



## ASSOCIATION OF MANITOBA MUNICIPALITIES

---

1910 Saskatchewan Avenue West  
Portage la Prairie, Manitoba R1N 0P1

Phone: 204.857.8666  
Fax: 204.856.2370

E-mail: amm@amm.mb.ca  
Website: www.amm.mb.ca

April 30<sup>th</sup>, 2007

All Municipal Councils:

### **AMM Provincial Election Questions**

Attached please find some key municipal questions we would like your council to raise with local candidates in the current Provincial Election. We feel it is extremely important that municipal issues take a prominent role in this election and therefore would appreciate your council raising these issues with candidates in your areas.

If you have any questions about these issues or questions please do not hesitate to contact our office.

Sincerely,

A handwritten signature in blue ink that reads 'Joe Masi'.

Joe Masi  
Executive Director

*Representing  
Manitoba's  
Municipalities*

## **AMM PROVINCIAL ELECTION QUESTIONS – *Fiscal Balance***

- 1. Do you and your party agree that there is a funding disparity between the three orders of government in Canada?**
- 2. Do you agree that municipalities need access to greater revenues?**
- 3. Do you support the idea of a review of the roles, responsibilities and resources of municipal government to ensure each level of government has the resources needed to deliver the services that make sense?**

### **Background**

- Municipal governments have numerous responsibilities and often play a leading role in areas that are not traditionally municipal in nature, such as health care and environmental initiatives.
- However, municipal governments do not have the tools and resources they need to meet these new expectations.
- Municipal councils are 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.
- Many of the resolutions currently being worked on by the AMM deal with inadequate funding levels for municipal services.
- In fact, it is estimated that municipalities in Canada get 8 cents of every tax dollar spent, with 42 cents going to the provinces and 50 cents to the federal government
- If Manitoba's municipalities are continually expected to take on additional responsibilities it is imperative that new revenue sources are made available.
- The reality in Manitoba is that the current system of tax and return, where money is taken out of a community only to have it returned in the forms of a grant, is not sustainable. **The time has come for a change.**
- The reality we face 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, which includes \$2 billion in rural municipal infrastructure and \$1 billion within the City of Winnipeg
- We believe it is time to take a closer look at the resources available to municipalities and take stock of the roles and responsibilities of municipal government in Manitoba so that we can truly create fiscal balance in our province.

# AMM PROVINCIAL ELECTION QUESTIONS – *Water*

1. Do you think there is a sufficient financial plan to go along with the water protection commitments made to date?
2. Who do you think should pay for the infrastructure costs involved in meeting provincially determined requirements?

## *Background*

- All orders of government and all stakeholders must work together to protect Manitoba's water. This is not something that any single level of government can do alone.
- Over the last couple of years there has been a great deal of discussion about directions and end goals, but little discussion about how any of this will be financed.
- For example, the Lake Winnipeg Stewardship Board's recent Final Report calls on communities to establish watershed management districts, which would be responsible for developing detailed plans and managing drainage, among other things. However, there has been silence around how this will be funded
- Perhaps just as alarming as the silence on funding are the few cases where costs associated with initiatives *have* been mentioned. For example, the Report also suggests that nutrient reductions be fast tracked in Winnipeg, Brandon and Portage la Prairie, yet there are no accompanying financial commitments. *Winnipeg has suggested costs for this could be as high as \$1.8 billion.*
- While in fairness not this entire \$1.8 billion figure is a result of nutrient reductions, it is still an absolutely staggering figure and one that should cause serious concern for all municipalities.
- Municipalities want to work with the province to do what is right for their citizens. However, there are very serious limitations to what they are able to take on given their financial limitations.
- Municipalities are concerned that the seriousness of the financial realities of municipalities are not being taken into consideration, as new proposals are being considered and moved forward.
- It is for this reason that we are asking this simple question: **'Who pays'?**
- Who is paying for all of these new requirements and goals?

## **AMM PROVINCIAL ELECTION QUESTIONS – *Education Taxation***

1. **Do you believe the current reliance on property taxes to fund education creates funding challenges for municipalities?**
2. **Does your party support the AMM position of restoring the provincial share of education funding to 80% of school operating costs for kindergarten to Grade 12?**

### **Background**

- The AMM is 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 **over 40 per cent**.
- The AMM's position is an 80:20 funding arrangement that is phased in over five years.
- Local residents, school boards, and municipalities want to play a role in the education system and do not want to see a decreased level of local input.
- However, the taxation system needs to reflect that it is unsustainable for municipalities to continue to provide services with limited revenue-generating tools.
- We were very pleased by the commitment in the recent budget to a 5-year plan to move to an 80:20 funding split
- While there are certainly many details left to work out, we see this as a very encouraging sign.