

Meeting of the  
**Association of  
Manitoba  
Municipalities**



with

The Honourable Oscar Lathlin

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Minister of Aboriginal and Northern Affairs  
September 11, 2006

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## A) Executive Summary

### Departmental Issues

#### 1. Treaty Land Entitlement Issues

- Municipalities are concerned that delays in the TLE process negatively impact local development.
- Renewed Federal commitments highlight that previous efforts to eliminate inefficiencies of the TLE process have been deficient and it is time to resolve these long-standing issues.
- The Provincial and Federal Governments should consider further incentives for Manitoba municipalities in order to encourage municipal involvement.
- AMM is supportive of the Southern Chiefs' Organization's recommendation that First Nations pursue a Memorandum of Understanding (MOU) with municipalities to facilitate mutual understanding between both parties.
- As well, concessions must be made to extend the useful life of environmental assessments and land surveys. For instance, the assessor should be allowed to suggest an appropriate stale-date timeframe based on particular land characteristics.

**Therefore, the AMM urges the Provincial Government to review the current TLE compensation in order to seek alternative ways to enhance the TLE process in Manitoba.**

#### 2. Update on Northern Healthy Foods Initiative

- The Northern Healthy Foods Initiative has recently encouraged northern and remote communities to identify and undertake projects that improve local access to nutritious food.
- These important initiatives must continue to receive Provincial funding in order to provide long-term advancements and to expand into more northern and remote communities.
- The AMM recognizes that milk is one component of an overall healthy food campaign, however the considerable benefits for children and adults requires the increased accessibility of dairy products in northern communities.
- The severity of this need is emphasized by the Provincial Government's control of liquor prices across Manitoba while milk prices continue to vary widely.
- The Province should move forward on all recommendations of the Northern Food Prices Report and include northern communities within the mandate of the Manitoba Milk Price Review Commission.

**Therefore, the AMM requests an update on the Northern Healthy Foods Initiative and urges the Province to increase funding to programs that**

**ensure remote and northern communities have access to affordable, nutritious food and beverages.**

## General Issues

### 3. The Municipal Agenda

- Manitoba's municipal governments continue to take on increasingly greater responsibilities. As the importance of local community increases, it is necessary that the roles, responsibilities and resources of municipal government be examined.
- Unclear legislation, such as the Water Protection Act, concern municipal governments because the financial costs in implementing and enforcing this Act are great. Infrastructure needs in municipalities throughout the province are at the top of municipal agendas however the municipal budgets are stretched thin.
- Some options to support municipal governments to serve their communities effectively are removing education tax from property and exempting municipal governments from the Provincial Sales Tax.

**The AMM urges the Province to work with municipalities to seriously examine the roles, responsibilities and resources of municipal governments in Manitoba.**

## B) Departmental Issues

### 1. Treaty Land Entitlement Issues

Although the Provincial Government has been reiterating its support for more timely treaty land entitlement settlements (TLE) for several years, there are still outstanding concerns with Manitoba's process. Municipalities are concerned that these delays negatively impact local development and the Province must improve this situation. Appropriate incentives are required for all stakeholders and greater efforts must be made to ease negotiations between municipalities and First Nations. The selection and conversion of land should provide benefit to both municipalities and First Nations while being completed in a timely manner.

To date, the TLE process in Manitoba has been time-consuming and costly. Municipalities and First Nations have recognized the problems associated with these delays, particularly regarding the hindrance to economic development processes in both communities. The 2006 Report of the Auditor General of Canada illustrated the significant timeframe required to complete the treaty process. Even though the Federal Government had previously recognized the need to expedite the treaty process, the Auditor General's Report indicates that progress has been unsatisfactory towards this end. On a recent visit to Manitoba, the Federal Minister of Indian Affairs and Northern Development also made a commitment to speed up the TLE process in Manitoba. Renewed Federal commitments highlight that previous efforts to eliminate inefficiencies of the TLE process have been deficient and it is time to resolve these long-standing issues.

Many of the problems municipalities are experiencing stem from the lack of incentive to participate in the TLE process. Current compensation rates provide little incentive to make TLE settlements a priority since municipalities are only compensated for five times the annual net tax loss at the time of conversion. This formula is especially problematic in comparison to compensation rates in Saskatchewan, which are available to rural municipalities for 25 years and to urban municipalities in perpetuity. The Provincial and Federal Governments should consider further incentives for Manitoba municipalities in order to encourage municipal involvement. For instance, the Federal Government assists the municipal tax collection process in Saskatchewan by paying the municipal taxes after a

period of 75 days. This provides consistent income to municipalities while the negotiations are proceeding and assists in easing the relationships between Entitlement First Nations and municipalities. Such alternate arrangements should be given greater consideration in Manitoba in order to enhance incentives to complete TLE negotiations.

Similarly, the Southern Chiefs' Organization Inc. has recommended that First Nations pursue a Memorandum of Understanding (MOU) with municipalities to facilitate mutual understanding between both parties. AMM is supportive of this recommendation since clarifying each party's viewpoint may minimize misperceptions and reduce delays caused by misunderstandings. For instance, the term "reasonable" is used throughout Manitoba's Treaty Land Entitlement Framework Agreement, yet this term is highly subjective. By providing a forum to clarify what is reasonable, all parties will be able to access more timely support when dealing with unreasonable parties. Such opportunities would contribute to a more efficient TLE negotiation, thereby reducing the time required to complete the process.

Environmental assessments and land surveys represent an additional cost factor throughout this process. While the AMM understands the need for these assessments, they are only valid for two years and are typically repeated several times throughout the selection and conversion process. The Auditor General's Report demonstrates that the TLE process rarely takes less than two years to complete, therefore concessions must be made to extend the useful life of the assessments and surveys. For instance, the assessor should be allowed to suggest an appropriate stale-date timeframe based on particular land characteristics. Although the Federal Government has the primary responsibility for assessments and surveys, the Provincial Government must support federal efforts to increase resources and seek alternative solutions to such concerns. The Province should also pursue creative ways to ensure that there are no unnecessary time constraints resulting in additional costs for all stakeholders.

**Therefore, the AMM urges the Provincial Government to review the current TLE compensation in order to seek alternative ways to enhance the TLE process in Manitoba.**

## **AMM Resolution Number 46 – 2003**

**Topic:** Turning Back TLE Lands

**Sponsor:** RM of Kelsey (Northern District)

**Departments:** Manitoba Aboriginal & Northern Affairs, Indian & Northern Affairs Canada

WHEREAS the Manitoba Treaty Land Entitlement Framework Agreement was signed on May 29, 1997;

AND WHEREAS the purpose of this agreement is to provide land to 19 First Nations, fulfilling a long-standing commitment arising from treaties signed by Canada and the First Nations between 1871 and 1910;

AND WHEREAS the period for selection of Crown land is three years from the date a Treaty Land Entitlement Agreement is signed with a time limit extension for Crown land for a period of up to two years;

AND WHEREAS initially, various site selections have been made by First Nations for certain unoccupied Crown Lands;

AND WHEREAS in certain cases First Nations are no longer interested in these selections yet have not withdrawn their interests;

AND WHEREAS these lands, even though they are no longer required by First Nations, are still being upheld and are creating a hindrance for potential future development;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Provincial and Federal Government to assist municipalities that are affected by lands being held under Treaty Land Entitlement Agreement to ensure that lands not required by Treaty Land Entitlements are turned back for public interest and to ensure that immediately following the two year time extension, land is reverted back to the public.

## **AMM Resolution Number 13 – 2001**

**Topic:** Treaty Land Entitlements -- Loss of Tax Base

**Sponsor:** RM of Kelsey (Northern District)

**Departments:** Manitoba Aboriginal & Northern Affairs, Indian & Northern Affairs Canada

THEREFORE BE IT RESOLVED that the AMM expedite the process of lobbying the federal and provincial governments to ensure that municipalities are protected from losing school tax base should a treaty land entitlement result in land within a municipality being acquired by a First Nations band and subsequently being granted reserve status so that the information can be included in service agreements.

## 2. Update on Northern Healthy Foods Initiative

Northern Manitoba communities are still struggling with the need to obtain affordable access to nutritious food and beverages. Perishable products are substantially more expensive in northern communities as compared to the rest of the province since the high transportation costs are passed on to the consumer. More importantly, these healthy options are more expensive than less nutritious alternatives, which creates disincentives to healthy consumption patterns. The resultant health issues increase the need for health care interventions in these remote communities. Therefore, it is imperative that the Provincial Government mitigates the high cost of nutritious food and beverages in remote and northern communities.

The Northern Healthy Foods Initiative has recently encouraged northern and remote communities to identify and undertake projects that improve local access to nutritious food. These projects will reduce the cost of healthy food by promoting self-sufficiency through community gardens, greenhouse production, and community foods programs. Increased local production of fruits and vegetables reduces the need to pay the high transportation costs that are otherwise required. Educational opportunities are also important and students in the Frontier School Division will benefit from the enhanced curriculum that provides a greater emphasis on germinating plants, food preparation and preservation techniques. These important initiatives must continue to receive Provincial funding in order to provide long-term advancements and to expand into more northern and remote communities.

At the same time, the Province must focus specifically on the need for affordable milk products in northern communities. The AMM recognizes that this is one component of an overall healthy food campaign, however the considerable benefits for children and adults requires the increased accessibility of dairy products in northern communities. The severity of this need is emphasized by the Provincial Government's control of liquor prices across Manitoba while milk prices continue to vary widely. Manitoba's liquor control system demonstrates that it is possible to implement province-wide price regulation and the Province must pursue such a structure for milk. Existing price discrepancies demand attention from the Provincial Government as an explicit part of the Northern Healthy Foods Initiative.

Recent progress was initiated based on recommendations from the Northern Food Prices Report, which included recommendations pertaining to milk prices. The Province should move forward on these recommendations and include northern communities within the mandate of the Manitoba Milk Price Review Commission. The AMM appreciates the Province's commitment to address related issues such as improving the winter road network to reduce transportation costs. However, without a specific focus on reducing the cost of milk in northern Manitoba, the disincentives to consume milk will remain along with the negative health impacts of insufficient milk consumption.

**Therefore, the AMM requests an update on the Northern Healthy Foods Initiative and urges the Province to increase funding to programs that ensure remote and northern communities have access to affordable, nutritious food and beverages.**

#### **AMM Resolution Number 43 – 2002**

**Topic:** Milk Price Controls in Rural and Northern Communities

**Sponsor:** Town of Churchill (Northern District)

**Departments:** Manitoba Aboriginal & Northern Affairs, Indian & Northern Affairs Canada

WHEREAS the sale of liquor is regulated by The Liquor Control Act under section 51(1) which states: "The price of each particular variety of liquor shall be the same at all liquor stores and premises of liquor vendors appointed under section 17";

AND WHEREAS the Province of Manitoba controls the price of liquor sold in stores regardless of geographical location;

AND WHEREAS the Province controls the operation and production of milk which is regulated under The Dairy Act;

AND WHEREAS the Province does not regulate or control the price of milk as is the case with liquor;

AND WHEREAS the price of milk in rural and northern communities is more expensive than the southern region of the province and is, at times, more expensive than an equal quantity of liquor;

AND WHEREAS the availability of fresh milk is an essential component of healthy living, especially for children, and is one cornerstone of Canada's Food Guide to Healthy Eating, while liquor is not;

AND WHEREAS Canada's Food Guide to Healthy Eating suggests that children 4-9 years consume 2-3 servings per day, children 10-16 years consume 3-4 servings per day, adults consume 2-4 servings per day and breast-feeding women consume 3-4 servings per day. The same cannot be said for liquor;

AND WHEREAS alcohol and drug abuse is the largest socioeconomic crisis in rural and northern Manitoba;

AND WHEREAS the Province has placed more effort into supplying affordable liquor to rural and northern communities than any other consumable;

THEREFORE BE IT RESOLVED that the AMM lobby the Province to regulate and control the price of milk in rural and northern communities in the same way as liquor is regulated and controlled by The Liquor Control Act.

AND BE IT FURTHER RESOLVED that the AMM lobby the Province to amend The Dairy Act to include similar pricing controls as are found in section 51(1) of The Liquor Control Act, to ensure that the price of milk in rural and northern communities is the same across the province regardless of geographical location.

## C) General Issues

### 1. The Municipal Agenda

Municipal government is playing a more important role in the every day lives of Canadians. No longer is the local council seen as merely the local tax collector and tertiary service provider. Today, municipal governments have greater responsibilities, often playing a leading role in key areas that are not traditionally municipal in nature, such as health care and environmental protection. As the importance of the local community grows, municipal government, as the level of government closest to the people, is becoming more important. As a result, it is critical that a serious examination be undertaken of the roles, responsibilities and resources of municipal government in Manitoba.

Nationally, through the work of the Federation of Canadian Municipalities, municipal governments have been able to secure a full rebate of the GST as well as the New Deal for Communities or 'Gas Tax Rebate.' Community issues have become front and centre on the national stage, and the AMM is pleased with the recognition by the federal government of the importance of local government and the need to put resources in the hands of the order of government that delivers key services.

Provincially, municipal government in Manitoba has seen some advances as well. Most recently the Province announced the new Building Manitoba Fund that will link municipal grant money to provincial gas tax revenues. Manitoba is also unique in that the Provincial Government shares a percentage of income tax with municipalities through the previous Provincial Municipal Tax Sharing agreement.

While these initiatives are certainly positive, more is needed. Many of the resolutions currently being worked on by the AMM deal with issues of funding, or more specifically inadequate funding levels. A serious discussion of the resources available to municipalities needs to be undertaken. However for this discussion to be fruitful, it must be raised within the greater context of what are and what should be the responsibilities of municipal government.

Municipal government in this province has embraced taking on additional responsibilities as these have been seen to be for the betterment of the local community. For instance, many municipalities have gone to great lengths to help provincial RHAs recruit physicians. As well, municipalities have undertaken projects to help reduce greenhouse gas emissions and improve the environment. Yet there are limits to how much municipalities can do with their current revenue streams.

We have consistently heard from the Province that Manitoba municipalities fare better than almost every other province in terms of funding transfers from provincial governments. However, this discussion is meaningless without a discussion of the responsibilities of these municipal governments. If Manitoba's municipalities are continually expected to take on additional responsibilities it is imperative that new revenue sources are made available.

For example, a major municipal issue is the financial implications of the recently passed Water Protection Act. While the intent behind this legislation is laudable, the overwhelming lack of detail, especially in the area of responsibilities and finances, has many municipal governments concerned. Municipal governments cannot take on the financial costs associated with implementing and enforcing this Act. The Municipal budget is already stretched too thin.

The current municipal infrastructure deficit in Manitoba further compounds the need to re-examine the resources available to municipalities. Communities are facing crumbling roads, deteriorating community centres and inadequate water treatment facilities. It is estimated that Manitoba's infrastructure deficit is \$7.4 billion, which includes \$2 billion in rural municipal infrastructure and \$1 billion within the City of Winnipeg. These are staggering numbers when compared to the revenue streams available to these municipalities. When less than 8 cents of every tax dollar goes to municipalities, it is evident there is a lack of resources to deal with this deficit.

This is why the AMM has been advocating for a 5-year plan to significantly reduce the reliance on property tax to fund education. Currently the property tax base is the principal source of revenue for municipalities. However, this tax base is diminished when education

tax takes up well over 50 per cent. Equally concerning is the continuing increases year after year which force municipalities to seriously re-consider any municipal tax increases, as there are limits to what local residents are able to withstand. The AMM fully supports maintaining and improving the quality of education in Manitoba, however the current system of education taxation is not sustainable and in reality it is hurting local communities by limiting municipal resources.

In addition to the removal of education tax from property, there are other options to provide greater revenue to municipalities. For example, the Provincial Government can follow the lead of the Federal Government with the GST and exempt municipal governments from the Provincial Sales Tax (PST). Not only would this leave more money in the hands of municipalities, but it would significantly reduce the costs of many major infrastructure projects, thereby freeing up valuable funding for other areas of need. This would represent a significant shift away from the current tax and return system toward a new system that allows municipalities to retain resources for community needs. Municipalities in Quebec recently secured a rebate on the provincial sales tax and now have a greater ability to address the pressing infrastructure demands within their communities. The Province should examine this precedent and consider the benefits that a PST rebate would offer municipalities.

Strong communities are the foundation of a strong province and a strong Canada. As the Association that represents all incorporated municipalities in Manitoba, we understand this. The AMM has long been advocating for municipal governments to look at ways of improving how they do business to ensure strong, sustainable communities across Manitoba. We also hear firsthand the challenges communities are facing and we see the implications provincial actions are having on municipalities. It is for this reason that we believe it is time to take a closer look at the resources available to municipalities and take stock of the roles and responsibilities of municipal government in Manitoba.

**The AMM urges the Province to work with municipalities to seriously examine the roles, responsibilities and resources of municipal governments in Manitoba.**