

Commentary: Provincial budget needs to build communities

**By Mayor Ron Bell, President
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If there is a word that is becoming increasingly more common in the English language, it has to be “infrastructure”. Once thought of as a technical term only, this buzzword - simply meaning the basic, underlying framework or features of a municipality - hits home for each of us every time we hit a pothole, every time a waterline break occurs, every time a community club closes. Infrastructure affects our daily lives. Within the Association of Manitoba Municipalities (AMM) organization, infrastructure is the major issue that drives virtually everything we do. It motivates us and at the same time can feel like a weight bearing down on our shoulders. And our infrastructure is in trouble.

The Federation of Canadian Municipalities (FCM) has stated that most existing infrastructure is at nearly 80% of its service life. Municipalities are faced with meeting new infrastructure expectations, while trying to keep existing infrastructure up and running - an almost impossible task. Compounding the problem is the fact that municipal governments are now often playing a leading role in key areas that are not traditionally municipal in nature, such as health care and environmental initiatives. Left with the impossible task of delivering all the services expected by both the citizens and other orders of government, while only having access to limited resource streams, municipalities are now facing a situation that has been coined the “fiscal imbalance”.

Nationally, through the work of the Federation of Canadian Municipalities, municipal governments have been able to secure a full rebate of the GST as well as the gas tax rebate, extended for an additional four years in the recent Federal Budget. The Province of Manitoba has fronted some new initiatives as well. Many of the funding programs available to municipalities have been rolled into the Building Manitoba Fund, which has meant a net increase in funding available to municipalities.

While these initiatives are certainly appreciated, one only needs to take a look around our communities - or drive down many streets - to know that it is not enough. 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). These are staggering numbers when compared to the revenue streams available to these municipalities. When only 7 to 8 cents of every tax dollar goes to municipalities, it is evident there is a lack of resources to deal with this deficit.

The AMM anticipates the provincial budget on April 4, 2007 with the hope that it will be a budget that builds communities by making a commitment to dealing with the infrastructure deficit in this province. The budget can do this by addressing several key areas:

Fiscal balance - The budget must make a predictable, long-term, sustainable financial commitment to municipalities in Manitoba. Grants and short-term funds are appreciated but do not allow municipalities to plan for longer-term, major infrastructure projects and they do nothing to create self-sufficient municipal government. One way other provinces have invested in this is by returning municipal PST to municipalities. We need to see similar investments being committed to Manitoba.

Water-related funding - This budget must present a clear and adequate funding plan to deal with water related initiatives in Manitoba. The financial implications of the Water Protection Act worry municipalities. Municipal governments in this province understand first-hand the implications of not 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?

Education tax - The AMM has been advocating for a five-year plan to significantly reduce the reliance on property tax to fund education. Currently the property tax base is the principal source of revenue for municipalities. However, this tax base is diminished when education tax takes up almost 50 per cent. Previous budgets have dealt with the education tax 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. Recent funding announcements for recreation centres and libraries is indeed positive, however a long-term dedicated commitment, similar to what is enjoyed in other provinces, is needed.

By making a sustainable, long-term commitment to communities in Manitoba, the Provincial Government can send a clear message that they want to build communities; make a commitment to deal with our growing infrastructure deficit; and continue to build on the strong working relationship between municipalities and the province.

The Association of Manitoba Municipalities identifies and addresses the needs and concerns of its members in order to achieve strong and effective municipal government.