

BUILDING MANITOBA FUND PST REVENUE SHARING MUNICIPAL Q AND A's

Overview

- In 2011, provincial funding for municipal infrastructure renewal and transit has increased to the point where it is now equivalent to 1% point of PST.
- The Building Manitoba Fund (BMF) formula is being changed to permanently share 1% point of PST with municipalities for infrastructure, unconditional grants that are used for infrastructure related purposes, capital asset renewal, and transit services.

BUILDING MANITOBA FUND ALLOCATION

What is changing in BMF? What programs are now funded from within BMF?

- BMF is now a larger revenue sharing program than before. Changing the formula to 1% point of PST provides a larger, more stable and faster growing revenue source for municipalities.
- Grant programs funded from the BMF will now be focussed on transit, infrastructure and capital asset renewal, which will benefit from PST growth in the future.

How will BMF funding be provided to municipalities? What do we have to do to access BMF programs now?

- Municipalities will continue to receive funding as they have in the past, through programs that are funded from the BMF. Delivery of these programs will not change.
- All programming that was previously available to municipalities continues to be available, and is being administered the same as before.
- The only change is the programs that are now within the BMF “envelope”.

2011 Grants to Municipalities (including Winnipeg)	
Old BMF Sharing of Income and Fuel Tax	New BMF Sharing of 1% Point of PST
\$165M – 48%	\$239M – 70%
General Assistance Transit – Operating and Capital Municipal Recreation Fund Library Technology Fund Renaissance Brandon Grant- In – Aid Roads Police, Firefighters	General Assistance Transit – Operating and Capital Municipal Recreation Fund Library Technology Fund Renaissance Brandon Grant- In – Aid Roads MWSB Canada/Mb Agreements Winnipeg Roads Winnipeg BRT
Funding Outside BMF	Funding Outside BMF
\$177M – 52%	\$103M – 30%
VLT General Support Grant Winnipeg Unconditional Programs Winnipeg Ambulance – WRHA Winnipeg Other Operating MWSB Canada/Mb Agreements Winnipeg Roads Winnipeg BRT	VLT General Support Grant Winnipeg Unconditional Programs Winnipeg Ambulance – WRHA Winnipeg Other Operating Police, Firefighters
Total \$342M	Total \$342M

- Beginning in 2011, 70% of grants to municipalities are tied to a guaranteed and growing revenue source, as compared to 48% under the “old” formula.

- All grants for infrastructure and infrastructure related purposes are now tied to a guaranteed revenue source.

Can I continue to use the General Assistance Grant in my operating budget? Will General Assistance grants remain unconditional?

- You incur significant on-going expenditures in your operating budget for infrastructure maintenance and capital asset renewal on such things as road maintenance, land drainage, and municipal building repairs. The General Assistance Grant will continue to be provided on the same basis as prior years, in support of these expenditures in your operating budget.

What about Operating Grants? What happens to the programs that are no longer in BMF?

- In addition to grants for municipal infrastructure and transit, Manitoba also provides other operating grants to municipalities. These operating grants equal \$103 M in 2011 funding and continue to be available as they have in previous years.
- The largest of these grants are VLT and General Support Grants, and the formula for calculating these grants has not changed.

What happened to Gas Tax Sharing?

- This session amendments will be made to provincial legislation to set one full point of PST as the base for municipal infrastructure and transit grants. This is a stream of revenue that grows much faster than gas taxes.
- We will continue to calculate the revenue under the old formula that included gas taxes and income taxes. If in any year the grants would have been greater under the old formula, municipalities will get the greater of the two.

Are we getting 1% point of PST over and above our existing funding?

- No. Existing funding for municipal infrastructure and transit has increased to the point where it is now equivalent to 1% point of PST. For 2011, this means that overall funding to municipalities increased 5% over 2010 levels.