



# Association of Manitoba Municipalities

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FEDERAL  
PRE-BUDGET  
SUBMISSION

JANUARY 1

# 2024

# SUMMARY OF MUNICIPAL PRIORITIES

The AMM is pleased to present its pre-Budget 2024 submission to the Government of Canada as well as appreciates the opportunity to submit our recommendations during federal budget consultations on behalf of all Manitoba municipalities. The AMM urges the Government of Canada to consider the impacts of inflationary and infrastructure pressures on municipalities, along with the ongoing challenges facing local governments in its upcoming budget.



## Next Generation Infrastructure Programming

- **Establish a new federal Program for Water and Wastewater Infrastructure**
- **Streamline processes and increase flexibility**
- **Permanently double the CCBF Transfer**

## Public Safety

- **Assist municipalities with escalating policing costs**
- **Absorb retroactive RCMP salary pay increases and Body Worn Camera costs**
- **Meaningfully engage municipalities on the future of RCMP contract policing**



## Disaster Assistance

- **Reverse changes to the Disaster Financial Assistance (DFAA) Arrangements cost-sharing formula**

## Cannabis Taxation

- **Ensure municipalities receive a fair share of federal cannabis excise tax revenues**



## Municipal Growth Framework

- **Directly work with FCM and municipalities to prevent a patchwork approach**

## Next Generation Infrastructure Canada Programming

### RECOMMENDATIONS

- ✓ ***Establish a new federal program for water and wastewater infrastructure to ensure municipalities can respond to priorities and fuel economic development;***
- ✓ ***Streamline processes and increase flexibility for applicants and funding recipients with enhanced ability to move funds between streams to better address municipal priorities; and***
- ✓ ***Permanently double the CCBF transfer to provide municipalities with long-term predictable funding.***

Municipalities in Manitoba - and across Canada - are facing unprecedented inflation and supply chain challenges. Increased federal support for local communities grappling with aging municipal infrastructure is urgently needed. Enhancing local roads, bridges, public transit, and water systems stands out as a crucial avenue to create jobs and stimulate economic growth.

Municipalities in Manitoba have identified a need for over **\$976 million** to upgrade or construct water and wastewater treatment facilities, as well as sewer infrastructure, encompassing **over 300 projects** - a cost **increase of over \$224 million** compared to 2022 projections.

As Investing in Canada Infrastructure Program (ICIP) funds have been fully allocated and many federal programs are approaching expiration, next generation infrastructure programming must be more inclusive and better address the diverse needs of all provinces. To date, there have been several challenges with federal infrastructure programming. For instance, Manitoba municipalities often find themselves overlooked within federal definitions of the term 'rural'. Application requirements are often unclear, further complicated by cumbersome lenses, and the reporting requirements are complex.

Program administration should focus on ensuring the swift delivery of funds so municipalities can seize economic growth opportunities and help fuel our collective recovery. Finally, the AMM supports FCM's call to double the CCBF to **\$4.4 billion** annually with a **3.5%** indexation, and a **\$1 billion** annual investment over 10 years to establish a new federal water and wastewater infrastructure program and an investment of **\$500 million** annually in municipal community, culture, and recreational infrastructure.

## Public Safety, RCMP Containment and Future Policing

### RECOMMENDATIONS

- ✓ ***Provide immediate assistance to municipalities facing increasing and unsustainable policing expenses;***
- ✓ ***Fully absorb all retroactive RCMP salary pay increases and costs related to Body Worn Cameras to ensure local communities are not negatively affected by these changes; and***
- ✓ ***Meaningfully consult municipalities about decisions related to the future of RCMP contract policing.***

Municipalities are paying a growing share of policing costs but face constraints as they cannot run deficits and lack revenue-generating tools comparable to other levels of government.

Municipalities have been ringing the alarm on increasing crime rates in their communities since the Prairie Provinces experience higher rates of rural crime compared to other areas of the country. Further, in 2023, the AMM commissioned a poll by Probe Research which revealed that only **5%** of Manitobans feel safer in their community than they did three years ago while **56%** of Manitobans feel decidedly “**less safe**” in their community.

Moreover, the revolving door of criminals being released by the courts back into local communities contributes to rising crime rates throughout Manitoba. We continue to press the federal government for bail and conditional release reform to be tougher on repeat offenders. The AMM welcomes Bill C-48, which seeks to enhance Canada's bail system and public safety. We look forward to a prompt approval following its passage in the Senate.

In Manitoba, there are **21 municipalities** across the province with direct federal RCMP contracts. Despite being direct contract partners with Public Safety Canada for the delivery of RCMP services, new agreements, such as collective bargaining, and the procurement of equipment like body-worn cameras, are often negotiated by the federal government with municipal wallets and without meaningful consultation.

Finally, with the RCMP's current policing agreements set to expire in 2032, any possible changes to the scope of community policing may have wide-ranging impacts on municipalities that currently contract with the RCMP for policing services. It is fundamental that the federal government meaningfully consult with municipalities at the earliest opportunity given the amount of time and resources needed to support any possible transition plan.

## Disaster Financial Assistance Arrangements (DFAA)

### RECOMMENDATIONS



***Reverse changes to the Disaster Financial Assistance Arrangements cost-sharing formula that came into effect in February 2015 and increase investments in flood prevention infrastructure.***

In 2015, changes to the Disaster Financial Assistance Arrangements (DFAA) program's cost-sharing formula significantly raised federal funding thresholds for small and medium disasters or extreme weather events. This change has led to the transfer of federal responsibilities to provincial governments, imposing additional pressures on municipalities.

If there is a major flood event in Manitoba, the current DFAA cost-sharing formula will have severe impacts on municipalities, particularly for smaller municipalities due to increased thresholds. This is problematic given that Manitoba is the second largest user of the DFAA program.

Every dollar invested in adaptation and climate-resilient infrastructure will yield anywhere from **\$9 to \$38** in avoided damages in the future. Therefore, helping municipalities better prepare their communities would not only save money, but improve the lives of Canadians, and avoid the downloading of disaster costs to municipalities.

Finally, the AMM supports the Federation of Canadian Municipalities (FCM) call for an additional increase to the Disaster Mitigation and Adaptation Fund (DMAF) **totaling \$2 billion** and at least **\$1 billion** per year in ongoing funding for disaster mitigation infrastructure.

## Cannabis Taxation

### RECOMMENDATIONS



***Ensure municipalities receive a fair share of federal cannabis excise tax revenues.***

Since the legalization of cannabis in 2018, Manitoba municipalities have been on the front lines in local communities where cannabis are legally produced, sold, and consumed. Municipalities are frequently on the receiving end of nuisance complaints from residents about cannabis-related activities, including odour and light pollution and concerns about criminality, which places additional administrative burdens on local resources and increases costs on local governments. However, no funding support has been provided to Manitoba municipalities.

Despite the federal commitment to sharing **75 per cent** of the excise tax with provinces and territories, the Province of Manitoba is not a signatory of the Coordinated Cannabis Taxation Agreement and thus does not receive a share of the federal cannabis excise tax. This is problematic given that the Manitoba Liquor and Lotteries (MBLL) Annual Reports indicate cannabis operations revenues continue to increase year-over-year.

The AMM was pleased to participate in the federal government's legislative review of *The Cannabis Act* to express concerns related to the medical cannabis regime and lack of revenue-sharing with municipalities.

The AMM also supports the FCM's position, urging the federal government to establish adequate revenue-sharing plans, allowing municipalities to partake in the proceeds of this new federal policy. Costs should not be borne solely by municipalities, it is imperative that municipalities actively participate in meaningful revenue-sharing conversations, working toward a co-developed model that respects municipal authority.

## Municipal Growth Framework

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### RECOMMENDATIONS



***Directly work with the FCM and municipalities in the development of a Municipal Growth Framework to prevent a patchwork approach.***

In May 2023, the Federation of Canadian Municipalities (FCM) membership adopted a resolution calling for a new Municipal Growth Framework that would equip local governments with sources of revenue that grow along with the economy and national population.

As municipalities continue to experience similar increasing costs related to public safety, infrastructure, and climate change, an outdated fiscal framework poses difficulties in maintaining pace. With municipal budgets impacted by inflation and no share in the revenue growth that provincial and federal governments receive, municipalities must continue to make tough decisions to either raise property taxes or cut essential services that Manitobans depend on. Thus, the implementation of a new fiscal framework is imperative to foster the growth of municipalities, recognizing that strong local governments contribute to a resilient Canada.

As this framework advances, it is crucial that the federal government directly collaborate with the FCM and municipalities. The Municipal Growth Framework holds the potential to strengthen all municipalities, making it essential to prevent a patchwork approach across Canada.