



ASSOCIATION OF MANITOBA MUNICIPALITIES

## FEDERAL BUDGET SUBMISSION FOR 2015-2016

August 6, 2014

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## Executive Summary

- The Association of Manitoba Municipalities (AMM) appreciates the opportunity to submit our recommendations on the federal budget on behalf of all Manitoba municipalities.
- Our top priorities in the upcoming federal budget are the dedication of a majority of the Building Canada Fund investments to municipal infrastructure; federal support for rising municipal policing costs; improvements to the Disaster Financial Assistance Program and flood mitigation; federal support for reliable wireless communication; and federal support for affordable housing.
- The AMM believes that federal support for infrastructure and affordable housing will support families and prosperous communities, and it will also increase the strength and competitiveness of the Canadian economy.
- Support for community policing will ensure secure and prosperous communities, and help local governments to manage increasing public safety costs.
- As well, national disaster mitigation investments, in consultation with local governments, and a review of Disaster Financial Assistance that incorporates the AMM's recommendations will protect infrastructure investments, and ensure secure communities for Canadians by improving their resiliency against extreme weather events.
- Investments in cell service will improve the competitiveness of Canadian businesses, and maximize job opportunities in rural and remote areas of the country.

## Introduction

- The Association of Manitoba Municipalities (AMM) appreciates the opportunity to submit priorities for Manitoba municipalities for consideration in the 2015-16 federal budget.
- The AMM also appreciates recent federal infrastructure funding commitments that have now been launched, including an indexed Gas Tax Fund, a new Building Canada Fund including a Small Communities Component, and the renewal of the P3 Canada Fund.
- Infrastructure funding supports families and prosperous communities by improving their quality of life, for instance by maintaining the facilities needed to provide safe drinking water, transportation, or fitness and recreation opportunities.
- Infrastructure investments are also key to Canada's economic growth and competitiveness worldwide.
- Support for affordable housing ensures families and vulnerable Canadians can contribute to the economy, and the AMM was pleased with the housing announcements in Budget 2013-14 with the renewal of over \$1.25 billion over 5 years for the Investment in Affordable Housing bilateral agreements with provinces and territories. As indicated in the recent announcement, this will mean a joint investment with the Province of Manitoba of \$104 million over five years to create more affordable housing for individuals and families.
- As well, we hope to see Manitoban communities benefit from the \$305 million federal investment to provide greater access to high-speed internet through *Connecting Canadians*.
- The top priorities for the AMM in the upcoming budget include the dedication of a majority of federal infrastructure funding through the Building Canada Fun to

municipal infrastructure; federal support for rising municipal policing costs; improvements to the Disaster Financial Assistance Program and flood mitigation; federal support for reliable wireless communication; and federal support for affordable housing.

- The AMM also supports Transport Canada's work with the Federation of Canadian Municipalities (FCM) to improve railway safety and would like to thank the Government of Canada for supporting these ongoing efforts.

# 1) Infrastructure

## The AMM recommends the government:

- ❖ *Ensure the majority of application-based funding through the Building Canada Fund goes to municipal infrastructure.*
- The AMM appreciates the renewed commitments to local infrastructure in Budget 2014-15. To date they are the longest and largest commitments to infrastructure announced by the Government of Canada.
- The AMM is confident these investments will create jobs and allow Canada to compete in today's global economy providing municipalities benefit from a majority of application-based funding.
- Municipalities need help to address the infrastructure deficit in their communities to encourage and keep pace with growth.
- While municipalities are responsible for over 60 per cent of Canada's public infrastructure, they receive only 8 cents of every tax dollar.

### *Gas Tax Fund:*

- Particularly noteworthy among renewed federal infrastructure funding was the permanent Gas Tax Fund, now to be indexed at 2 per cent per year to protect its value against inflation. This was a key priority for AMM members as the Gas Tax Fund provides a predictable and flexible source of infrastructure funding for municipalities.
- The AMM would like to thank the Government of Canada for this support, and is pleased that the Gas Tax Funding Agreements have been signed by local governments.

### *Building Canada Fund*

- The AMM was also pleased to see the commitment to a new Building Canada Fund to begin in 2014.

- It is important to finalize the details and design of the program as soon as possible to ensure municipalities can take advantage of the short construction season.
- Since the Building Canada Fund is also available to the Province of Manitoba for provincial infrastructure, the AMM would like to emphasize the importance of ensuring municipalities receive a fair share of this application-based funding.
- This is especially important, given changes to the criteria of the Building Canada Fund, specifically the removal of categories that include local roads and bridges, recreation and sport.
- The AMM was pleased to see a Small Communities Component within the Building Canada Fund, and we have encouraged the federal government to require more than the 10 per cent minimum of funding for communities with populations under 100,000.

## 2) Community Policing

**The AMM recommends the government:**

- ❖ *Renew the successful Police Officer Recruitment Fund; and*
  - ❖ *Support improved communication and responsiveness between the RCMP and municipalities.*
- Although community safety and crime prevention are among the top priorities of Manitoban communities, the costs of fighting crime are rising and quickly becoming increasingly unsustainable.
  - FCM has studied this issue in depth, and found the costs for police services in Canada rose from \$6.4 billion in 1999 to \$12.3 billion in 2009, with municipalities paying for 60 per cent of this increase.
  - Without the renewal of the federal Police Officer Recruitment Fund, many Manitoba communities will experience a decrease in the number of police officers in their communities.
  - In most cases, municipalities do not have extra funds in order to keep the officers hired with federal funding, and are seriously concerned about the potential effect this will have on public safety in their communities.
  
  - As well, while the Manitoba Contract Management Committee has made some important progress in terms of opening communication between municipalities and the RCMP, it is important to ensure this progress continues.
  - Municipalities need to have regular communication with their police forces, and a good understanding of their policing contracts with the federal government in order to work together and to continue addressing local public safety priorities.

### 3) Disaster Financial Assistance and Flood Mitigation

The AMM recommends the government:

- ❖ *Conduct a review of Disaster Financial Assistance (DFA) funding, policies and criteria, incorporating the AMM's recommendations; and*
- ❖ *Invest in the development of a national disaster mitigation program in consultation with municipalities.*
  - The AMM appreciates the federal assistance under DFA of almost \$300 million for response and recovery costs incurred during the catastrophic flooding in 2011, and the assistance that has been provided in response to flooding in 2014.
  - The AMM has recommended several changes to Disaster Financial Assistance which will allow for more efficient and effective use of government resources:
    - *Establish provisions in the Disaster Financial Assistance Arrangements to cover seasonal, non-permanent residents or provide another avenue for financial aid;*
    - *Allow disaster events taking place very close together to be linked in one claim;*
    - *Allow approval of claims for homeowners who have experienced both sewer back-up and overland flooding; and*
    - *Allow and provide funding for more preventative work during the recovery process to decrease the impacts of future flooding.*
  - In particular, continued investment in permanent flood protection and prevention measures will save recovery and reconstruction costs in the future by improving the resiliency of local infrastructure.
  - Additionally, the AMM encourages the Government of Canada to move forward with the development of a national disaster mitigation program to better prepare for future flooding in consultation with municipalities.

## 4) Wireless Access

### The AMM recommends the government:

- ❖ *Continue to consult with representatives of the affected communities, the AMM and the Province of Manitoba to deliver solutions to the lack of reliable wireless and broadband service.*
- The AMM appreciates the recent launch of *Connecting Canadians* which will invest \$305 million from 2014 to 2017 to extend high-speed Internet service to 280,000 households in rural and remote regions of the country that currently have slower or no Internet access.
- Cell service, high speed internet, and emergency communication systems are extremely important from both an economic development perspective, and a public safety perspective.
- Investments to expand wireless and broadband services will help to encourage private sector growth by providing the basic services businesses need to operate.
- The AMM would like to encourage the Government of Canada to continue its consultations and partnerships with the Province of Manitoba, municipalities and the private sector to improve both wireless and broadband access in rural and northern Manitoba.
- As well, it is especially important for emergency communication services to be reliable to ensure the safety of the public and emergency responders.
- One solution FCM, the AMM and the Province of Manitoba all support is to include agreements or conditions with the auction of spectrum in the 2300 MHz and 3500 MHz band requiring the service provider to offer these essential communication services.
- A past example of a successful federal partnership was the Broadband Canada: Connecting Rural Canadians program. In Manitoba, approximately 27,000 unserved or underserved households benefited from funding provided to telecommunications companies through this program.

## 5) Housing

### The AMM recommends the government:

- ❖ *Build on commitments in Budgets 2013 and 2014 by establishing a long-term plan to work with FCM, provinces and municipalities to strengthen Canada's housing system and implement 'housing first' programs; and*
  - ❖ *Protect communities from the loss of affordable housing by renewing the \$1.7 billion in federal operating agreements.*
- The AMM appreciates investments made by the Government of Canada over five years in Manitoba through the extension to the Investment in Affordable Housing (IAH) agreement.
  - This will mean a joint investment with the Province of Manitoba of \$104 million over five years to create more affordable housing for Manitoba individuals and families.
  - Many Manitoba communities are experiencing strong economic and sudden population growth, and a healthy housing sector is essential to support the economy and to ensure their continued growth.
  - Rural and northern Manitoba is experiencing housing shortages of a variety of types: supportive housing for seniors, rental housing, and affordable housing for all different sizes of families.
  - Public sector involvement must complement and encourage the private sector to build housing that meets local needs, rather than creating obstacles.
  - Cities and communities need better housing options to attract new workers, keep young families, and support seniors and our most vulnerable citizens.
  - The AMM encourages the Government of Canada to play a role in strengthening our housing system by developing a long-term plan.
  - The federal government actions, aligned with provincial and local initiatives, can be a catalyst for a stronger and more balanced housing system, which will attract investment and create jobs, support new economic growth, and increase labour mobility.