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MUNICIPAL CORE INFRASTRUCTURE INVESTMENT – A SHARED AND BALANCED RESPONSIBILITY

The way forward

Lost in the discussion leading into the September 10 election was the need to revisit the nature of the fiscal relationship between the provincial and municipal governments. This is most pressing as it relates to infrastructure, arguably the costliest public asset and most critically important to economic growth.

Core infrastructure - streets, water & sewer systems, drainage, bridges and structures – is the collection of essential services municipalities provide their citizenry and businesses. It is the platform on which to grow the local economy.

Like social infrastructure programs - healthcare and education - core infrastructure requires a comprehensive, appropriately shared, strategic investment approach. Ignoring this fact threatens our economy's ability to generate wealth, and therefore the fiscal capacity to fund our social programs and critical services - our quality of life.

WHY MUNICIPALITIES CAN'T GO IT ALONE

Today, municipalities host roughly 50-60% of Canada's core infrastructure but still rely on a turn-of-the-century funding model from which to extract the now-impossible sums of money required to maintain existing and fund enhancement to their core infrastructure.

Although estimates range broadly, the investment deficit numbers should alarm.

Winnipeg estimates in its 2018 State of the Infrastructure Report that its infrastructure deficit is \$6.9 billion. Estimates of the rural municipal core infrastructure deficit, measured in 2009 dollars and reported in the 2011 Infrastructure Funding Council report, are in the vicinity of \$7 billion.

What should be obvious is that Manitoba needs a workable plan to address the core infrastructure investment deficit, which is growing exponentially.

STRATEGIC, LONG-TERM INVESTMENT APPROACH

The first step should be a review of municipal access to revenues - municipalities collect roughly 8 cents of every tax dollar raised – with the goal of matching revenues to defined needs.

Municipalities and their ratepayers for decades have raised concerns about the 'nature of the share' and the 'cost of the burden.' Yet the political will to discuss, in a meaningful way, the responsibility eludes us. And the longer we delay as we wait for the courage, the worse and costlier the legacy we leave.

Discussion of 'new' funding sources are fraught with suspicion. The public understandably is resistant to tax hikes, new levies or charges. Yet, the choice we ultimately face comes down to a basic proposition: We either find a way to appropriately raise and share access to revenues, and share responsibilities between governments, or face declining services. That would limit the generation of wealth and therefore governments' abilities to fund our social infrastructure program services.

Concurrent to a review, we must rebalance and appropriately share responsibilities between the three levels of government for capital funding and ongoing maintenance costs of municipal core infrastructure.

The challenge, of course, is to find a transparent and publicly palatable balance between need and ability to pay, properly share the burden between governments and the benefit over generations, mindful there is only one taxpayer.

LET'S LOOK AT A FAIRER DEAL, TO GET IT DONE

Our generation is benefitting by the capital investment decisions made by our predecessors - Shoal Lake Aqueduct, the floodway, our transportation network, to name but a few. What is also true, is that it is every generation's responsibility to *'pay that inheritance forward.'*

Laudable goals, you say, but what are the next steps.

The public has spoken and returned Premier Pallister to a second term. Premier Pallister has set a goal of restructuring of everything government, righting the fiscal imbalance, returning to sustainable economic growth and ensuring we are the most improved jurisdiction by the conclusion of his term in office. He has earned the public's support for these goals.

Consistent with those goals, we should support a 'from the ground up' review of the nature of the existing roles and also a responsible sharing of the funding burden between Manitoba's municipalities and the provincial government, and by extension the federal government.

We have undertaken massive policy and service-delivery reviews in the past with some still ongoing, most notably healthcare and education. We should encourage the Premier to name a subject-matter expert panel to undertake the relationship review. The expectation would be recommendations that enable newly balanced, shared roles and responsibilities between the provincial and municipal governments and open discussions with the federal government.

We should be optimistic and expect such an effort to succeed and with its success, secure claim on this key file to being 'the most-improved jurisdiction.'

Respectfully submitted,



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