



**News Release**

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FROM THE OFFICE OF THE MAYOR

## **Council Rescinds Motion to Withhold Education Property Tax from Provincial Government**

### **Council Motion Succeeds in Drawing Attention to Inequitable Grant Funding for Smaller Municipalities**

*(March 13, 2019 – Ponoka, Alberta)* – Ponoka Town Council approved a resolution this week to rescind its earlier motion passed last November to withhold the education portion of municipal property taxes from the provincial government.

“It was never Council’s intention to actually keep the education tax from the provincial government. Our strategy was always to use this motion to draw attention to the inequitable treatment of smaller municipalities when it comes to grant funding processes,” says Ponoka Mayor Rick Bonnett. “We have succeeded in accomplishing that goal. Small communities outside of Alberta’s big cities do matter, and I applaud Council for its decision to take a stand and provide very strong leadership in bringing this significant issue to light by passing our motion on November 27 and standing up for the needs of small Alberta communities,” says Mayor Bonnett.

### **Municipal Support from Other Communities**

He notes that Council’s efforts have generated significant municipal support from other communities, some of whom have passed Council resolutions echoing Ponoka Town Council’s concerns about inequitable grant funding treatment for smaller municipalities.

The impetus that led to Council’s motion on Nov. 27 was the funding approach taken by the provincial government under the Investing in Canada Infrastructure Program (ICIP), a joint federal and provincial grant program under which approved projects are funded 40 per cent by the federal government, 33 per cent by the provincial government and 27 per cent through municipal funding. Rather than provide new funding to municipalities for recreation and wellness capital projects under the ICIP, the provincial government told municipalities, including Ponoka, to use the annual grant funding they already receive from the province under the Municipal Sustainability Initiative (MSI) to fund the provincial portion of ICIP-funded projects if they wish to proceed with their ICIP grant applications.

“Larger municipalities that have a bigger tax base and deeper pockets can afford to use their MSI money to build recreation projects. However, smaller municipalities like Ponoka don’t have that luxury. We rely on that annual MSI grant funding to maintain roads and underground water and sewer infrastructure every year. Without it our infrastructure would suffer,” says Mayor Bonnett.

### **Recreation Facilities Are Vital Economic Drivers for Communities**

He points out that for smaller communities, it’s frustrating to watch the province grant billions of dollars for transit and road infrastructure to Calgary and Edmonton, and be willing to offer \$700 million to Calgary for the winter Olympics. “Meanwhile they aren’t willing to give a community like Ponoka \$4.5 million in new funds for



a recreation facility that would be a vital economic driver in helping keep our community healthy and viable,” says Mayor Bonnett. He notes that recreation facilities often provide proven economic benefits to communities such as attracting new residents and businesses, and in turn, help to increase property values and tax revenue.

“Communities in Alberta have been hit hard with economic realities over the last few years. The support and success of small communities through equitable grant funding is vital to ensuring the overall economic health of the province,” says Mayor Bonnett.

### **Council Continues to Lobby for Improved Grant Funding Model**

While Council has been successful in promoting its cause and gaining the support of other municipalities, Mayor Bonnett says rescinding its Nov. 27 motion is not the end of Council’s campaign to lobby for equitable treatment of smaller municipalities when it comes to provincial and federal grant funding.

“Regardless of who wins the next election, Council intends to continue pressuring the provincial government to improve the grant funding model for smaller rural municipalities. We will also continue our lobbying efforts to empower other communities to stand up for change,” he says, adding, “Small communities in Alberta generate significant revenues for the province through personal, business and consumer taxes. Re-investment of those taxes back into smaller communities results in a more equitable distribution of the tax burden in our province.”

### **Planning for a New Fieldhouse**

Council is also not giving up on pursuing funding to build a fieldhouse in Ponoka. Over the coming months, Mayor Bonnett says Council intends to focus its attention on developing a financial plan that will ensure a new fieldhouse – estimated to cost more than \$15 million – gets constructed in Ponoka.

“Our plan will include working with all levels of government to continue moving this project forward, and fully exploring inter-municipal and intergovernmental partnerships in the spirit of cooperation and collaboration,” says Mayor Bonnett. He notes that Council recognizes that the Inter-municipal Collaboration Framework (ICF) mandated by the province can be an important stepping stone to help smaller communities succeed by working together on major projects.

“A new fieldhouse won’t just benefit the citizens of Ponoka, it will provide long-term benefits to our region as a whole,” says Mayor Bonnett, noting that the concept plan for the new fieldhouse was carefully researched and designed to meet the recreation needs of citizens of all ages in the local community and the wider region.

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