

Commentary: Budget 2007 promising; but more to do

**By Mayor Ron Bell, President
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As the organization representing the interests of Manitoba's 198 incorporated municipalities, the Association of Manitoba Municipalities (AMM) watched Budget 2007 unfold with great interest. Perhaps at no time in Manitoba's history has the importance of building our communities been more prevalent, and with this being a pre-election budget, the AMM hoped to see movement in several key areas.

Of top concern for communities is a commitment to seriously address the issue of fiscal balance. Last week's Federal Budget was a bit of a disappointment for municipalities in this area, with a long-term plan to eliminate the over \$60 billion municipal infrastructure deficit not materializing as some had hoped it would. With Manitoba's slice of this municipal deficit being in the \$3 billion range, communities had high hopes for Minister Selinger's speech on Wednesday.

But Budget 2007 failed to deliver on a long-term plan to address the growing municipal infrastructure deficit in Manitoba. While the infrastructure commitments made in the budget will help, they are lacking in light of the total needs in communities across this province.

An issue equally important for not only municipalities, but all Manitobans is education funding. Municipalities have long felt this is the wrong way to fund education, as education has little to do with property. Municipalities have only one source of revenue – property taxes – but they lose almost 50 per cent to education tax. This inequity is one of the largest drivers of the infrastructure deficit and another area where a long-term plan is needed.

The AMM was pleased to see a firm commitment from the Minister to deal with this issue, as Budget 2007 provides a promise from the Province to increase provincial funding to 80 per cent. This has been a position of municipalities for some time, and we are pleased to see a commitment in this budget to deal with this issue.

An issue that failed to be clarified in the Throne Speech, and again in yesterday's budget, is the costs of implementing the requirements of the Water Protection Act. This budget was expected to present a clear and adequate funding plan to deal with water related initiatives in Manitoba. While stricter standards have been mentioned, the Budget failed to make a firm commitment to assist with the funding of the proposed requirements. The little funding that is in Budget 2007 for water issues is greatly lacking, especially when one looks at the lengthy list of areas this funding is supposed to cover.

The financial implications of the Water Protection Act worry municipalities. Municipal governments in this province understand first-hand the importance of taking care of the environment – OUR environment, directly affecting the places in which we live. But proposed requirements need to be balanced with the ability to finance them. In short - who pays?

Budget 2007 did include some positive measures for municipalities. More spaces for international medical graduates will mean more physicians across Manitoba. An understanding of the detrimental impacts of drugs on communities has resulted in a commitment to a strategy for dealing with drugs like crystal meth. The announcement of 30

new police officers will help in some communities. The environment will benefit from increases in bio-diesel and wind power, as well as improved transit systems. Increased funding for healthy foods in the North will also go a long way toward ensuring all Manitobans have access to the right foods at a fair price.

The AMM anticipated the 2007 provincial budget with the hope that it would be a budget that builds communities; that makes a commitment to dealing with the infrastructure deficit in this province; and that continues to build on the strong working relationship between municipalities and the province.

At the end of the day, Budget 2007 is not a bad budget for municipalities. This budget holds promise for communities, but it is evident there is more work to do.