

Resolution 5

ROADS (PASSED)

WHEREAS the October 1994 Provincial-Municipal Service Exchange agreement determined how roads were to be funded between municipalities and the province; and

WHEREAS there are a number of complicated issues arising from this arrangement, including different impacts on towns and rural municipalities; and

WHEREAS the Fiscal Review recommendations around roads did not result in a consensus on how to resolve these issues, and

WHEREAS there does not appear to be a strategic approach to the construction and maintenance of the road infrastructure, which is essential to economic development and continued viability of communities;

THEREFORE BE IT RESOLVED that the UNSM request that the province work with municipalities to clarify the existing funding arrangements for roads compared to the service exchange agreement and to identify options for ensuring an appropriate road network throughout the province with appropriate funding.

Issue Identification:

The Department of Transportation and Infrastructure Renewal is approaching rural municipalities to cost-share roads, as it struggles to maintain road infrastructure throughout the province. At the same time, towns are struggling to maintain their roads, for which they pay the full cost. There is a perception that the department is not following the Service Exchange agreement. In the meantime, the state of roads throughout the province is deteriorating.

Background Information:

Service Exchange specified “J” Class roads and suburban subdivision roads would be transferred to rural municipalities, and that rural municipalities would pay a fee per km of local road, to be adjusted by CPI each year. The amount of the fee in 2014 paid by rural municipalities was \$3.7 million, and does not go to TIR directly. The number of kms used to calculate the fee was fixed. Local roads built after April 1, 1995, are maintained by the rural municipality.

Local roads constructed pre-April 1, 1995 are maintained by the province. The

amount TIR spent to maintain local roads in rural municipalities in 2014 was \$86 million. TIR is responsible for 81% of the local roads in the province. Questions have been raised about TIR's cost-sharing program, and about the priorities assigned to rebuild roads and maintenance work. The perception is that there has been a change in TIR's approach.

Towns own and maintain all the roads within their boundaries, some 827 kms of local roads. In addition, there are 251 kms of collector and arterial roads which towns maintain. Service Exchange also noted the province should contribute to arterial and collector roads in urban areas, recognizing they are dual purpose roads for local access and through traffic, however there is currently no provincial grants to towns to offset maintenance costs.

Both towns and rural municipalities cost share on the surface components of bridges, but TIR is responsible for all the substructure components.

Fiscal Review raised the road issue, explored some options and posed a solution that saw rural municipalities increase the amount they were paying to the province for rural roads. Reaction was mixed, and depended on other aspects of Fiscal Review being implemented. The issue is complicated, as the current situation was negotiated under Service Exchange many years ago. Many aspects of Service Exchange have now changed.

Impact on Municipalities:

Roads are essential to ensure the flow of people and goods. The current state of the roads is placing increasing pressure on the province and municipalities.

Proposed Solution:

There is a need for discussion between TIR, Municipal Affairs and municipalities on the issue of roads. It is clear the current arrangement is presenting challenges to all, and finding a solution without increased funding is a challenge.

Response from:

Department of Transportation and Infrastructure Renewal

RESPONSE:

The Department of Transportation and Infrastructure Renewal (TIR) has begun talks with the UNSM regarding this topic. TIR will create a working group to address road concerns from both UNSM and TIR. TIR will be able to give a more fulsome update once these meetings are underway.