

The Municipalities Trading Company of Manitoba Ltd. (MTCML) allows AMM members to purchase products and services at lower prices through the power of bulk buying. This past year was another great success. Sales increased and the stable pool of official suppliers continued to change and grow.

The MTCML provides a major source of revenue for the AMM and allows the AMM membership dues to remain one of the lowest in Canada. This year, the MTCML was able to rebate another \$500,000 to our members based on their MTCML sales, bringing the cumulative rebate over the past five years to \$1,750,000.

MTCML Official Suppliers

Official Suppliers are very important to the success of the MTCML. These suppliers offer hundreds of products and services that municipalities use. The Trading Company has individual contracts with each of these suppliers that ensure the best possible pricing for the purchasing members. In return, suppliers have direct contact with Manitoba's municipal market and can be a part of regular marketing opportunities through the AMM (mailings, Convention, trade shows, etc.)

Each of our suppliers have shown long term commitment to the MTCML, creating a stable purchasing environment for the members of the AMM.

Corporate Members

Fourteen companies make up the Corporate Members list of the AMM. These members assist the buying group in providing many services and hosting various events throughout the year.



**MTCML Trade Show,
February, 2006**

MTCML Official Suppliers

Acklands Grainger Inc.
Airmaster Sales
Armtac
Bridgestone Canada Inc.
CD Awards
Darwen Road Technologies Ltd.
Denray Tire
Dust Free Road Maintenance
Fort Distributors Ltd.
Grand & Toy
Guardian Traffic Services Ltd.
Hayhurst Elias Dudek Inc.
Kal Tire
Lyreco
MTS
Michelin
Norquay Printers Ltd.
PCO Orkin Swat Team
Prairie Fuel Advisors Inc.
Shippam & Associates Inc.
Souris Rock Shop
Tirecraft
Westcon Equipment & Rentals
Westman Steel Industries

AMM Corporate Members

Borland Construction
Cochrane Engineering
Guertin Equipment
Hayhurst Elias Dudek
Ikon Office Solutions
Innovative Municipal Products
J.R. Cousin Consultants Ltd.
Manitoba Aboriginal and Northern Affairs
Manitoba Heavy Construction Association
Manitoba Hydro
Manitoba Mixed Concrete Association
Manitoba Pork Council
Mazergroup Construction Equipment
Westcon Equipment & Rentals

There are two major buying programs offered by the Trading Company. These programs are owned by the AMM membership, managed by the AMM and each administered by a company that has expertise in the program area.

Fuel Supply Program

AMM entered into two new contracts with Imperial Oil and with two local Co-ops in August 2006 on behalf of all of our participating Members, for the supply of gasoline, diesel and lubricants. We have also entered into a contract with Fas Gas and Race Trac Gas for the supply of gasoline and diesel, at a very attractive discount from local pump prices, at their 450 locations throughout the three prairie provinces.



Our objective of starting this program in 1997 was to combat one-sided pricing advantages enjoyed by petroleum suppliers and to assist our Members in purchasing fuel at a lower cost while still supporting the local fuel dealers. At present, there are 77 AMM Members who currently purchase over 6,000,000 litres of fuel each year and about 130 other municipalities in Saskatchewan and Alberta who purchase an additional 29,000,000 litres of fuel annually.

The Fuel Supply Program of AMM generates substantial fuel savings for member municipalities, while at the same time supporting local fuel dealers. Prairie Fuel Advisors Inc. who act as our agent and who ensure all prices are consistent with the terms of the supply contracts, administers the program. Prairie Fuel is responsible for locating discrepancies and ensures our Members do not pay more than the contract terms specify.



HED Annual Report

All AMM members outside of Winnipeg participate in the AMM's property/casualty insurance program, administered by HED Insurance on behalf of the AMM.

Coverage includes property/road machinery and equipment; crime (loss of money); comprehensive general liability; errors and omissions liability; environmental impairment (pollution) liability; fire vehicle insurance; plus accident insurance for councils, fire departments, ambulance services, and other 'volunteers'.

A major part of the program is the \$4,000,000 annual self-insurance loss pool that keeps premiums much lower than if individual municipalities purchased their own coverage. Insurance is purchased from various insurer providers for coverage in excess of the \$4,000,000 annual loss pool amount, to provide complete protection. This allows the opportunity for significant refunds in low-claims years.

In addition the AMM makes available a "self-insured" Employee Benefits Program for employees and council members. This program offers flexible coverage options at very reasonable rates. Currently 130 municipalities participate in this program, and more join every year.

"With the Fuel Program, we save money and, thanks to the fixed prices, we are able to plan our fuel expenditures much better."

**Grant Thorsteinson, CAO
RM of Bifrost**

"Tires, fuel, office furniture, industrial supplies, signage, printing and, of course, insurance. We use the MTCML a lot."

**Gary Hanna, Administrator
LGD of Pinawa**

"I've been here 28 years. The Trading Company made sense to me then, and it makes sense to me now."

**Eric Plaetinck, CAO
RM of South Cypress**