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Association of
Manitoba
Municipalities

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News Release

Eight cents not enough

AMM's pre-budget submission to Feds calls for long-term funding, review of municipal fiscal imbalance

Portage la Prairie, October 6, 2006 – The Association of Manitoba Municipalities (AMM) presented their annual Budget Submission to the Federal Standing Committee on Finance earlier today. The AMM's submission, presented by Urban Vice-President Lorne Boguski, was almost entirely devoted to issues involving municipal infrastructure and the municipal fiscal imbalance.

"Municipalities simply cannot afford to maintain infrastructure with the financial constraints that exist," stated Boguski. "Municipalities are having to postpone necessary repairs and upgrades in order to manage the expanding list of responsibilities we are asked to take on. That is why we are now facing a massive infrastructure deficit, estimated at \$7.4 billion in Manitoba, and \$60 billion across Canada."

The AMM believes the infrastructure deficit is a symptom of an overall municipal fiscal imbalance across Canada. "Provincial and Federal governments have a huge advantage over municipalities in terms of taxation, since their revenues grow with the economy, while our main source of revenue - property tax - does not," explained Boguski. "Making matters worse is the fact that municipalities receive only 8 cents out of every tax dollar, while 50 cents goes to Ottawa and 42 cents to the provinces. Manitoba's municipalities appreciate the Federal and Provincial programs that have been established to date, but more is needed."

The AMM's submission calls for long-term, predictable infrastructure funding along with enhanced funding for successful programs like the Municipal Rural Infrastructure Fund, the Prairie Grain Roads Program, and the National Water Supply Expansion Program. The AMM is also calling for the Federal Government invest in a separate recreational infrastructure program.

The AMM's submission also dealt with issues around Disaster Financial Assistance. "It's time we had a national early warning system," stressed Boguski. "Manitoba experiences an average of 12 tornadoes per year, and this summer two of those struck populated areas and resulted in a death."

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The AMM's Federal Budget Submission is available on the AMM website at

http://www.amm.mb.ca/pol_budgets.html.