

Meeting of the
**Association of
Manitoba
Municipalities**



with

The Honourable Rosann Wowchuk

Minister of Agriculture, Food and Rural
Initiatives

February 22, 2006

Table of Contents

A) Executive Summary.....	3
B) Departmental Issues	6
1. AMM Flood Report.....	6
2. Economic Development in Rural Manitoba.....	8
3. Land and Water Planning and Management.....	11
4. Improved Weed Control.....	15
C) General Issues	17
5. The Municipal Agenda.....	17

A) Executive Summary

Departmental Issues

1. AMM Flood Report

- Through a series of consultative sessions with the AMM, municipalities have repeated the same messages regarding flood damage and disaster assistance programming, including issues the AMM has continually lobbied to resolve.
- There is a need for disaster assistance to fund permanent preventive measures, rather than exclusively focusing on temporary, ad hoc initiatives.
- A comprehensive water management policy would also significantly benefit disaster response, since it would focus on proactive rather than reactive measures.
- Difficulty in the agricultural sector is strongly tied to difficulties in the wider rural economy and disaster response must effectively respond to these interconnected needs.

Therefore the AMM would like to advance a dialogue with the Provincial Government with the aim of enhancing disaster assistance in Manitoba.

2. Economic Development in Rural Manitoba

- All orders of government have taken on a role in supporting economic development in Manitoba and these roles must be strengthened.
- With the Municipal Officials Seminar session on economic development as a starting point, municipalities that are not already engaged should have the information required to begin exploring opportunities for their communities.
- The AMM consultation raised the need to develop an overall provincial strategy for economic development so that communities could locate their efforts in a larger context.
- As well, funding must be flexible enough to accommodate a range of local priorities and initiatives.

Therefore, the AMM urges the Provincial Government to support the coordination of economic development service delivery and ensure funding mechanisms are responsive to community needs.

3. Land and Water Planning and Management

- The Manitoba legislature has recently passed two crucial pieces of legislation that will significantly affect municipalities: *The Planning Act* and *The Water Protection Act*. Now that both acts have come into force, it is vital that the appropriate processes be implemented to resolve outstanding concerns.
- At present, the public hearings for land use planning place municipalities in the position of defending Provincial policy since municipal councils are the only order of

government in attendance. This situation must be rectified in order to ensure that the public has access to accurate information and Department of Conservation staff must attend public hearings to respond to environmental inquiries.

- Regarding *The Water Protection Act*, municipalities are concerned with the acute lack of detail, which raises concern for the additional responsibilities and financial contributions that municipalities will be expected to bear.
- The agricultural sector is subject to both land use and water planning strategies and must participate in the new structures defined by the legislation. It is essential for the departments of Water Stewardship and Intergovernmental Affairs and Trade to interact with MAFRI to balance the needs of all three departments.
- Improved clarity and the enhanced use of scientific principles will increase the effectiveness of the legislation, since such improvements will empower municipalities to strategically build industry.

Therefore, the AMM urges the Provincial Government to ensure greater coordination among all associated departments regarding the implementation of new land and water planning legislation.

4. Improved Weed Control

- Uncontrolled weed growth along Provincial roads and highways contributes to the dispersal of noxious weeds, thus impacting municipalities and farmers through increased weed control costs, reduced crop returns, and reduced land values. Proper maintenance may also reduce stagnant water, thereby reducing opportunities for West Nile virus to develop.
- All Departments, municipalities and agencies need to work together to develop a coordinated approach to control weeds at the source in an effective manner.
- It is important that the Province provide the resources to assist in managing this important undertaking.

The AMM urges the Provincial Government to establish a coordinated approach for municipalities and Departments to control weed growth along Provincial highways and roads to minimize the spread of noxious weeds. We also urge the Province to ensure municipalities have access to the resources needed.

General Issues

5. 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. AMM Flood Report

Over 130 municipalities in Manitoba are requesting disaster assistance due to extensive flooding throughout the majority of the province in 2005. These difficult circumstances highlight the need for effective disaster response systems and considerable financial resources for municipalities as they respond to disaster situations. Through a series of consultative sessions with the AMM, municipalities have repeated the same messages regarding flood damage and disaster assistance programming, including issues the AMM has continually lobbied to resolve. In preparation for the 2006 crop year, the Provincial Government must examine existing disaster response mechanisms and improve these systems as much as possible for the coming season.

The AMM consolidated the findings from its consultative sessions in the *Report on Flooding and Wet Conditions in Manitoba*, which was published in September 2005. This report made 29 recommendations on the topics of disaster financial assistance, the federal Department of Fisheries and Oceans, water related issues and agriculture. One of the most significant problems is the inadequate compensation rate for using municipal equipment and labour to respond to disaster situations. Another wide-ranging issue is the need for disaster assistance to fund permanent preventive measures, rather than exclusively focusing on temporary, ad hoc initiatives. A comprehensive water management policy would also significantly benefit disaster response, since it would focus on proactive rather than reactive measures. These general concerns must be addressed as disaster assistance evolves in Manitoba.

The AMM Report also highlighted the difficulties resulting from inadequate agricultural assistance programs. Crop insurance and the CAIS program were widely perceived to be insufficient in meeting the needs of agricultural producers and these programs must become more responsive. The report also recommends that the Provincial Government undertake greater efforts to promote land and water stewardship and maintenance programs, such as the Alternative Land Use System. Inefficient water retention can be a major challenge for municipalities and producers alike and there is a need for a concerted water management strategy for all stakeholders. As well, difficulty in the agricultural sector is strongly tied to difficulties in the wider rural economy and disaster response must effectively respond to these interconnected needs. The AMM would like an update on how the Provincial Government is responding to the report's recommendations and any actions Manitoba Agriculture, Food and Rural Initiatives is taking to improve disaster assistance in the future.

The severity of this year's damage illustrates the urgency of enhancing existing programs to provide timely access to disaster programming. When disasters are so extensive all orders of government must coordinate efforts to return communities to pre-disaster conditions. It is unfortunate that it has taken such an extensive disaster to demonstrate the need for better disaster response in Manitoba. However, the current situation presents an opportunity for the Provincial Government to focus on key improvements to disaster financial assistance.

Therefore the AMM would like to advance a dialogue with the Provincial Government with the aim of enhancing disaster assistance in Manitoba.

2. Economic Development in Rural Manitoba

Communities across Manitoba are continually searching for chances to create jobs and stimulate growth in the local economy. Identifying regional strengths and opportunities can inspire new initiatives and an entrepreneurial spirit. There are many ways economic development can be implemented and the AMM is encouraging municipalities to seek opportunities that fit with local objectives. Economic development is most successful when ideas are generated by community members, therefore initiatives must be community-driven. At the same time, all orders of government have taken on a role in supporting economic development in Manitoba and these roles must be strengthened.

The AMM has promoted the need for economic development by engaging community leaders in a discussion of ways to enhance the delivery of programs that are available in Manitoba. In 2003, the AMM published the outcomes of this discussion in the report entitled *Creating a Vision: AMM's Report on Economic Development*. The report articulates 12 recommendations for improvement in the areas of organizational structure and planning; funding, and; human resources. These recommendations were discussed further at a consultation session in April 2005 where they were prioritized and specific actions were suggested. The AMM is viewed to have a role in leadership, communication and training, therefore serious consideration has been given to how to enhance the AMM's achievement of these roles.

As a result, one of the plenary sessions at the 2006 Municipal Officials Seminar (MOS) will focus on getting municipal leaders interested and involved in economic development. One of the common criticisms of municipal officials is that they are not aware of how economic

development can enhance their communities or how to undertake economic development initiatives. This session aims to attract all municipal leaders attending MOS and provide a stimulating discussion that includes a definition of economic development, tips for municipalities, available programming and success stories from within Manitoba. With this session as a starting point, municipalities that are not already considering economic development should have the information required to begin exploring opportunities for their communities.

The session will provide an opportunity for the Provincial Government to discuss its contribution to economic development programming. A key part of economic development in Manitoba is the support that is available through the Provincial and Federal Governments. At AMM's 2005 session, several suggestions were made regarding how the Provincial Government could contribute to improving economic development service delivery in Manitoba. These ideas focused on developing an overall provincial strategy for economic development so that communities could locate their efforts in a larger context. As well, there is an ongoing need for multi-year funding since economic development necessarily involves long-term projects. Funding must also be flexible enough to accommodate a range of local priorities and initiatives. The Provincial Government can also assist local efforts by providing incentives for regional partnerships and for those municipalities that engage in economic development. It is essential that the Province maintain existing support mechanisms, such as Regional Development Corporations, however further action should promote increased investment in economic development across Manitoba.

All orders of government should contribute to economic development since each will benefit from successful projects. The AMM will continue to assist municipalities to identify and pursue ways of initiating economic development. A commitment is also needed by the Provincial Government to enhance province-wide efforts related to economic development.

Therefore, the AMM urges the Provincial Government to support the coordination of economic development service delivery and ensure funding mechanisms are responsive to community needs.

3. Land and Water Planning and Management

The Manitoba legislature has recently passed two crucial pieces of legislation that will significantly affect municipalities: *The Planning Act* and *The Water Protection Act*.

Municipalities are necessarily involved in planning for both land use and water management purposes and this legislation will certainly impact these planning processes. The AMM is generally supportive of the underlying principles of each act as they are based on the promotion of long-term land use planning and water resource management. Implementing these principles is a complex process that requires a coordinated effort by the Provincial Government along with municipalities, since both orders of government have substantial responsibilities to fulfill. Now that both acts have come into force, it is vital that the appropriate processes be implemented to resolve outstanding concerns.

Regarding *The Planning Act*, there is a need for greater interaction between the public and the Provincial Government, particularly at public hearings. The present system expects municipalities to defend provincial policy since municipal councils are the only order of government attending public hearings. This situation must be rectified in order to ensure that the public has access to accurate information. When technical questions arise, it is more appropriate for Department of Conservation staff to respond since it is an explanation of Provincial environmental regulations that is required. Since the Department of Conservation staff is not required to attend public hearings, this creates a perception that municipal councils are accountable for Provincial decisions. If the public has no opportunity to be reassured that the environmental concerns have been addressed, they will continue to pressure councils to deny livestock operations. Rather, the Provincial Government must be accountable for its environmental regulations and ensure the transparency of the process by

attending public hearings, just as municipal councils must be present to defend their decisions. Without these fundamental changes to the public hearing process, the livestock portion of this legislation will be totally ineffective.

There is a persisting municipal concern regarding the acute lack of detail in *The Water Protection Act*, which raises concern for the additional responsibilities that municipalities will be expected to bear. Municipalities, conservation districts and planning boards will certainly have a role to play in the implementation of the concepts under consideration, however the extent of this role remains unclear. The Province has been ambiguous regarding how the newly legislated ideas and requirements will be implemented. To date, the proposed regulations have not provided any further definition. The Province must continue to work with key stakeholders to clarify the roles of all affected entities and to ensure that consultation is meaningful. Local stakeholders must be involved in the process and their feedback must be an important consideration as the regulations are finalized.

This issue extends to the financial resources that will be required to implement *The Water Protection Act*. Without a significant financial investment from the Provincial Government, none of the Act's key attributes can be achieved. Furthermore, the consultation document *Regulation Under The Manitoba Water Protection Act*, does not provide the comprehensive information that was expected of the Province's commitment to detailed zone mapping. Rather, the zone maps are too imprecise to be appropriately employed and urban areas are completely omitted from the regulation. As well, the proposed regulation relies exclusively on the soil's ability to grow crops. Therefore, the quality defined by the mapping does not necessarily correspond to the need for water protection in a particular area. An additional

investment is required to enhance the available mapping in order to create functional planning documents and this responsibility should not belong to individuals or municipalities. Another concern is that watershed planning authorities cannot create the required watershed management plans using existing tools, yet the little funding the Provincial Government will provide does not come close to the actual costs of developing these plans. It is essential that the Province establish and explain the financial underpinnings of this legislation in order to move forward with its implementation.

Although land use planning and water management are primarily the responsibility of other Provincial departments, Manitoba Agriculture, Food and Rural Initiatives (MAFRI) is also a stakeholder in these processes. The agricultural sector is subject to both land use and water planning strategies and must participate in the new structures defined by the legislation. Therefore it is essential for the departments of Water Stewardship and Intergovernmental Affairs and Trade to interact with MAFRI to balance the needs of all three departments. As well, MAFRI is responsible for legislation such as *The Pesticides and Fertilizers Control Act*, which will have an increasing impact on municipalities as the Farm Practices Guidelines are entrenched in the legislation. Municipalities are working to meet the requirements of each department and their associated legislation, however greater coordination among Provincial departments is necessary.

Improved clarity and the enhanced use of scientific principles will increase the effectiveness of the legislation, since such improvements will empower municipalities to strategically build industry. Strengthening the municipal economic base requires planning efforts that appropriately consider local land use and water management needs. The AMM is supportive

of the Provincial Government's efforts to improve land use planning and water resource management in Manitoba, however there are gaps in the current and proposed planning tools. Building strong communities will require that the application of legislative requirements take municipal concerns into account.

Therefore, the AMM urges the Provincial Government to ensure greater coordination among all associated departments regarding the implementation of new land and water planning legislation.

4. Improved Weed Control

The control of weed growth along provincial roads and highways is a long-standing concern for Manitoba's municipalities. The AMM met recently with the Manitoba Weed Supervisors Association to discuss this issue and consider how the response to prevent the dispersal of noxious weeds can be improved. Without a deliberate approach, municipalities and farmers face increased weed control costs that are less effective than they would be if all parties worked together. Additional costs are incurred through reduced crop returns as well as reduced land values.

Uncontrolled growth contributes to the dispersal of noxious weeds. To be effective, municipalities, the Province, and other stakeholders such as rail companies must coordinate their responses. All Departments, including Conservation, Transportation and Government Services, and Agriculture, Food and Rural Initiatives must work together with stakeholders to meet this need.

The Noxious Weeds Act requires that the Province control weeds on Provincial lands. This both ensures the problem is stopped at the source and supports municipalities in allocating municipal funds to the most pressing needs in the community. Maintaining ditches and slopes may also reduce stagnant water and through this, mosquito breeding grounds as well, thereby reducing the opportunities for West Nile virus to develop. Over the past few years, the Province reduced staffing in the weed specialist field from two positions to one. This has had negative repercussions as the training opportunities and knowledge base are more difficult for municipalities to access. To assist with coordinating the Province's response to weed control, it is important that municipalities have access to the resources needed.

The AMM urges the Provincial Government to establish a coordinated approach for municipalities and Departments to control weed growth along Provincial highways and roads to minimize the spread of noxious weeds. We also urge the Province to ensure municipalities have access to the resources needed.

AMM Resolution Number 17 – 2005

Topic: Weed Control for Ditches

Sponsors: RM of Springfield (Eastern District); RM of Taché (Eastern District)

Department: Manitoba Conservation, Manitoba Agriculture, Food & Rural Initiatives

WHEREAS weed growth along Provincial roads and highways has been proven to contribute to the widespread dispersal of noxious weeds, which leads to increased weed control costs for municipalities and farmers, and to reduced crop returns for the agricultural industry;

AND WHEREAS the Department of Transportation and Government Services has demonstrated in some areas in 2005 that weed growth can be properly controlled;

AND WHEREAS The Noxious Weeds Act of Manitoba requires the Provincial Government to control weeds on Provincial lands;

THEREFORE BE IT RESOLVED that the AMM lobby the Provincial Government to recognize its responsibility to adequately control weed growth along Provincial highways and roads in order to minimize the spread of noxious weeds.

AMM Resolution Number 18 – 2005

Topic: Weed Control Along Rights-of-Way

Sponsors: RM of Springfield (Eastern District)

Department: Manitoba Transportation & Government Services, Manitoba Conservation, Manitoba Agriculture, Food & Rural Initiatives

WHEREAS weed growth along rights-of-way has been proven to contribute to the widespread dispersal of noxious weeds, which leads to increased weed control costs for municipalities and farmers, and to reduced crop returns for the agricultural industry;

AND WHEREAS The Noxious Weeds Act of Manitoba requires all property owners to control weeds on lands under their control;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Provincial Government to require all owners and occupants of all rights-of-way to recognize their responsibility to adequately control weeds along their rights-of-way in order to minimize the spread of noxious weeds.

C) General Issues

5. 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 nation 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 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 only 7 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. 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.

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.