



ASSOCIATION OF  
**MANITOBA**  
MUNICIPALITIES

AMM Pre-Budget 2017 Submission  
Government of Canada

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## INTRODUCTION

- ❖ The Association of Manitoba Municipalities (AMM) is pleased to present its pre-Budget 2017 submission to the Government of Canada, and 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 new and existing challenges facing municipalities in its upcoming budget.
- ❖ AMM funding priorities include federal funding for municipal infrastructure, improvements to the Disaster Financial Assistance Arrangements (DFAA) Program and flood mitigation preventive measures, reliable wireless and broadband Internet connectivity, community policing costs and services, affordable and seniors' housing, and the Canada-Manitoba Job Grant.

## FEDERAL FUNDING FOR MUNICIPAL INFRASTRUCTURE

### The AMM recommends the government:

- ❖ *Maintain 50 per cent federal cost-sharing for Phase 2 infrastructure investments; and*
- ❖ *Support FCM's call to design a new Rural and Northern Communities Fund in consultation with municipal associations.*

Municipalities are responsible for approximately 60 per cent of Canada's public infrastructure, yet they collect only 8 cents of every tax dollar.

The 2016 Canadian Infrastructure Report Card indicates that at least one third of municipal infrastructure in Canada is in need of immediate repair and upgrade.

Increased federal support for local communities dealing with aging municipal infrastructure is urgently needed, as improving local roads, bridges, public transit, and water systems is one of the best ways to create jobs and generate economic growth. Therefore, it is essential that the Government of Canada maintain 50 per cent federal cost-sharing for Phase 2 infrastructure investments.

The AMM also appreciates the opportunity to be the only municipal association in Canada working alongside federal and provincial partners to help select important public infrastructure projects financed under the Building Canada Fund.

Given changes to the criteria of the Building Canada Fund since its initial rollout, it is crucial that the federal government consults with municipalities and FCM if any new changes are enacted. Manitoba communities seek increased transparency with clear project criteria as well as a faster approval process in order for local communities to take advantage of the short construction season.

Under the Small Communities Component within the Building Canada Fund, the AMM urges the federal government to consider the unique needs of communities with populations under 100,000 in order to ensure federal investments benefit all Canadians, and particularly those that live in rural, remote or northern communities.

# DISASTER FINANCIAL ASSISTANCE & FLOOD MITIGATION

The AMM recommends the government:

- ❖ *Immediately reverse changes to the Disaster Financial Assistance Arrangements (DFAA) cost-sharing formula that came into effect in February 2015;*
- ❖ *Engage local communities on expanding federal national disaster mitigation strategies; and*
- ❖ *Increase investment in flood prevention and mitigation infrastructure.*

Extreme weather events are expected to cost Canadians on average \$5 billion annually by 2020 and upwards of \$43 billion by per year by 2050.

Every dollar invested in adaptation and climate-resilient infrastructure will yield anywhere from \$9 to \$38 in avoided damages in the future. Therefore, increased investment in flood protection and mitigation infrastructure could prevent millions, if not billions, of dollars in damages.

Meanwhile, the Office of the Parliamentary Budget Officer estimates the DFAA program should expect claims totaling more than \$900 million, including nearly \$675 million for floods, over the next five years.

The previous federal government enacted changes to the DFAA program's cost-sharing formula, which eliminated federal funding for small disaster or extreme weather events. These changes came into effect in February 2015 and have resulted in the downloading of federal responsibilities to the provincial government, which may eventually be downloaded to municipalities.

The AMM strongly urges the Government of Canada to immediately reverse these changes in order to not jeopardize the safety of all Manitobans in the event of a disaster or extreme weather event, as the province is the second largest user of the DFAA program.

Additionally, the AMM encourages the Government of Canada to continue to move forward with the National Disaster Mitigation Program (NDMP) in partnership with municipalities to further ensure the safety of local communities by improving their resiliency against extreme weather events.

## WIRELESS & BROADBAND INTERNET CONNECTIVITY

The AMM recommends the government:

- ❖ *Facilitate discussions with cell carriers and other stakeholders to explore options to expand cellular coverage and broadband Internet access; and*
- ❖ *Work with municipalities to develop solutions to ensure public safety and protect local communities through reliable communications technology.*

Greater wireless and broadband Internet access has the power to transform rural Canada, as connectivity is now as important as building and maintaining roads and bridges in rural, remote, and northern communities.

However, the digital divide between Manitoba communities remains a major challenge since only 29 per cent of rural residents have access to Internet download speeds between 16 and 25 mbps, compared to near universal access in medium and large urban centres.

Therefore, the AMM welcomes the recent Canadian Radio-television and Telecommunications Commission's (CRTC) decision declaring broadband Internet access a basic service across Canada as well as its commitment to fund projects in areas that currently do not meet new target download speeds.

The AMM also appreciates the Government of Canada's *Connect to Innovate* program, which commits \$500-million by 2021 to bring high-speed Internet service to rural and remote communities across Canada.

The AMM encourages 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 Internet access in rural and northern Manitoba.

Partnerships with the private sector and increased federal investment in Canada's digital economy that support network infrastructure are key to any future productivity growth and economic development.

Sustained digital network infrastructure upgrades will improve the competitiveness of Canadian businesses and maximize job opportunities in rural and remote areas of the country.

## COMMUNITY POLICING COSTS & SERVICES

The AMM recommends the government:

- ❖ *Assist municipalities with rapidly increasing, unsustainable policing costs.*

Even though overall incarceration rates are in decline in Canada, Manitoba continues to experience the highest incarceration rates for both adults and youth in the country.

According to FCM statistics, municipalities now pay more than 60 per cent of Canada's policing costs, including \$600 million worth of downloaded federal policing around border security, international drug trafficking, and cyber crime.

Policing and public safety is the fastest-growing cost for municipalities and now exceeds 20 per cent of spending. Without a new approach, these costs will push property ratepayers to the breaking point and restrict the delivery of other essential services in local communities.

As such, community safety and crime prevention are among the top priorities of Manitoban communities, yet the costs of fighting crime are rising and increasingly becoming unsustainable.

The AMM urges the Government of Canada to increase its support for community policing services in order to properly address local public safety priorities and help local governments manage increasing public safety costs.

## AFFORDABLE & SENIORS' HOUSING

The AMM recommends the government:

- ❖ *Protect and increase federal investments in affordable housing solutions; and*
- ❖ *Establish a long-term plan to work with FCM, municipalities, and provincial governments to strengthen Canada's housing system.*

Public investment in housing is one of the best means to grow Canada's economy, as for every dollar invested in housing Canada earns \$1.40 in GDP.

Canada's social housing, however, is straining under its capital repair deficit. Inflating operating costs and investment in capital renewal have resulted in annual aggregate costs that are expected to total roughly \$4 billion by 2023.

Moreover, the population of seniors in Canada is expected to double over the next twenty years, yet affordable housing is in short supply while the social and renting housing systems are experiencing a lack of affordable housing options.

Protecting federal investments in social housing and creating incentives to increase rental housing will help keep vulnerable seniors in their homes and out of the health care system, ease the serious strain on our social housing system, and make housing more affordable for the one-third of Canadians who rent. These incentives will also take the pressure off the housing market and household debt.

The AMM urges the Government of Canada to increase its investment in social infrastructure, as a healthy housing system is essential to community and economic growth.

The AMM also echoes FCM's call for a National Housing Strategy (NHS) that puts forth durable solutions to ensure that every Canadian can find a safe and affordable home. A long-term, comprehensive housing plan must be established that rebalances the fiscal burdens between the federal and provincial/territorial governments as well as provides incentives to the private sector to pursue initiatives with partnering local communities.



## CANADA-MANITOBA JOB GRANT

### The AMM recommends the government:

- ❖ *Ensure municipalities are included as eligible applicants.*

Under the auspices of the current Canada-Manitoba Job Grant, employers are eligible to apply for up to \$10,000 for each individual employee or prospective employee to assist with direct training costs.

However, Manitoba municipalities are excluded as eligible recipients despite their need to enhance training for their employees that help build strong and safer local communities.

On January 11, 2016, the former Minister of Jobs and the Economy informed the AMM that the Province of Manitoba advocated for including municipalities as eligible applicants under this program, yet federal counterparts were not willing to consider changing the eligibility criterion.

Meanwhile, on February 3, 2016, the Honourable MaryAnn Mihychuk, Minister of Employment, Workforce Development and Labour, affirmed Manitoba has the flexibility to design and implement programs that address its labour market needs.

The AMM understands amendments to the agreement can only occur with the mutual consent of both the federal and provincial governments. Therefore, the AMM urges the Government of Canada and Province of Manitoba to ensure municipalities are included as eligible applicants for Canada-Manitoba Job Grant funding.