



Alternate Revenue for Municipalities

Lack of revenue is not a new problem for municipalities. In fact a strong argument can be made that from its inception municipal government has not had the resources required. One need only look back to the resolutions from the founding meeting of the Union of Manitoba Municipalities in 1905 to see municipal revenues were front and centre even then.

It is because of the importance of this issue that the AMM brought it to every Provincial Cabinet Minister we met with over the past year. It was also the only issue we raised with every MLA we met with as part of our Lobby Days. Manitoba municipalities are more reliant on provincial and federal grants than any other province in Canada. This leaves municipalities having to compete against one another for limited dollars and restricts a municipality's ability to properly plan for much needed investment. The amount in grant programs like the Municipal Rural Infrastructure Fund is nowhere near the total demand, meaning there is no guarantee much needed projects will ever see funding.

Municipalities must have access to new revenue sources. A greater reliance on property taxes and provincial and federal grants has created an ever-widening chasm between municipal revenues and needs, leaving future generations with what is quickly becoming an insurmountable infrastructure deficit.

A new approach is needed, and for this reason the AMM asked the Province of Manitoba to share one per cent of the Provincial Sales Tax with municipalities for infrastructure. This will provide municipalities with in excess of \$200 million a year. For a community of 1,000 people, this means an investment of roughly \$185,000 in their local infrastructure, or \$370,000 for a community of 2,000 people. Although this alone will not erase the infrastructure deficit in Manitoba, it would be a positive first step.



L to R: City of Brandon Mayor Dave Burgess, City of Winnipeg Councillor and AMM Director Russ Wyatt, and President Ron Bell address the media. The press conference was organized during the AMM 10th Annual Convention to discuss Resolution #75 asking for the equivalent of a one per cent provincial sales tax to municipalities for municipal infrastructure.

One of the ways the AMM gauged public attitudes on infrastructure renewal funding in Manitoba last year was by taking part in an Omnibus survey. This survey was administered by Probe Research to a random sampling of 1,000 adults between September 15 and October 6, 2008.

The survey questions were designed to gauge Manitobans' attitudes towards the importance of infrastructure renewal projects, their opinion on the affordability of such projects, and their support of a one per cent sales tax dedicated to infrastructure programs.

Key Findings

- When asked how much priority municipal governments should give to infrastructure renewal projects, the vast majority feel that municipalities should be giving either "highest" priority (27%) or "high" priority (67%) to these types of projects. This priority was offered by all respondents regardless of location or socio-demographic background.
- A majority of Manitobans do not, however, feel their own municipal government could afford to pay for infrastructure upgrades without raising taxes or looking to other levels of government for financial support. Only a little more than one-third (35%) surveyed felt their municipality could pay for its own infrastructure needs, while over half (55%) were convinced their municipality could not afford to cover these projects.
- A majority of Manitobans (54%, including 22% who "strongly" support) report they would support the idea of an additional one per cent municipal tax dedicated exclusively for infrastructure renewal projects.

