

Meeting of the  
**Association of  
Manitoba  
Municipalities**



with

Premier Gary Doer  
and the Provincial Cabinet

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June 3, 2004

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# Issues by Department

## 1) Manitoba Aboriginal and Northern Affairs

- a) Legal Costs for Treaty Land Entitlement Agreements

## 2) Manitoba Agriculture, Food and Rural Initiatives

- a) BSE
- b) Disposal of Deadstock
- c) REDI Grants

## 3) Manitoba Conservation

- a) Household Hazardous Waste Program
- b) Taxation on Permanent Park Residents
- c) Contaminated Sites

## 4) Manitoba Water Stewardship

- a) New Water Legislation
- b) Drainage
- c) Funding for Conservation Districts

## 5) Manitoba Culture, Heritage and Tourism

- a) Increase to Per Capita Operating Grants for Libraries
- b) Funding for the Community Places Program

## 6) Manitoba Education, Citizenship and Youth

- a) Education Funding and Property Taxes

## 7) Manitoba Energy, Science and Technology

- a) Efficiency Manitoba

## 8) Manitoba Family Services and Housing

- a) One-Tier Social Assistance
- b) Housing in Rural Manitoba

## 9) Manitoba Finance

- a) Extended Scope of Retail Sales Tax
- b) Survey Monument Program

## 10) Manitoba Health

- a) Physician Training, Recruitment and Retention
- b) West Nile virus Program

## 11) Manitoba Intergovernmental Affairs and Trade

- a) Planning Amendment Act
- b) Funding for Infrastructure
- c) A New Deal for Municipalities

## 12) Manitoba Justice

- a) Policing
- b) By-law Enforcement
- c) Community Youth Justice Initiative

### 13) Manitoba Labour and Immigration

- a) Provincial Water Bomber Policy
- b) Workers Compensation Benefits for Part-time Firefighters

### 14) Manitoba Transportation and Government Services

- a) Highways Capital Budget
- b) Vision 20/20

### 15) Emergency Measures

- a) Disaster Financial Assistance
- b) Community Hostings

This has been a difficult year for Manitobans with the BSE crisis, the drought conditions last summer and the forest fires in Northern Manitoba. As leaders of municipal governments, we can appreciate the financial strains that face your government in trying to balance competing priorities. More and more municipal governments are being charged with additional responsibilities without the necessary accompanying financial opportunities. We are all accountable to the same people - Manitobans - and we must work together to ensure that municipalities are equipped to deal with these new realities and have the resources they will require to address future challenges. The Association of Manitoba Municipalities appreciates this opportunity to meet with the Provincial Cabinet to discuss some of the key issues that are facing municipalities today.

## 1) Manitoba Aboriginal and Northern Affairs

### a) Legal Costs for TLE Agreements

The AMM was pleased with the Province's commitment to a compensation program that provides five times the tax revenue to municipalities that experience a tax loss as a result of the conversion of lands to reserve under the Manitoba Treaty Land Entitlement (TLE) Framework Agreement. The AMM also appreciates the commitment of the Province to provide additional compensation beyond the five times formula to those municipalities that are deemed to be exceptionally impacted. The AMM believes this will assist municipalities in adjusting to the revenue loss incurred as a result of the loss of tax base.

However, an issue that continues to be of concern to municipalities is the legal costs associated with developing Municipal Development and Service Agreements (MDSAs) resulting from the TLE process. The AMM has worked with the Province in promoting a series of workshops designed to help municipalities through the TLE process, however negotiating MDSAs requires legal counsel and can be costly for municipalities.

One way to reduce the legal costs of negotiating MDSAs is to ensure that a pool of trained lawyers is available for municipalities to call upon when needed to negotiate agreements. Training is one of the major reasons for the high costs in providing legal services and having a pool of well-trained legal counsel available to municipalities would be beneficial.

The Provincial Government made a commitment to explore this possibility and the AMM would like an update of any progress. The AMM believes developing a list of well-trained consultants that municipalities could access in such circumstances would be of great assistance and would help reduce the costs associated with negotiating these agreements.

## 2) Manitoba Agriculture, Food and Rural Initiatives

### a) BSE

The AMM would like to thank the Province for the variety of programs that were implemented to assist agricultural producers in dealing with the economic impacts of the border closure due to BSE. For the past year, the AMM has worked to show the impact this crisis is having on Manitoba communities and to highlight the need for financial assistance for producers. The Provincial Government has effectively responded to the needs of Manitoba producers by targeting funding to those affected by BSE and the associated border closure.

The AMM was encouraged by a recent meeting with Federal Agriculture Minister Robert Speller, as it is evident that progress is being made. The AMM appreciates the federal and provincial commitment to the resolution of this issue and is hopeful that the border will soon reopen to live Canadian cattle.

The BSE crisis continues to have a profound impact on Manitoba's communities and has highlighted the need for an effective long-term marketing strategy for the beef industry. After the US border reopens to live Canadian cattle, the market will not immediately recover. Therefore producers will still need support from the Provincial Government until the market has stabilized and cattle prices have increased. The AMM looks forward to continued financial support from the Provincial Government and would appreciate being updated as new developments unfold.

### b) Disposal of Dead Stock

The closing of international markets to live Canadian cattle has caused an increased volume of livestock in Manitoba and requires the exploration of new options for disposal. For this purpose, regional meetings were hosted across Manitoba by the AMM and the Provincial Government. The AMM is appreciative of the Province's contribution to this process and the subsequent Spring Clean-Up program in partnership with Rothsay. Cattle producers actively participated in this program and it was viewed as an overall success.

At present, the short-term disposal needs of producers have been addressed through the Spring Clean-Up program. However, there is a growing need to address the medium- to long-term implications of Manitoba's expanding cattle herd. This need will persist even after the US border reopens to live Canadian cattle. The AMM is pleased with the Provincial Government's leadership efforts with the Deadstock, Offal and Butcher Waste Stakeholder Group and looks forward to its recommendations. The AMM encourages the Province to explore long-term options including composting, incineration and rendering for alternative uses such as biodiesel.

Municipalities face considerable challenges in attempting to address disposal issues in their communities. Throughout the regional meetings, cost was cited as a major obstacle to the development of regional disposal sites. Municipalities are unable to bear the full

cost of establishing regional disposal sites and producers are unlikely to use the sites if they are cost prohibitive. The AMM believes that the Province must work with municipalities to establish these long-term disposal solutions.

The Environment Act states that municipalities are responsible for waste disposal under normal circumstances. However in these extraordinary circumstances, the Province must take a leadership role in developing long-term end-uses for these products. This material can be further processed into marketable commodities and these opportunities should be supported by the Provincial Government. Therefore, the AMM urges the Province to work with municipalities to provide financial and technical support in order to effectively address the long-term health and environmental issues of deadstock disposal.

### c) REDI Grants

Funding for economic development is critical for municipalities, as it creates opportunities for the community to grow and respond to changing economic conditions. For many AMM members, this funding is especially important as many of these areas are experiencing rapid population decline and youth emigration as a result of limited economic opportunities. This is why a program such as the Rural Economic Development Initiative (REDI) is so important to these communities, as it allows Manitobans to reach their economic potential by building on traditional strengths and focusing on new opportunities, creating long-term benefits. These initiatives empower communities to take control over their economic future by focusing on community-based approaches. In addition, much of REDI's focus is on youth programs such as Partners with Youth and the Green Team, which work to provide community youth with economic opportunities so that they have the choice to remain in the community, if desired.

In light of the importance of REDI to rural Manitoba, the AMM was very disappointed with the 2004 Provincial Budget, which will reduce the amount of money going to REDI grants by \$1.25 million. The AMM believes that the Province should be devoting greater funds to these programs, and should increase, rather than decrease funding for

community-based initiatives designed to strengthen rural Manitoba. Therefore, the AMM would strongly encourage the Provincial Government to increase funding for REDI grants in any upcoming budget, to show its commitment to the growth and vitality of rural and northern Manitoba.

### 3) Manitoba Conservation

#### a) Household Hazardous Waste Program

The inappropriate disposal of hazardous waste presents a danger to the health and safety of Manitobans and a threat to the environment. This has been an ongoing issue for municipalities and is consistently raised as a concern by the AMM membership.

Although the Household Hazardous Waste Program has been discussed for some time, no permanent program has resulted. It is time for the Province to take the necessary action to provide this program for Manitobans.

The AMM recognizes that the Household Hazardous Waste Program will likely be a part of the new Efficiency Manitoba agency. However, there is a pressing need to implement the program as soon as possible. Considerable work has been done and a permanent program has been developed, but until it is implemented, communities will continue to be at risk due to the improper storage of hazardous materials. The Province is currently spending \$600,000 per year on a limited collection program that addresses only the select needs of few communities. The Provincial Government must move forward with this permanent program in order to minimize the impact of hazardous wastes on the health and environment of all Manitoba communities.

The AMM understands that the Province is currently drafting a discussion paper for public review on this issue. It is crucial that the implementation of this program not be delayed any longer. Municipalities are willing to work with the Province to improve the waste stream in Manitoba but an immediate, permanent program is required.

## b) Taxation on Permanent Park Residents

The inability to impose taxes on permanent residences located in provincial parks, resort areas and unorganized territories is an ongoing concern for municipalities. Currently, these residents take advantage of municipal services and infrastructure without making an equitable contribution to the actual cost of service provision. This forces ratepayers within municipal boundaries to cover the costs of these additional users.

All Manitoba residents should contribute fairly to the municipal services they use. Municipalities should therefore have the authority to collect taxes from all permanent residents and to dedicate that revenue to local education and municipal purposes. These services range from garbage collection and road maintenance to libraries, recreational facilities and community contributions to health capital projects. The current system of the Chief Place of Residence Levy is insufficient since the funds are allocated to the Provincial General Revenues and distributed based on the Province's standard education funding formula. This process does not provide the direct support required by affected municipalities and school boards to fund their activities. Instead, municipal services are used by permanent park residents who have no obligation to pay for the operation and maintenance of these services.

The AMM recommends that the Province provide municipalities with the authority to collect taxes from permanent park residents based on the assessed property value. This type of system will ensure that responsibility for municipal funding is distributed equitably among those using the services.

## c) Contaminated Sites

Another issue of importance for municipalities is the cleanup of contaminated sites, as these sites pose both a significant financial and environmental risk. Often the only opportunity for municipalities to recoup taxes that are in arrears once a business ceases

operation is to offer the property in a tax sale. However, when these sites are contaminated from prior operations they are of little value due to the perceived risk of contamination and the potential cost of cleaning up the site. Often what occurs is these sites remain on the tax rolls, revolving through the tax sale process and accruing taxes.

Contaminated sites pose a significant environmental threat if not properly dealt with. In many cases, these sites have the potential to create soil and water contamination that can eventually spread off of the original contaminated site. In response to this reality, the Province has established a classification system whereby sites are classified as contaminated or impacted depending on the risk posed. However, it appears that often the delineation of sites is not based on the need for the sites to be cleaned up, but rather on maximizing limited resources. Classifying sites in this manner does not ensure that all of the contaminated sites that pose a real threat to health and safety are properly dealt with.

There is a real advantage to the development of these sites, as they are most likely connected to existing infrastructure, reducing infrastructure costs and reducing the need for urban sprawl. However, developing these sites is not possible until a program is in place to deal with these locations. In its 2004 Budget, the Federal Government announced \$4 billion over the next ten years for the cleanup of contaminated sites. While much of this money is earmarked for cleanup on federal lands, particularly in the North where it is perhaps most needed, \$500 million remains for other sites.

In many cases, the party responsible is no longer available for municipalities to seek compensation from, and municipalities are not financially capable of cleaning up these sites alone, meaning they remain a threat. The AMM believes that it is imperative that the Provincial Government move forward with a solution to this problem and urges the Province to work with the Federal Government to cleanup these contaminated sites.

## 4) Manitoba Water Stewardship

### a) New Water Legislation

Water is a vital natural resource and of great importance to all Manitobans. Every Manitoban and every level of government has a role to play in protecting and managing it, as it can be a valuable tool in building the economy of this Province. The AMM has long been advocating the consolidation of water and water-related issues into a single provincial department to improve efficiency and effectiveness, and was pleased with the creation of the new Department of Water Stewardship in November.

The AMM has been actively involved in Provincial initiatives designed to develop a water strategy for Manitoba. The AMM appreciated the opportunity to participate with other stakeholders in the Water Strategy Steering Committee and hopes that the enthusiasm that surrounds the new department will carry the initiatives developed by the Committee forward.

Municipal Government understands fully the need to protect this valuable resource and is prepared to work with the Province in implementing the strategy developed. If Manitobans are going to manage water efficiently and effectively it must be done from the source, as once polluted water reaches lakes and streams it is too late. For water management to be successful it is imperative that watershed management plans be developed and implemented immediately.

However, responsibility for this, financial or administrative, cannot be simply downloaded to municipalities. Municipal budgets are already over-extended due to infrastructure deficits and education taxes, and municipalities are not capable of taking on additional financial responsibilities. This is all the more alarming in light of the recent discovery of proposed fees for municipal water infrastructure projects that are to be included as regulations under the recently proclaimed Drinking Water Safety Act.

In light of this, municipalities have some very real concerns about the lack of detail in Bill 22: The Water Protection Act. While the bill clearly grants additional powers to the Minister, it lacks details on where the financial burden will lie. It is also unclear if assistance will be provided to municipalities to meet the obligations laid out in the legislation, including the development of detailed water management plans. The details and intent of the bill remain unclear and are therefore of obvious concern to municipalities.

### b) Drainage

Closely connected to this issue are the inadequacies of the Provincial drainage system in Manitoba. Drainage is one of the most important water-related issues in this province, and is an issue municipalities consistently raise with our association. Currently, the AMM has fourteen drainage-related resolutions alone, and drainage is raised time and again as a concern in our visits with municipalities. The wet conditions incurred by Manitobans in the last decade have exposed the problems of the current system and consistently municipalities inform us that the current system is inadequate. An effective Provincial drainage system and well-developed water management plans are needed to prevent flooding and drought situations, to protect water sources from contamination, and to preserve natural wetlands and fish habitats.

The importance of drainage cannot be underestimated. Along with being a necessary component of any comprehensive water strategy in Manitoba, increased funding for drainage could help reduce crop insurance claims as well as Disaster Financial Assistance claims. With the current state of crop prices, many Manitoba farmers have begun to diversify their farm practices in new and creative ways. Several of the new crops being grown in Manitoba are sensitive to standing water, and the economic benefits of these attempts to diversify Manitoba's agriculture sector could be lost if the Province is unable to resolve the drainage issues that have led to the problem of standing water on fields.

In order to improve the drainage system in Manitoba, the Province needs to commit both adequate financial and adequate staff support. The AMM was pleased to see additional funding for drainage in the 2003 Provincial Budget, however the 2004 Budget failed to build on this commitment. Greater funding is required to allow municipalities to proceed with the drainage construction, repair, and maintenance projects so desperately needed. Lack of funding is not the only drainage concern raised by our membership, as all too often municipalities are experiencing delays in receiving permits for drainage work, often because of a lack of staff in place to review project applications. This problem will only be compounded if any new requirements are introduced by proposed legislation and a greater number of applications are submitted.

#### c) Funding for Conservation Districts

Conservation Districts have become an important component of water conservation in Manitoba and it is essential that the Province continue to provide adequate funding. As more and more municipalities are working together to create conservation districts, it is essential that the Province increase the budget to ensure that all new and existing districts have the funding needed to perform valuable services. The Province has made it clear through the Manitoba Water Strategy, as well as Bill 22, that conservation districts are the preferred mechanism for water stewardship and it is essential that the Province provides financial assistance to conservation districts in Manitoba.

## 5) Manitoba Culture, Heritage and Tourism

#### a) Increase to Per Capita Operating Grants for Libraries

Manitoba libraries provide important services to residents across the province. Libraries act as a source of information for area residents, as well as encourage creativity and information sharing. Municipalities have consistently expressed to the AMM the

importance of libraries, and many have increased their per capita levies by as much as 67 per cent over ten years to keep up with the increased public demand for services. However, because municipalities have limited resources and a growing number of funding priorities, the Provincial Government has a strong role to play in maintaining and improving public library service in Manitoba.

Municipalities have consistently expressed to our association the need for libraries to purchase new and updated materials in order to keep their inventory current. In addition to this ongoing responsibility, the information age demands that libraries provide computer and Internet services that keep up with the opportunities presented by this technology. The costs of purchasing the hardware and software to provide these services, as well as the cost of hiring computer technicians to support them, poses a significant financial burden to municipalities.

Although recent increases to per capita operating grants for libraries are welcomed and appreciated, the level of provincial support to libraries remains inadequate. Although the Province matches municipal funding for libraries up to \$8.50 per capita and provides a \$5050 collections grant per library per year, this funding does not reflect the actual costs of providing the vast array of services that the public has come to expect from libraries, therefore the AMM strongly encourages the Province to pursue further increases for library funding.

#### **b) Funding for the Community Places Program**

A consistent theme running through Manitoba municipalities is the need for adequate recreational facilities. The AMM believes that communities are strong when they have healthy recreational facilities for all to use. In the AMM's recent meetings with municipal governments across Manitoba, the AMM heard many municipalities express the need for greater funding to repair or replace cultural and recreational facilities, as well as greater funding to build new facilities.

The Community Places Program is one of the few programs to assist with the renovation, replacement or construction of recreational facilities in Manitoba. However, in the 2003/04 application intake period, only about 50 per cent of applications were approved for funding, highlighting the need for greater resources to help all Manitoba communities undertake improvements to their local facilities.

The AMM strongly believes that there should be enough funds to assist all Manitoba municipalities wanting to upgrade their recreational and community infrastructure. The AMM was pleased with the Province's decision to increase funding for the Community Places Program in the 2003 Budget by \$400 000, however, funding for 2004 has been reduced by \$400 000, bringing the Community Places budget back down to its 2002 level. The AMM would therefore encourage the Province to increase funding to the Community Places Program to underscore its commitment to community recreational infrastructure in Manitoba.

## 6) Manitoba Education, Citizenship and Youth

### a) Education Funding and Property Taxes

An ongoing and important issue for Manitoba municipalities is education finance. In fact, the proportion of education funding coming from property taxes remains the primary concern of AMM members and was chosen as the AMM's number one issue of concern during the 2004 Strategic Planning Session. The AMM has raised this issue with each Minister we have met with this year, as well as various stakeholders. The AMM is pleased to be included as a part of the Minister's Working Group on Education Finance and is pleased that the Province is including a municipal voice in its review. The AMM understands that the task of the Working Group is now complete and therefore would urge the Province to move forward on this issue and begin consultations to address education finance in Manitoba. Property tax funding for education has increased each

year, and this situation must be halted. After the final report is released, our association looks forward to reviewing the recommendations of the working group and to collaborating with the Province to develop a new and sustainable system of education finance in Manitoba.

Education funding will continue to be a major issue for local governments in the coming year, as many school divisions have increased local levies again this year, placing further pressure on local ratepayers. The AMM believes this current situation is unsustainable, and urges the Province to address this issue immediately. The situation deserves concerted attention from the Provincial Government, as municipalities across Manitoba are threatening to withhold education taxes in order to protest these continual increases. Although the AMM does not support municipalities that choose to withhold education taxes, we believe it underscores the seriousness of the situation and demands a response from the Province.

The education component of property tax greatly limits the ability of municipalities to provide property services, such as infrastructure maintenance, upgrading and construction. The NDP election promise to phase out the Education Support Levy (ESL) over the next five years is welcomed, as this will partly assist in reducing the tax burden. The AMM acknowledges the efforts the Province has made so far, and we are pleased to see that a \$27 million reduction in the ESL has been achieved since 1999. However, the AMM believes that a new formula must be developed that would decrease property tax support for education while not diminishing the quality of education. Local schools are required to provide up-to-date learning tools, including current teaching materials and computer hardware and software, and the AMM does not believe that reducing property tax support for education should compromise the quality of education that Manitoba youth receive.

The AMM firmly believes that the Province needs to adopt a stable and sustainable education funding ratio of at least 80 per cent from Provincial general revenues and a

maximum of 20 per cent from property tax revenue levied by local school boards, a formula recommended by our own Task Force that examined this issue in great depth. In addition, it is important that once the 80:20 ratio is achieved, it be maintained in future years. It is clear that the current system is unsustainable, and the AMM urges that the reform of education funding be substantive and fair. The AMM expects that the Minister's Working Group report will be released in the near future and urges the Province to work with municipalities and the Manitoba public to develop a new system of education finance in Manitoba.

## 7) Energy, Science and Technology

### a) Efficiency Manitoba

On December 2, 2003, the Provincial Government announced the creation of a one-stop agency to promote conservation of energy and resources in Manitoba. Efficiency Manitoba will aim to help Manitobans cut their energy and water bills and decrease the amount of waste destined for landfills. In addition, this agency will allow the co-ordination of various efficiency efforts that are now delivered separately, allowing Manitoba to take full advantage of federal Kyoto funding. Furthermore, the AMM agrees with the Province that there are significant untapped economic, environmental and social benefits to be gained by establishing Manitoba as a leader in energy and resource conservation.

One of the goals of Efficiency Manitoba is to minimize duplication of existing efficiency efforts in order to increase the effectiveness of these efforts and reduce the cost to deliver programs and services. Although the AMM agrees with this in principle, there are many well-functioning programs that currently exist and it must be ensured that these programs are not adversely affected if incorporated under the wider umbrella of Efficiency Manitoba. For example, the Manitoba Product Stewardship Corporation (MPSC) is a

well-functioning program as it currently operates, and one of the most successful recycling programs in Canada. The AMM would be disappointed to see MPSC adversely affected if it were incorporated under Efficiency Manitoba and hopes that the Province makes a concerted effort to consider both the positive and negative aspects of bringing all efficiency programs under this new one-stop-shop, ensuring that those programs that work well will continue to work well. The AMM looks forward to providing input and suggestions in the creation of Efficiency Manitoba, and would urge the Province to include municipal representation on the Efficiency Manitoba Board.

The Climate Change Community Challenge (C4) initiative is an example of what Efficiency Manitoba offers to deliver to Manitobans. The AMM is pleased to have had the opportunity to participate in the development of the program and believes it will assist communities in finding financial savings through energy and resource conservation that produce locally based solutions to climate change. In fact, this initiative is very similar to the Manitoba Municipal Efficiency Program the AMM has developed, and that is currently before the Province for financial consideration. It is clear that municipal governments will be key players in not only the C4 initiative, but in any environmental efficiency initiatives, and the AMM would urge the Province to work with municipalities across Manitoba to ensure the success of these efficiency programs. Furthermore, it is important that these initiatives do not add a financial burden to municipalities already struggling to meet financial priorities.

## 8) Manitoba Family Services and Housing

### a) One-Tier Social Assistance

The AMM would like to take this opportunity to express our appreciation for the Province's responsiveness to the need for a one-tier system of social assistance in Manitoba. The AMM has already received feedback from its members indicating how pleased they are that a one-tier, cost-neutral system will be in effect. The AMM is

pleased to have worked so closely with the Province on this important issue. This is something that we have been pursuing for some time and look forward to a Provincially-administered system of social assistance in Manitoba.

### b) Housing in Rural Manitoba

On April 12, 2003, the AMM, along with Canada Mortgage and Housing Corporation (CMHC) and Manitoba Housing and Renewal Corporation (MHRC), sponsored the Housing Now! conference. The purpose of this conference was to provide an opportunity for AMM members to identify housing challenges, issues, and needs that exist in their communities, and to suggest potential solutions involving all three levels of government. A recurring issue throughout the conference was affordable housing and most participants argued that there should be greater funding for the construction of affordable housing in Manitoba. More specifically, participants identified the need for greater provincial funding for affordable housing in Manitoba, especially in rural areas and smaller urban centres.

Despite the need for affordable housing assistance in all Manitoba communities, many housing programs are restricted to Manitoba's urban centres. Under the Affordable Housing Initiative (AHI), the homebuyer down-payment assistance program, as well as the homeownership supply program, are restricted to designated urban revitalization areas in Winnipeg, Brandon and Thompson. The AMM is concerned that this policy has restricted much-needed AHI funding to rural and non-designated urban areas, many of which are experiencing affordable housing challenges. These three communities certainly have housing needs that warrant this funding, however there are other communities in Manitoba that have housing needs. For example, communities such as Winkler, Steinbach, Dauphin, and Portage are experiencing an affordable housing crunch, yet are unable to access this much needed funding. Furthermore, the Federal Government's financial commitment to housing is increasing, and the AMM believes the Province should follow suit. The AMM would strongly urge the Provincial Government to re-

examine this geographic restriction, and expand funding for affordable housing to all communities in Manitoba.

## 9) Manitoba Finance

### a) Extended Scope of Retail Sales Tax

In the 2004 Provincial Budget speech, the Minister of Finance announced that retail sales tax would be extended to include legal, accounting, architectural, engineering, security and private investigation services. Although most provinces currently apply sales tax to these services, the AMM was disappointed to learn that sales tax would apply to Manitoba's municipal governments and is strongly opposed to this extension. Although the Province has recently legislated the Gas Tax Accountability Act, which will devote provincial and federal gas tax revenue to Manitoba roads, the Province continues to enact measures that tax municipal governments for using required services. At a time when the federal government is moving toward enabling municipal governments to access more revenue for pressing municipal priorities by rebating 100 per cent of Goods and Services tax paid by municipalities, the AMM is disappointed to see the Province adding taxes to municipal governments.

Although the application of retail sales tax to these services does not appear to be a significant source of revenue for the Province, in many smaller municipalities, the extra cost for these services will affect their budgets greatly and will reduce the resources available to fund property services and pressing infrastructure upgrades. For example, the City of Brandon estimates the extension of the retail tax to professional services will cost an additional \$120 000 in 2004/05. Preliminary estimates from the City of Winnipeg will add an extra \$1.4 million to the costs of these services. In Flin Flon, the extra tax will add an additional \$70 000 to the construction of a secondary wastewater treatment plant slated to begin next year. In the Town of the Pas, they estimate this additional tax will

add \$3200 to their annual expenditures. In the Town of Russell, this will cost an additional \$4000 per year. The RM of Hanover expects that in an average year, this will cost an additional \$10 000. Last year, Hanover would have seen a \$50 000 increase in the cost of its lagoon upgrade as a result of this tax. The AMM believes this to be an unacceptable situation and municipalities must be exempt from the additional tax. Municipalities already find it difficult to fund infrastructure priorities and these additional costs will only exacerbate the situation. Therefore, the AMM urges the Province to make municipalities exempt from retail sales tax on professional services.

### b) Survey Monument Program

On February 18, 2004, the AMM met with the Property Registry, the City of Winnipeg, and the Professional Land Surveyors' Business Group to discuss the survey outline monument restoration program. As you know, the Property Registry has established an annual fund of \$150 000 to assist municipalities- including the City of Winnipeg- with the cost of restoring survey outline monuments on a 50/50 cost-share basis.

Since the survey outline monument restoration program was first established in 1998, demand for the fund has increased substantially. For example, the fund paid out approximately \$70 000 to municipalities in 1998; however, in the last few years, demand for the fund has actually outstripped the fund maximum. In fact, the AMM learned at this meeting that, based on current demand, the \$150 000 fund will be exhausted by mid-summer, 2004.

The AMM believes there is a good case to be made to increase the fund maximum of \$150 000 to reflect actual demand for the fund. As a special operating agency, the Property Registry requires approval from the Provincial Treasury Board to increase the fund. The AMM believes the survey outline monument restoration program is a worthwhile initiative and is aware that almost all Manitoba municipalities have benefited

from the fund since 1998. Therefore, the AMM would urge you to consider increasing the fund maximum of \$150 000 to reflect the increased demand.

## 10) Manitoba Health

### a) Physician Training, Recruitment and Retention

The AMM would like to take this opportunity to bring to your attention a long-standing concern of municipalities- the availability of family physicians in Manitoba communities. The AMM believes the Provincial Government has an important role to play in ensuring adequate medical services for Manitoba residents and would like to take this opportunity to give you a municipal perspective on physician recruitment, retention and training in Manitoba.

At the 2003 AMM Convention, members passed a resolution concerning physician training in Manitoba that argues the non-availability of physicians in many rural areas has reached crisis proportions. In fact, this concern has been raised in each district during our municipal district visits this year, making physician availability one of the most frequently discussed concerns of AMM members.

The AMM would like to point out that the issue of physician shortages relates to the availability of space at Manitoba Universities for physician training. The AMM understands that spaces in the University of Manitoba's Faculty of Medicine are very limited, with no guaranteed accessibility for rural Manitoba students. Currently, there are 85 spaces for students entering the Faculty of Medicine at the University of Manitoba, 75 of which are reserved for Manitoba students. The AMM would like to acknowledge the efforts of the Provincial Government to increase space as this will have a positive effect on physician shortages. Furthermore, the AMM understands that the number of medical students may be increased to 100 in the near future, and would encourage such efforts.

Although the AMM agrees that it is important to ensure adequate space for Manitoba students, the AMM believes that the Province could do more to encourage rural Manitoba students to apply to medicine. The AMM argues that rural students may be more likely to return to work in rural areas, and therefore should be encouraged to practice medicine as a career. By ensuring space at the University of Manitoba for rural medical students, the AMM believes the shortage of physicians in Manitoba communities may begin to be addressed.

A related issue concerns the proposed expansion of space in the Faculty of Medicine. The AMM believes it is very important to recruit students that have an interest in practicing family medicine. As medical students acquire greater specialization in the medical field, they are more likely to work in urban centres where there is a high demand for specialized practice. However, if the University of Manitoba's Faculty of Medicine recruited students that have an interest in pursuing family medicine, the AMM argues there would be a greater supply of physicians available to practice in communities throughout the Province.

Another important issue related to physician shortages concerns entry tests for doctors trained out of country. Manitoba students that train in other countries are required to write special tests to return and set up practice in Manitoba, even though they are permitted to practice in the United States and Saskatchewan without these entry tests. While it is of paramount importance that the Province ensure those practicing medicine in Manitoba are qualified and capable, this policy puts Manitoba at a disadvantage in relation to Saskatchewan and the United States. The AMM believes this practice may be damaging the ability of Manitoba to recruit physicians, and believes the Province should re-consider the requirement for physicians trained out of country to write competency tests, so that Manitoba is competitive with Saskatchewan and the United States.

However, if the Province continues to require foreign-trained physicians to write competency tests, the AMM would argue that there needs to be an improvement to the

timing and transparency of this process. Currently, international medical graduates may apply to the University of Manitoba's Faculty of Medicine for an assessment to determine if they have the medical knowledge and skills required for licensure in Manitoba. However, the assessment of qualifications often takes several months to complete, and delays these physicians from writing the entry tests required to practice in Manitoba. This further frustrates community efforts to attract physicians, and the AMM would argue that there should be a transparent and timely conditional registration process for foreign-trained physicians.

The AMM acknowledges the efforts the Province has made to recognize the importance of locally-trained physicians. The medical student/ resident financial assistance program is one such measure, and provides financial assistance in the form of a conditional grant to students studying medicine in Manitoba, or to physicians establishing a practice in Manitoba upon graduation. The recent decision to increase residency salaries is another positive step, and the AMM strongly encourages policies that recognize the important contribution of locally-trained physicians in providing high-quality health services that meet the needs of Manitobans. However, the AMM believes there is still much to be done to increase the supply of family physicians practicing in Manitoba communities, and would encourage your government to examine pro-active measures to increase the opportunities for students to train for the medical profession, and to consider measures to recruit those most likely to practice family medicine so that all Manitoba communities may benefit.

#### b) West Nile virus Program

WNV poses a real threat to Manitobans, and for this reason municipalities want to take measures to protect their citizens. This past summer, Manitoba had 142 confirmed human cases of WNV, and because the threat of WNV increases over time, it is likely that WNV will remain a primary concern of municipalities in the years to come. Manitoba municipalities are in a good position to assist the Province with the WNV program and

contributed many resources in 2003 to help control the spread of this serious virus. However, many municipalities have expressed concern with some aspects of the WNv program and the AMM would like to take this opportunity to raise some common municipal concerns so that Manitoba's WNv program may be strengthened in years to come.

The primary concern of Manitoba municipalities in relation to WNv is the matter of financial compensation to offset the costs associated with taking measures to deal with health-related emergencies. For example, AMM resolution 46-2002 calls on the Province to ensure sufficient resources to accommodate province-wide mosquito population surveillance, as well as training, equipment, and expertise to municipalities to establish and maintain mosquito control programs throughout Manitoba. Although the control of WNv is crucial to maintain public health, the Province requires municipalities to bear 25 per cent of the cost of insect control measures. WNv is clearly a provincial health issue, not a municipal nuisance issue and the AMM believes that this policy disadvantages municipalities that are voluntarily assisting Manitoba Health to address this important public health concern. Furthermore, AMM members believe that because the control of WNv is a Provincial public health issue, the associated costs should be borne by the Province.

In addition to cost concerns, the AMM would urge the Province to consult and communicate with municipalities when the risk of WNv becomes apparent or is increasing. The AMM would like the Province to warn municipalities in advance of the occurrence and number of infected birds at the start of the mosquito season, as this will help municipalities make citizens aware of the threat and take pro-active measures to reduce the chance of contracting WNv. In fact, better communication is another important concern for municipalities in Manitoba and the AMM believes this can be improved in 2004. For example, the Towns of Virden and Deloraine were disappointed that the Province announced that Virden and Deloraine had been issued public health orders to fog for mosquitoes capable of transmitting WNv, without first informing the

municipalities of this health risk. The concern was that the media had received the information regarding the order prior to the municipalities receiving the information. This resulted in several phone calls from concerned parties to Virden's administrative staff and Council that could not be properly addressed. Furthermore, despite not being informed in advance of the public health order to fog these Towns, Virden and Deloraine were both required to pay approximately \$520 each for adulticiding. The AMM strongly believes that if municipalities are required to pay for these measures, they should at least be informed in advance.

Therefore, the AMM would urge the Province to absorb all health-related costs associated with the control and surveillance of West Nile virus, and also encourages the Province to communicate more effectively with municipalities, and take into account municipal suggestions when planning the 2004 West Nile virus program.

## 11) Manitoba Intergovernmental Affairs and Trade

### a) The Planning Amendment Act

In July 2002, the Provincial Government outlined its comprehensive plan for livestock planning in Manitoba. The AMM was invited, along with other key stakeholders, to provide detailed feedback to help develop legislation that would be appropriate for all affected groups, and this discussion continued over a two-year period. The AMM believes this process was very productive and provided an avenue for municipal interests to be expressed to the Provincial Government. Bill 40, *The Planning Amendment Act*, ensures that land use decision-making will remain at the local level while placing the monitoring and enforcement of environmental issues with the Provincial Government. These proposed changes pertain directly to several AMM resolutions dealing with the intensive livestock issue, and the AMM believes municipalities will now be able to build their livestock operations policy into their development plan- providing clarity and consistency for the municipality and their ratepayers.

The AMM has reviewed the proposed amendments to *The Planning Act* and effectively communicated the priorities of Manitoba's municipal governments during the development of this legislation. First, and perhaps most important is the need for municipal councils to have final say in all land-use planning decisions. The AMM believes that there must not be an appeal process to another jurisdiction that supercedes municipal land-use decisions. Second, Manitoba municipalities told the AMM that they must have the right to establish appropriate setback and separation distances for livestock operations, provided they meet the provincial minimum standard. Third, municipalities stressed the need to ensure that appeals to the Municipal Board for development plans be considered only when a critical mass of ratepayers formally object to a land-use decision. Fourth, AMM members stressed the importance of local control over land-use planning. Although the conditional use process is modified under Bill 40 to promote up-front planning, the AMM is satisfied that municipalities will retain the right to develop livestock operations policy that responds to the desires of their ratepayers. Finally, AMM members highlighted the need to improve and speed up the Province's approval process for development plans and amendments.

However, there are a number of important municipal concerns with the proposed legislation that must be addressed. First, Bill 40 requires that all persons developing or expanding a livestock operation obtain the approval of council. Many AMM members are concerned that this requirement may pose an administrative burden to municipal councils, if a minimal number of animal units are being added. Another important municipal concern relates to the allowable conditions on odour control set out in Bill 40. The AMM believes that direct injection is a valid condition that should be permitted in the application approval process. A related issue deals with setting animal unit numbers based on species type and confinement period. The AMM would strongly suggest to the Province that animal units be based on species type and the confinement period. Furthermore, the AMM would urge the Province to provide financial and technical assistance to municipalities for development plans and mapping, as this will go a long

way to securing municipal support for the process. Another very important issue for AMM members is public input into the environmental approval process. Although the Province holds responsibility over environmental concerns under *The Planning Amendment Act*, the AMM argues that there should be local input into the technical review committee (TRC). In addition, the AMM believes that environment officers must be present at municipal hearings to display the Province's commitment to monitoring the environmental aspects of livestock land-use planning.

In addition to these specific concerns, the AMM would like to bring attention to the Province's role of enforcing and monitoring environmental issues. The AMM is supportive of the Province's jurisdiction over environmental monitoring of livestock operations. However, the AMM is concerned that the Province is without the necessary resources to adequately monitor and enforce the environmental requirements of *The Planning Amendment Act*, which is of key importance to this whole process. Therefore, the AMM hopes that the Province will devote the necessary resources and staff to enforce and monitor the environmental issues surrounding livestock operations, in order to support fully the legislation.

We hope these concerns can be addressed as you move forward with the legislation, as these changes are necessary to ensure consistency and transparency when planning for livestock operations, and to enshrine local control over land-use planning, as well as to secure broad based municipal support. Therefore, the AMM would urge the Province to incorporate the concerns outlined today when developing the final legislation.

## b) Funding for Infrastructure

Quality infrastructure is one of the greatest challenges facing Manitoba municipalities and our membership consistently raises infrastructure funding as a priority issue. In fact, infrastructure was re-affirmed as one of the top priorities for the AMM at the 2004 Strategic Planning Session. The development and maintenance of a strong infrastructure base is a key pillar of a competitive economy and is necessary for an enhanced quality of life. However, given the limited financial resources available to municipal governments, municipalities need access to long-term funding that will enable communities to develop and manage sustainable infrastructure. In addition, municipal governments are in the best position to determine the needs and priorities of their communities, and must be equal partners in multilateral initiatives to enhance infrastructure.

The AMM welcomes the ongoing commitment by both the Provincial and Federal Governments to fund the Canada-Manitoba Infrastructure Program. In addition, the AMM was very pleased to see the announcement of the Municipal Rural Infrastructure Fund (MRIF), which will provide Manitoba municipalities with a population under 250 000 with \$41 million in federal monies for infrastructure priorities. However, municipalities in Manitoba and throughout Canada are still unable to repair and upgrade basic infrastructure, let alone invest in the future due to the tremendous gap that exists between infrastructure needs and current funding available. In Manitoba, the infrastructure investment debt hovers in the range of \$7.4 billion: \$3.4 billion for Manitoba's highway system; \$2 billion for rural municipal infrastructure; \$1 billion for rural land drainage; and \$1 billion for Winnipeg's infrastructure deficit.

It is clear that a permanent and ongoing municipal infrastructure program is required that would allow municipalities to plan for the future and address this growing infrastructure gap. Therefore the AMM urges the Province to continue to provide its share of the funding for the National Infrastructure Program. The Province has been very receptive to matching funding for infrastructure in Manitoba and the AMM would strongly encourage

the Province to continue in this spirit, despite any new federal revenues that may flow to municipalities as part of a federal new deal for communities. Furthermore, the AMM urges the Province to press the Federal Government to both extend the length of the National Infrastructure Program so that municipalities may better plan for the future, and to devote greater funds to infrastructure initiatives in Manitoba.

### c) A New Deal for Municipalities

A relatively new and emerging issue for municipal governments in Manitoba concerns a new revenue deal for municipalities. Although the Federation of Canadian Municipalities (FCM) has been calling for a new system of municipal finance for some time, the City of Winnipeg has initiated substantial discussion on this issue in Manitoba. The AMM believes this discussion has important ramifications for all municipal governments as all Manitoba communities have concerns about the ability of the current system of taxation to meet municipal financial obligations. Manitoba's prosperity and quality of life is determined largely by the health of its municipalities and the AMM has raised this issue with all Provincial Cabinet Ministers it has met this year. Vibrant, sustainable communities are crucial to attracting the skilled, creative people who are key to this province's success. However many municipalities across Manitoba are struggling; their resources have not kept pace with their growing responsibilities for physical and social infrastructure.

The root of the problem is the gap between the services that municipalities must provide and the resources at their disposal. Municipal revenues have failed to keep up with the increasing demand for infrastructure investment. Across Canada as a whole, over the past four years, Federal Government revenues have increased sixteen per cent, Provincial/Territorial revenues increased twenty-one per cent and municipal revenues only four per cent. Canada's core municipal infrastructure debt has been estimated at about \$60 billion and growing at a rate of \$2 billion annually. As previously mentioned, in Manitoba the infrastructure investment debt hovers in the range of \$7.4 billion.

It is clear that the current situation is unsustainable and municipalities must gain access to new revenue sources. Municipal governments in Canada currently earn the majority of their revenue through property taxation, a revenue stream that does not increase in times of economic growth. In Manitoba, increasing school division levies have resulted in municipal governments maintaining current levels of property taxation to respond to ratepayer demands, leaving municipalities with less revenue to maintain property services. In fact, the total portion of school funding raised from property taxation in Manitoba stands at 34 per cent, leaving municipalities little room to fund other important priorities. Without a change to this system of taxation, infrastructure upgrades will continue to be postponed and the infrastructure debt will only grow larger. Manitobans know that their municipal governments are accountable and responsive. They want the order of government closest to them to have access to new sources of revenue and they want the tax burden on ratepayers lowered.

This is an important debate for all municipal governments in Manitoba, and one that should involve the input of all stakeholders. In fact, partnership must be at the heart of a new revenue deal for municipalities and Manitoba municipalities believe that the three orders of government must work together to deliver priorities. The Federal Government has raised the municipal GST rebate to 100 per cent and has also committed greater funds to existing infrastructure programs, and the AMM is very pleased that the Federal Government responded quickly and in the spirit of partnership to address municipal concerns. The recent commitment to rebate five cents per litre of federal gas tax monies to municipalities is a further indication of this commitment. There is much that the Province of Manitoba can do as well, and the decision to pass all Provincial fuel tax back to transportation infrastructure is a good starting point. However, there is much more that needs to be done to address the growing revenue needs of municipal governments in Manitoba. The AMM hopes that the Province is willing to work with municipal governments to access new sources of revenue- especially growth revenues, and hopes the Province will remain responsive to the needs of local governments. The AMM looks

forward to consulting with the Province to make this new deal a reality for all municipalities in Manitoba.

## 12) Manitoba Justice

### a) Policing

Many Manitoba municipalities repeatedly express concern about police service in their communities, highlighting issues such as policing costs, level of service, response times, and/or policing priorities. However, the escalating cost of police service continues to be the primary concern of many AMM members. Because the appropriate level of police service in a municipality is often dictated by municipal budgets, many AMM members are concerned that further cost increases will compromise their ability to provide effective police service to their communities. Therefore, Manitoba municipalities believe that there must be measures implemented to offset the rapid increase in municipal police costs.

At the 2003 AMM Convention, AMM members heard that RCMP costs are expected to rise significantly in the future due to increasing salaries, increased RCMP reporting requirements, demographic trends, and rising public expectations. Many new policing initiatives require a greater degree of community involvement than in the past, and point to a greater role for community policing, crime prevention, school programs and restorative and alternative measures- initiatives that require additional community resources. Furthermore, policing concerns are not specific to Manitoba municipalities as has been shown by the Federation of Canadian Municipalities' (FCM) involvement in municipal policing concerns. FCM is currently examining many of the same issues at the national level, and intends to consult with the RCMP and other policing agencies on policing contracts and other municipal concerns regarding policing services. As well, FCM is developing an action plan to consult with the RCMP and other policing agencies to address increasing policing costs. Therefore the AMM believes that now is an

appropriate time to evaluate police service and cost in Manitoba, and would encourage strong co-operation and collaboration between Federal, Provincial and Municipal Governments, as all have a stake in addressing policing challenges in Manitoba.

#### b) By-law Enforcement

Another important issue for Manitoba municipalities is related to by-law enforcement. In Manitoba, the current by-law enforcement system uses criminal courts, even though by-laws do not deal with criminal matters. Many AMM members argue that the present system is therefore needlessly formal, procedural, intimidating, expensive, time-consuming and difficult to enforce, and adds work to an already over-burdened Court system.

The AMM understands that with the 1997 review of *The Municipal Act*, some provisions were included to deal with some of the municipal by-law enforcement concerns. The AMM is pleased that the Department of Intergovernmental Affairs and Trade- in consultation with the AMM, Manitoba Municipal Administrators' Association (MMAA) and the Association of Rural Municipalities (ARM)- is working with Municipal Governments, through *The Municipal Act Procedures Manual*, to address several municipal by-law enforcement issues such as how to inspect property, issue compliance orders without a Court Order and enforce by-law offences through issuing a ticket and fine. However, many fundamental issues relating to by-law enforcement have not been addressed, and concerns remain about non-property by-law offences and the high cost for municipalities to enforce by-laws. The AMM believes that a better system of municipal by-law enforcement is possible, and would encourage the Province to continue to work with municipalities, and take into account persistent municipal concerns in order to develop a more administrative and appropriate system to municipal by-law enforcement.

It is important that when adopting such a system, municipalities are not burdened with additional costs. The AMM's support for an alternative system of by-law enforcement is

dependent on a cost-neutral arrangement. Furthermore, the AMM believes also that in-kind municipal contributions, like access to municipal chambers and resources, should be acknowledged in the funding model being developed to support an improved system.

### c) Community Youth Justice Initiative

In 1998, the Government of Canada announced its plans for renewing the youth justice system. The Youth Justice Strategy proposes directions for new legislation and programs that address the public's concern about violent and repeat youth crime and the need for a system that promotes accountability, respect, responsibility and fairness.

The Youth Justice Strategy focuses on three complementary areas for action: prevention to address the causes of crime and encourage community efforts to reduce crime; meaningful consequences that hold all young people accountable, helping them to understand the impact of their actions and allow them to make good the harm done to the victim and the community; and rehabilitation and reintegration to ensure that youth who have committed an offence receive the treatment and programs necessary to prevent them from re-offending. Therefore, the Youth Justice Strategy establishes a range of informal programs and alternatives for less serious offences, requiring a great deal of co-ordination between existing youth programs and newer community measures to address youth crime.

Many Manitoba municipalities argue that due to the adoption of the Youth Justice Strategy and the enactment of the Youth Criminal Justice Act, there is need for co-ordination of the various community-based approaches to youth justice. Municipalities argue that the co-ordination of the Youth Justice Strategy would be best done by Probation Services, and in fact, the Department of Justice has stated that all referrals for extra-judicial sanctions will be the responsibility of Probation Services. However, municipalities are concerned that currently, Probation Services does not have the resources to adequately co-ordinate the Youth Criminal Justice Act. Therefore, Manitoba

municipalities request the Provincial Government to devote greater resources to Probation Services so that it may hire the required personnel to adequately co-ordinate the Youth Criminal Justice Act.

## 13) Manitoba Labour and Immigration

### a) Provincial Water Bomber Policy

An ongoing concern for Manitoba municipalities is the expectation that municipal governments will assume full responsibility for matters affecting all Manitobans. The AMM views the Province's water bomber policy as an example of this concern. The Province has adopted parameters for approving the use of water bombers, and mechanisms for recovering the costs associated with this activity. Even though there was no formal policy on this matter, it had become standard practice for the Province to incur the costs associated with the use of water bombers. However, the AMM knows that some municipalities receive bills for water bomber service from the Province, and the AMM believes that the decision to pass this expense on to municipalities is problematic and untenable. The Province should help municipalities in major fire situations where water bombers are needed and spread the costs across the provincial tax base so that all Manitobans pay for the use of water bombers. If the water bombers are being used in major fires that impact the province, the AMM argues that all Manitobans should contribute, not solely the jurisdiction where the fire occurred.

Even now, municipalities view fire protection as a local issue and the AMM remains grateful for the help that the Office of the Fire Commissioner provides to municipalities. In fact, many municipal fire brigades are touchstones of their communities and pride is taken in the hard work and level of protection that is provided at the local level.

Nevertheless, there are some instances where municipalities require help over and above the local level. Our association firmly believes that the decision to "call in" fire bombers

is a serious one and should not be further complicated by concerns over potential impacts on the municipal budget. In effect, fire chiefs now face a disincentive when calling on water bombers if financial concerns are added to the decision-making process. Further complicating the decision-making process has the potential to result in unnecessary and preventable loss of life. The AMM does not doubt that the Province will respond with water bombers when called upon; however the concern is that the decision to make such a call has now been complicated by financial considerations. Therefore a more appropriate arrangement would be to simplify this critical decision before Manitoba witnesses a tragedy.

The AMM believes that prior to the current policy parameters being put in place, municipalities infrequently and in good faith used water bombers. In fact, the AMM is unaware of any example where water bombers were called upon when not required. Therefore the decision to shift this expense onto the municipal budget seems unnecessary, punitive and inappropriate considering the critical role that this service plays in preventing loss of life and property.

#### b) Workers Compensation Benefits for Part-time Firefighters

The AMM would like to take this opportunity to raise two separate issues related to municipal emergency service providers, the first issue being the Workers Compensation Board (WCB) policy on collateral benefits. WCB legislation currently provides for a maximum wage loss benefit of only 90 per cent of net income for all workers disabled on the job, including volunteer firefighters and ambulance attendants. However, disabled firefighters and ambulance personnel are prohibited from acquiring private “top-up” benefits because WCB regulations provide that for each dollar of private benefits obtained, there is a reduction of WCB benefits of an equivalent dollar. While the principle of encouraging return to work by paying only 90 per cent of net income is generally good, it is not appropriate to penalize persons who provide volunteer service to their communities. It is unfair that emergency service volunteers should risk a ten per

cent loss of income in the case of injury or accident in the volunteer provision of these critical services.

Volunteer emergency service workers provide important functions within their communities and are often over-worked and under-appreciated. Furthermore, municipalities are finding it more and more difficult to attract and retain volunteers. The AMM is concerned that the Workers Compensation Board's policy on collateral benefits creates yet another disincentive for volunteers willing to provide help to their communities. The AMM believes this policy should be changed to ensure that municipalities attract volunteers in the future, and retain those currently volunteering for emergency services.

The AMM discussed this issue on several occasions with the Province and it still remains a priority concern for Manitoba municipalities. However, a possible solution to this problem exists; the AMM's municipal insurance program could provide "top-up" insurance to cover this ten per cent income loss and other associated losses. This solution would have no negative affect on WCB payouts, and would reflect a fairer system to the volunteers providing a critical service in their communities.

Nevertheless, this solution requires amendments to *The Workers Compensation Act*. In the past, the Province has expressed support for such a change and explained that it could be accommodated when the *Act* is open for amendments. The AMM believes that a change to the *Act* is necessary to ensure that volunteer firefighters and ambulance attendants are not penalized in respect to wage loss and other benefits when disabled.

The AMM would like to take this opportunity to raise another important issue related to volunteer firefighters, namely the concern of equal workers compensation benefits for volunteer firefighters related to occupational diseases. In 2002, the Provincial Government passed *The Workers Compensation Amendment Act*, which reflected the findings of recent scientific and medical studies that showed a strong association between

the occupation of full-time firefighting and certain diseases. Manitoba was the first Province to pass legislation to make firefighters automatically eligible for compensation for brain, bladder, or kidney cancer, leukemia or non-Hodgkin's lymphoma.

However, the AMM is concerned that this amendment is limited to full-time members of a fire department that have served for a minimum period of time. This is despite the fact that many members of municipal volunteer fire brigades respond to at least as many incidents as their full-time counterparts, and therefore face a similar carcinogenic risk as a result of their volunteer work. The AMM supports the benefits that full-time firefighters receive now under the amended *Workers Compensation Act*, but believe these benefits should be extended to the approximately 3500 volunteer firefighters in Manitoba.

## 14) Manitoba Transportation and Government Services

### a) Highways Capital Budget

Ongoing investment in highway infrastructure is an important component of an effective provincial transportation network. The AMM appreciates the Province's allocation of an additional \$10 million to the Highways Capital Budget for the next two construction seasons, and with the existing five-year \$600 million program, this additional amount increases the funding level to \$130 million for 2004 and 2005.

While this additional funding is beneficial, a deficit exists in comparison to the actual amount required to address the deterioration of Manitoba's highways. Based on Provincial estimates, the amount needed to upgrade and standardize Manitoba's highways has risen from \$240 million to \$340 million per year. This translates to a required investment of \$3.4 billion over the next ten years. More importantly, the current level of funding is insufficient to prevent further degradation of the highway system. Left unchecked, the amount required for effective upgrading will continue to increase as

the highways continue to deteriorate. Therefore, a renewed commitment of funding by the Provincial Government is essential to address the growing infrastructure needs.

A lack of highway maintenance has resulted in poor conditions that pose a risk to the safety of residents. Poor road conditions also have a negative impact on the industries that rely on the highway system for their operation and transportation of products to market. An effective highway system will also impact economic development opportunities and improve the ability to develop future markets, such as value-added industries. This will necessarily include the tourism industry, which currently provides considerable economic benefits to communities across Manitoba. To ensure safe and efficient transportation, the AMM urges the Province to increase the Highways Capital Budget.

#### b) Vision 20/20

The AMM is supportive of this initiative to improve Manitoba's transportation network and appreciates the importance of identifying the needs of stakeholders and the public. However, the AMM is concerned with the lengthy consultations process that has been ongoing since September 2002. With limited funding available, it is crucial for the Province to develop a transportation blueprint for Manitoba. While the public consultations and regional input are necessary, the AMM believes that the success of Vision 20/20 will ultimately depend on the timely completion of the blueprint, along with the funding and prioritization of key projects.

Manitoba's transportation infrastructure is currently in serious need of investment due to the increasing 10-year deficit. Given the poor state of our highway system, there is a pressing need to prevent further deterioration. Therefore, funding must be based on a strategic blueprint and a focused effort to address issues of key importance. Vision 20/20 must move forward in order to accomplish these objectives. The AMM would like an update on the progress of Vision 20/20 and a projection of when the final blueprint will be completed.

## 15) Emergency Measures

### a) Disaster Financial Assistance

Disaster situations can occur at any time and in any place. Although disaster situations are unpredictable, Manitoba residents must be assured of quick and adequate responses and local governments, provincial authorities and non-governmental organizations often must work together to ensure disaster recovery efforts are co-ordinated and timely. In addition, local residents must be assured that the Provincial Government will provide help in times of need, including the provision of appropriate financial assistance for disaster situations. Another concern relates to Department staff, and municipalities argue that staff is often less than receptive when they are approached for assistance and support in emergency situations. However, the inadequate rate of disaster financial assistance compensation remains a valid and often raised concern of AMM members and the AMM would like to take this opportunity to outline its position on this important issue.

The AMM believes that it is critical that the Province maintains or increases its contribution to disaster assistance, regardless of what the Federal Government decides. When a disaster is below the necessary financial threshold for federal assistance, it is imperative that the Province maintains or improves its current level of contribution. Many of the disasters in the province fall under this category and it is crucial that the Province provide adequate disaster assistance to municipalities. In addition, although the Federal Government may be looking to reduce its contribution to disaster assistance, the Disaster Financial Assistance Arrangement (DFAA) does not impose limits on the amount of compensation paid by the Provincial Government. Therefore, the AMM would encourage the Province to increase its rate of compensation to municipalities for expenses incurred in response to and recovery from disasters within its boundaries.

A related issue is the current agreement where municipal equipment used in an emergency is compensated at only sixteen per cent of the cost, and municipal labour is compensated only for overtime. This is in sharp contrast to how the current agreement treats contracted (non-municipal) labour and equipment costs, which are fully covered at 100 percent. The status quo essentially penalizes municipalities for doing their own work and saving money for the Province, which is inefficient and counterproductive. Therefore, the AMM requests the current rate of compensation for the use of municipal equipment and labour be increased from sixteen per cent to 65 per cent, to better reflect the true costs incurred by municipalities in using their own equipment and labour.

### b) Community Hostings

One of the greatest assets of our province is the kind and generous nature of Manitobans. This goodwill is exemplified by community hostings, which take place when weather conditions close highways and strand travelers. Many small communities do not have the resources to accommodate high numbers of stranded individuals, so members of the community willingly open their homes in times of need.

Our association has actively participated in the development of the policy to reimburse municipalities under the DFA policy whenever municipalities are put in the position of having to activate their emergency management plan in order to look after stranded individuals. Through this process, criteria were developed that ensured it was clear when a municipality could apply for reimbursement, which would prevent any abuse of the program. At the same time, the criteria recognized that at times municipalities would be called upon to look after individuals in severe weather conditions and some costs would be incurred. These criteria were agreed upon by various departments, including the Manitoba Emergency Measures Organization, and were forwarded to the previous Minister.

Reimbursement for community hostings does not require a large financial contribution from the Province. A survey conducted by our staff found that over the five-year period from 1995 to 2000, municipalities incurred only \$12,000 in costs associated with hosting individuals stranded as a result of blizzard conditions. In the recent May snow storm that closed the highway for two days, the Town of Virden spent \$481, which does not include fuel, or the countless hours contributed by both volunteers and paid municipal staff. It is clear that reimbursement for municipalities would not cause undue financial hardship to the Province and the gains would be substantial. The Province is in a unique position to foster goodwill with municipalities by compensating those affected municipalities for the costs incurred from hosting stranded individuals. For emergency management plans to be effective, it is critical that municipalities have assurance that the Province is a partner and will provide compensation for the costs incurred.

These are exciting times for municipalities, and all three levels of government must work together for the benefit of Manitobans. The relationship that has developed between municipalities and the Government of Manitoba is the envy of many municipal associations and has quickly become a model for the rest of Canada. This regular meeting is one of the key elements that has led to the development of this rapport, and we look forward to continuing to foster this as new and exciting opportunities emerge. This strong relationship is a result of mutual respect and co-operation, and we must work to ensure that this is not eroded through the shifting of responsibilities and costs. Municipalities are facing many challenges and the AMM thanks you for the opportunity to meet with you today to discuss some of these priority issues.