no commitment to reinstate the Bridge Co-Operative Program that helps offset the high costs of doing work on bridges. Both of these issues were resolutions passed at the last AMM Convention and part of the AMM's pre-budget submission.

One area the AMM had hoped to see an increase in funding was for enforcement offi-

cers to ensure there are adequate resources available to enforce the requirements set out in the new directions the Province is heading with legislation. There is an increase in the overall funding for the Department of Water Stewardship and for water stewardship initiatives specifically, however it remains unclear how this funding will be allocated.

It was positive to see an increase in grant money for libraries as libraries provide valuable services to Manitobans. It is unclear, however, what this funding will mean for specific libraries. Budget 2005 also provided an additional \$16 million for highways, building on last year's increases. While this is well below the estimates needed to address the actual highway infrastructure deficit that exists in Manitoba, it is a positive step.

### Other positive steps in the 2005 Budget include:

- Increased funding for Rural Economic Development Initiatives (REDI). Funding for REDI had been cut in last year's budget, and the AMM was pleased to see REDI increased this year, putting funding above 2003 levels.
- The carry through on the Throne Speech

commitment for 40 new police officers for Manitoba. The AMM was also pleased to see this commitment further increased after the budget to 56 new officers for Manitoba.

- Funding for more spaces for physician training in Manitoba, which will also help address the physician shortages that are plaguing many municipalities.
- The creation of the new Building Manitoba Fund. While the specifics of this fund are not evident at the time this article was submitted, the Provincial news release indicates that this fund will provide a share of fuel tax with municipalities; two cents gas tax and one-cent of diesel fuel tax. The Province estimates this will result in \$4.7 million more for municipalities above 2004 amounts, or an average funding increase of 8%. This increase is achieved by converting existing flat transit and road grants to the equivalent fuel tax sharing. Some of the funding will be unconditional and some will be targeted at water, road and transit projects. The AMM will be unravelling this new initiative further and will keep its membership up to date on any new discoveries.

Overall, Budget 2005 addressed some of the funding needs of municipalities while

falling short on others. The AMM will continue to analyse the 2005 budget, raise municipal priorities with all Provincial Ministers, and update our members through our various communication channels as further details unfold. ☺

To view the 2005 Provincial Budget, visit  
<http://www.gov.mb.ca/finance/budget05/>.



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