

Contact:
Lynne Bereza, AMM Communications Coordinator
Telephone: (204) 856-2366 Cell: (204) 871-0517
Fax: (204) 856-2370
Email: lbereza@amm.mb.ca
1910 Saskatchewan Avenue W.
Portage la Prairie, MB R1N 0P1



Association of
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News Release

AMM FRONTS PRIORITY LIST FOR PROVINCIAL BUDGET 2007

FISCAL BALANCE NEEDED TO BUILD COMMUNITIES

April 3, 2007 - The Association of Manitoba Municipalities (AMM) has prepared a list of priorities for tomorrow's Provincial Budget. AMM President Ron Bell will be on hand during the tabling of the budget to evaluate and comment on the commitments the Province makes to Manitoba's municipalities.

The first item on the list is the AMM's top priority for 2007, creating fiscal balance. "Grants and short-term funds are nice, but what municipalities really need is a predictable, long-term funding commitment," explains Bell. "Communities simply cannot plan for long-term, major infrastructure projects on property tax revenue and piecemeal government funding alone."

Reducing the education tax on property is another high priority for the AMM and Bell hopes to see further movement in this area tomorrow. "Municipalities have only one source of revenue – property taxes – but we lose almost 50% to education tax," he says. "We know this can't be resolved overnight but the province has made some progress and we hope they take more steps in this budget."

Funding for recreation centres and libraries and a more detailed plan on how water-related initiatives will be funded are also on the AMM's wish list this year. "Recreation centres are at the heart of many communities, and the province has made some generous announcements lately," notes Bell. "But it comes back to predictable funding – municipalities simply don't have the revenue sources that other orders of government have so planning is next to impossible."

"On the water regulations, municipalities know we have a role to play," Bell continues. "We just don't want to be overburdened."

WHAT THE IS LOOKING FOR IN BUDGET 2007

The AMM anticipates the upcoming provincial budget with the hope that it will 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. We will be watching for commitments to the following key areas:

Fiscal Balance

Creating fiscal balance is the number one issue for the AMM this year. The reality in Manitoba is that communities are facing crumbling roads, deteriorating community centres, and inadequate water treatment facilities. It is estimated that Manitoba's municipal infrastructure deficit is \$3 billion (\$2 billion in rural municipal infrastructure and \$1 billion within the City of Winnipeg). This situation has been created by the imbalance between the tools and resources municipal governments have and the ever-increasing responsibilities they face.

The AMM wants to see a sustainable, predictable, long-term commitment to communities in Manitoba, similar to the federal commitment to extend the gas tax agreement. Municipalities in other provinces see a return on their PST and they enjoy major municipal infrastructure programs.

We need to see similar investments being committed to Manitoba.

Education Tax

We would like to see a movement toward the reduction of education tax on property in this budget. Property tax is the principal source of revenue for municipalities. However, this tax base is diminished when education tax takes up nearly 50 per cent. The AMM is advocating for a five-year plan towards reducing the reliance on property tax to fund education to an 80:20 funding split.

Previous budgets have dealt with this issue by increasing the farmland rebate to 60% and eliminating the Education Special Levy. The AMM hopes to see further movement in this budget.

Recreation Centres and Libraries

These facilities are the cornerstones of healthy communities and we hope the budget will make a needed commitment in this area. The spate of recent funding announcements is indeed positive, however a long-term dedicated commitment is needed.

Other provinces have made dedicated commitments to recreation centre and library infrastructure and we would like to see the same type of commitment in Manitoba.

Building Manitoba Fund

This has become the main grant fund for municipalities in Manitoba.

We hope the budget includes a major increase in the fund.

Water-related Funding

The Province has been vigorously moving forward with water related initiatives, yet has been silent on how these will be funded. All of the work done so far will be meaningless without ensuring the funding is available for implementation. Municipalities are stretched to the limit and imposing new requirements without associated funding will create an untenable situation.

This budget must include a clear and adequate funding plan.