



Meeting with
The Honourable Kerri Irvin-Ross
Minister of Healthy Living
Minister responsible for Seniors

April 7, 2009

Table of Contents

Executive Summary	3
Departmental Issues	6
1. Age-Friendly Update	6
2. Increased Investment in Recreation Infrastructure	7
3. Seniors Issues	10
General Issue	12
1. Alternative Revenues for Municipalities and Infrastructure Investment	12
Appendix A – Active Resolutions	16

Executive Summary

Departmental Issues

1. Age-Friendly Update

- The Age-Friendly Initiative has generated discussion throughout Manitoba communities along with a willingness to address barriers to senior inclusion.
- With 29 communities now on board, other communities can learn a great deal from the work that has been done to date.

Therefore, the AMM is seeking an update on the outcomes of the initial phases of the Age-Friendly Initiative.

2. Increased Investment in Recreation Infrastructure

- Cultural and recreational facilities are often neglected while other pressing infrastructure needs – such as roads and water treatment – take precedence.
- Many facilities were constructed several decades ago and municipalities do not have the resources to fund required repairs or new construction.
- The 2009 Federal Budget announcement of the two-year \$500 million Recreation Infrastructure Canada Fund begins to address the demand for a tripartite recreation infrastructure program.
- The Province must ensure that Manitoba's share of this important fund has the maximum beneficial impact for communities throughout Manitoba.
- This Federal funding will be a valuable complement to existing Provincial initiatives, such as the four-year commitment to double funding for recreation centres to over \$60 million.
- However, there are still opportunities for improvements to other recreation infrastructure programs such as the Community Places Program, since the \$50,000 maximum is still in place.
- Municipalities would also be better equipped to accommodate the escalating costs of construction and repairs with assistance in controlling the operating costs of community facilities.
- For instance, the high fees charged by Manitoba Hydro should be reduced in recognition of the limited budgets of these publicly-owned and -operated facilities.
- As well, municipalities are facing increased costs due to the Provincial requirement that government-funded buildings meet or exceed LEED silver certification.

Therefore, the AMM urges the Provincial Government to maximize the impact of new Federal recreation funding and to support alternative measures that reduce operating costs for recreation facilities.

3. Seniors Issues

- Municipalities are pursuing a variety of approaches to ensure that their communities support the growing population of seniors.
- In particular, Manitoba's increasing population of seniors has heightened demand for various housing types, including community living and supportive housing.
- The AMM membership recently passed a resolution requesting that the Province ensure federal funding for seniors' housing is distributed throughout communities with such projects.
- This is particularly important in light of the \$400 million in funding for seniors housing that was announced in the 2009 Federal Budget.
- Moving toward a more age-friendly Manitoba will also mean an increased role for community resource councils and the Province should be prepared to allocate funding to ensure their important work continues.
- Municipalities have appreciated the Safety-Aid Program including the 2009 Budget commitment to provide this program to seniors in rural and northern Manitoba.

Therefore, the AMM urges the Provincial Government to allocate resources to address seniors' needs, in particular the demand for alternative seniors' housing models.

General Issue

1. Alternate Revenues for Municipalities and Infrastructure Investment

- Today's municipal council must balance community economic development, land use planning and infrastructure renewal and development with an eroding tax base and an increased reliance on application-based grants.
- The message the AMM is hoping to convey is not that the provincial or federal government has completely forgotten about municipalities, but rather that despite their efforts municipalities still face enormous challenges and more is needed.
- A new approach is needed, and for this reason we are asking the Province of Manitoba to share one percent of the Provincial Sales Tax with municipalities for infrastructure. This will provide municipalities with in excess of \$200 million a year.

- In 2009, the Saskatchewan Government has allocated \$100 million for municipal infrastructure to be distributed on a per capita basis, as well as \$167 million for municipalities from the Provincial Sales Tax.
- What should not be lost is the positive impact infrastructure investment would have for the provincial and national economy.
- A study by the Federation of Canadian Municipalities found that an increase in municipal infrastructure spending of \$1 billion in 2008 (at nominal process and allocated to a representative mix of infrastructure) would increase the size of the real economy by roughly 0.13 percent or \$1.3 billion in nominal terms.
- Municipalities are not looking for new revenue sources to store money away for a rainy day. The storm has arrived.
- Providing municipalities with new revenue sources will not only begin to address the growing infrastructure deficit, but will help build and strengthen our economy.
- For municipal government to be sustainable into the future, and for Manitobans to have access to the quality of life they deserve, municipalities need to have access to sustainable growth revenues.

Therefore the AMM is asking the Province to undertake a serious review of the roles, responsibilities and resources of municipal government in Manitoba and in the short term provide municipalities with one percent of the current PST to help address the growing municipal infrastructure deficit.

Departmental Issues

1. Age-Friendly Update

The AMM appreciates the opportunity to represent municipalities on Manitoba's Age-Friendly Advisory Committee, since municipalities have repeatedly demonstrated an interest in seniors' issues. The Age-Friendly Initiative has generated discussion throughout Manitoba communities along with a willingness to address barriers to senior inclusion. As momentum builds, many municipalities are eager to be selected to participate in subsequent phases. With 29 communities now on board, other communities can learn a great deal from the work that has been done to date. The AMM looks forward to the continuing expansion of the Age-Friendly Initiative as it will continue to strengthen the resources available for seniors across Manitoba.

Therefore, the AMM is seeking an update on the outcomes of the initial phases of the Age-Friendly Initiative.

2. Increased Investment in Recreation Infrastructure

Cultural and recreational facilities are often neglected while other pressing infrastructure needs – such as roads and water treatment – take precedence. However, research shows that recreational opportunities contribute to reducing the costs of health care and crime prevention, and are a core element in the overall municipal infrastructure envelope. Therefore, municipalities are pleased that recreation infrastructure has recently received funding from both the Provincial and Federal Governments, and are looking forward to the full implementation of these commitments. Many facilities were constructed several decades ago and municipalities do not have the resources to fund required repairs or new construction.

For this reason, the AMM and the Federation of Canadian Municipalities have been lobbying for a tripartite recreation infrastructure program for several years. The 2009 Federal Budget announcement of the two-year \$500 million Recreation Infrastructure Canada Fund begins to address the demand for all orders of government to invest in this critical infrastructure. However, since the program details are not yet available, the impact of this program for Manitoba communities remains unclear. While there will certainly be more projects than available funding, if funding is concentrated on only a few large projects, many Manitobans will be left without access to the health advantages associated with adequate recreational opportunities. Therefore, the Province must ensure that Manitoba's share of this important fund has the maximum beneficial impact for communities throughout Manitoba.

This Federal funding will be a valuable complement to existing Provincial initiatives, such as the four-year commitment to double funding for recreation centres to over \$60 million. In particular, providing additional funding through the Municipal Recreation Fund is an effective method of directing funding to municipal infrastructure projects. Municipalities appreciate the increased funding that has already been made available and are anxious for the remaining commitment to be fulfilled. Therefore, the AMM was disappointed to learn that the recent Provincial Budget did not feature further investment in recreational infrastructure. The AMM supports the Province's move to increase operating grants for major cultural agencies and other recreation organizations

by two percent, however these organizations must also be supported with increased infrastructure investments.

In particular, there are still opportunities for improvements to other recreation infrastructure programs such as the Community Places Program. The substantial funding increase for this program in the 2008 Budget will certainly support several additional recreation projects, however recreation initiatives are confronting increasing costs. The limitation to fund a maximum of \$50,000 on a project means that the Community Places Program contributes a diminishing proportion of the total project costs. Since the purchasing power of \$50,000 declines over time, municipalities are required to fund a greater percentage of the total project costs. Increasing the maximum allowable amount would provide a greater opportunity for each municipality to invest in the types of recreation projects the community desperately needs.

Furthermore, municipalities would be better equipped to accommodate the escalating costs of construction and repairs with assistance in controlling the operating costs of community facilities. For instance, several municipalities have explored mechanisms for improving the efficiency of their operations through the Manitoba Municipal Efficiency Program. Yet there are some operating costs that municipalities cannot affect through internal processes, such as hydro rates. This is particularly difficult for recreation associations as they are not-for-profit organizations that provide valuable services to local communities. The high fees charged by Manitoba Hydro should be reduced in recognition of the limited budgets of these publicly-owned and -operated facilities. In addition, municipalities are facing increased costs due to the Provincial requirement that government-funded buildings meet or exceed LEED silver certification. Municipalities support the concept of environmentally-friendly community facilities, however in some cases, the cost of LEED certification approaches the amount of the available Provincial grants. As a result, this requirement significantly reduces the possible scope of projects within a given funding allocation. The Province should assist in reducing operating costs for these facilities by allowing flexibility to pursue comparable, low cost alternatives rather than adding onerous requirements. This would enable municipalities to provide quality infrastructure and related services to their communities at a reasonable cost.

Therefore, the AMM urges the Provincial Government to maximize the impact of new Federal recreation funding and to support alternative measures that reduce operating costs for recreation facilities.

3. Seniors Issues

Municipalities are pursuing a variety of approaches to ensure that their communities support the growing population of seniors. The Age-Friendly Initiative is a key program that has enhanced accessibility in many communities, however additional support for other seniors' services is also required. Seniors make a vital contribution to their communities and municipalities recognize the importance of providing the wide range of services seniors require. The Provincial Government has developed beneficial seniors programming that would be strengthened through further collaborations with municipalities.

In particular, Manitoba's increasing population of seniors has heightened demand for various housing types, including community living and supportive housing. As a result, the Province's recent commitment to double this year's Building Foundations funding for new supportive housing units in Thompson, The Pas and Brandon will be greatly appreciated in those communities. However, there are many other municipalities that would benefit from similar programming as evidenced by a new resolution from the AMM's 2008 Annual Convention. This resolution was widely supported by the AMM membership and requests that the Province ensure federal funding for seniors' housing is distributed throughout communities with such projects. This is particularly important in light of the \$400 million in funding for seniors housing that was announced in the 2009 Federal Budget as Manitoba's share of this funding has the potential to make a significant difference in the availability of seniors housing across the province. The AMM recognizes that the participation of Regional Health Authorities (RHAs) will be critical to establishing effective supportive housing units, therefore the Province should work with RHAs to promote the allocation of resources to complement the further expansion of supportive housing throughout Manitoba.

Support for various seniors housing models includes developing resources that allow seniors to live independently in a safe home and community environment. For this reason, the AMM has long advocated an increase in funding for community resource councils. These organizations are well-positioned to respond to the needs of local seniors and can help promote a collaborative environment to address issues, explore options and develop initiatives within the senior

community. Moving toward a more age-friendly Manitoba will likely mean an increased role for community resource councils and the Province should be prepared to allocate funding to ensure their important work continues.

Municipalities have appreciated the Safety-Aid Program including the 2009 Budget commitment to provide this program to seniors in rural and northern Manitoba. Building on this commitment along with other efforts to support seniors programming will strengthen the network of resources available for seniors across Manitoba.

Therefore, the AMM urges the Provincial Government to allocate resources to address seniors' needs, in particular the demand for alternative seniors' housing models.

General Issue

1. Alternative Revenues for Municipalities and Infrastructure Investment

The lack of revenue is not a new problem for municipalities. In fact a strong argument can be made that from its inception municipal government has not had the resources required. You need only look back to the resolutions from the founding meeting of the Union of Manitoba Municipalities in 1905 to see municipal revenues were front and centre.

But now more than ever municipalities need new tools to deal with new responsibilities and new expectations. Municipalities are playing an ever greater role in the lives of Manitobans, as the days of simply collecting garbage and plowing roads are long gone. Today's municipal council must balance community economic development, land use planning and infrastructure renewal and development with an eroding tax base and an increased reliance on application-based grants. This has left many municipalities to question whether the current system is tenable any longer.

Currently, Manitoba municipalities are more reliant on provincial and federal grants than any other province in Canada. While in some cases these types of programs are necessary (for example large-scale infrastructure projects), it leaves municipalities having to compete against one another for limited dollars and restricts a municipality's ability to properly plan for much needed investment. The amount in grant programs like the recent Municipal Rural Infrastructure Fund is nowhere near the total demand, meaning there is no guarantee much needed projects will ever see funding.

Overreliance on grants and transfers leaves municipalities without the tools required to meet demands. Many issues raised by municipalities are really issues of access to revenue when stripped down to their core. For example, the need to remove education tax from property is really a municipal revenue issue, as municipalities see education tax as eroding the property tax, which is the single greatest source of municipal revenue. Over the last number of years we have

seen more and more municipalities speaking out on the need for greater municipal revenue sources.

It is important that the federal and provincial governments' contribution to municipalities are not forgotten. Federally, municipalities have benefited from a GST rebate, the sharing of the federal gas tax and the new Building Canada Fund. The recent Federal Budget has made an unprecedented investment in infrastructure, which will benefit municipalities. Provincially, municipalities have benefited from the sharing of provincial income tax, the Building Manitoba Fund, and supports in several other areas. The message the AMM is hoping to convey is not that either order of government has completely forgotten about municipalities, but rather that despite these efforts municipalities still face enormous challenges and more is needed.

Municipalities must have access to new revenue sources. A greater reliance on property taxes and provincial and federal grants has created an ever-widening chasm between municipal revenues and needs, leaving future generations with what is quickly becoming an insurmountable infrastructure deficit.

A new approach is needed, and for this reason we are asking the Province of Manitoba to share one percent of the Provincial Sales Tax with municipalities for infrastructure. This will provide municipalities with in excess of \$200 million a year. For a community of 1,000 people, this means an investment of roughly \$185,000 in their local infrastructure, or \$370,000 for a community of 2,000 people. A community such as Thompson could see close to \$2.5 million while Winnipeg would expect to see over \$117 million. Although these amounts alone will not erase the infrastructure deficit in Manitoba, it would be a positive first step.

Other provinces have recently made significant strides to address municipal infrastructure needs, notably in Saskatchewan. In their 2009 Provincial Budget, the Saskatchewan Government made an impressive commitment in establishing the new Municipal Operating Grants program through consultations with Saskatchewan's two municipal associations. The program provides \$167 million, including \$107 million to urban municipalities, \$48 million to rural municipalities, and

\$12 million to northern communities. This is equivalent to 90 percent of one point of PST (from 2007-08 Public Accounts). In 2010-11 and subsequent years, the Saskatchewan Government has committed to allocating the equivalent of 100 percent of one point of PST to municipalities. This funding is in addition to January's announcement of the Municipal Economic Enhancement Program that provides funding to Saskatchewan municipalities to strengthen the provincial economy. This program allocates \$100 million on a per capita basis to assist municipalities in making much-needed infrastructure investments. This type of commitment stands in stark contrast to the additional \$4 million Manitoba municipalities received in the 2009 Provincial Budget.

The AMM understands that providing additional revenues to municipalities may become more difficult as the economy continues to fluctuate. While economic projections can never be taken as absolute fact, they are often a prophetic divining rod on economic times. However what should not be lost is the positive impact infrastructure investment would have for the provincial and national economy.

The Federation of Canadian Municipalities has investigated this principle in depth and has found in their 2008 study "Municipal Infrastructure- Macroeconomic impacts of spending and level-of government financing" that an increase in municipal infrastructure spending of \$1 billion in 2008 (at nominal process and allocated to a representative mix of infrastructure) would increase the size of the real economy by roughly 0.13 percent, or \$1.3 billion in nominal terms. While this would erode slightly over time with consistent investment, over a four year period it would still result in meaningful gains to the economy, dropping to a 0.6 percent increase in the final year.

The resulting investment would be felt in the employment sector as well, since a great number of industries would benefit. A \$1 billion investment in 2008 would add 11,500 new jobs, in industries from labour and material suppliers through to architects and engineers.

Giving municipalities access to additional revenues, will translate to stronger investment in our communities. The Institute for Research on Public Policy has shown that providing adequate

infrastructure has both direct and indirect benefits for private-sector manufacturing.

Infrastructure is an intermediate input into the production process, with businesses locating where they have access to water, hydro and transportation. New roads reduce fuel costs and haul times. Access to high quality (and adequate) water reduces input costs. There is also evidence that increased investments in public infrastructure allow private companies to use labour inputs more intensively, translating into more jobs.

Municipalities are not looking for new revenue sources to store money away for a rainy day. The storm has arrived. The national municipal infrastructure deficit is in excess of \$123 billion for current infrastructure with another \$115 billion needed for new infrastructure to keep pace with other developed nations. Left to deal with this ballooning deficit alone armed only with property taxes and grants, it will continue to grow exponentially. Alternatively, providing municipalities with new revenue sources will not only begin to address this growing deficit, but will help build and strengthen our economy.

The time has come for a new approach to municipal funding. The expectations of today's municipalities are greater than any time in history. Regrettably so are the financial challenges facing municipalities. For municipal government to be sustainable into the future, and for Manitobans to have access to the quality of life they deserve, municipalities need to have access to sustainable growth revenues.

Therefore the AMM is asking the Province to undertake a serious review of the roles, responsibilities and resources of municipal government in Manitoba and in the short term provide municipalities with one percent of the current PST to help address the growing municipal infrastructure deficit.

Appendix A – Active Resolutions

Resolution Number 26/08

Topic: Seniors' Housing Project Funding

Sponsor: LGD of Pinawa (Eastern District)

Department: Manitoba Family Services and Housing

WHEREAS the Province of Manitoba has provided a grant program for municipalities to develop supportive housing units;

AND WHEREAS municipalities are finding that the amount of the grants are inadequate for projects to be economically viable;

AND WHEREAS the Government of Manitoba receives funding for seniors' housing from the Federal Government;

AND WHEREAS municipalities meet the criteria as set out in the program;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to distribute the Federal Government funding for seniors to municipalities that have seniors' housing projects.

Resolution Number 17/07

Topic: Increased Funding for Supportive Housing

Sponsor: RM of Brokenhead (Eastern District)

Department: Manitoba Family Services and Housing

WHEREAS the Province of Manitoba has provided a grant program for municipalities to develop supportive housing units;

AND WHEREAS the municipalities are finding that the amount of the grants are inadequate for the projects to be economically viable;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba for an increase to the grants provided to municipalities by the Province for the development of supportive housing units.

AMM Resolution Number 38 -2003

Topic: Funding for Seniors Independent Living Program

Sponsor: Town of Virden (Western District), City of Portage la Prairie (Central District)

Department: Manitoba Health and Healthy Living

WHEREAS there is insufficient funding provided to the Regional Health Authorities by the Provincial Government for Seniors Independent Living Programs;

AND WHEREAS this is a service provided to seniors to allow them to remain living in their own homes;

AND WHEREAS this service costs the Department of Health substantially less than seniors residing in personal care homes;

THEREFORE BE IT RESOLVED THAT the Association of Manitoba Municipalities lobby the Provincial Government for additional funding for the Seniors Independent Living Programs across the Province.

AMM Resolution Number 50 - 2000

Topic: Funding for Regional Palliative Care

Sponsor: Town of Morden (Central District)

Department: Manitoba Health and Healthy Living

WHEREAS the Province of Manitoba is constitutionally and legislatively responsible for the provision of health care for all Manitobans;

AND WHEREAS palliative care is the active and compassionate care directed toward improving the quality of life for people who are dying, and toward supporting individuals and families as they incur losses;

AND WHEREAS the Province of Manitoba has recognized its responsibility through the provision of palliative care beds and the provision of funding to regional health authorities for a regional palliative care coordinator;

AND WHEREAS to date there is an absence of adequate formal funding and inequitable distribution of funds allocated for the provision of palliative care services;

AND WHEREAS the service requirements for palliative care services are totally dependent on the population served by Regional Health Centres and Regional Acute Care Facilities;

AND WHEREAS there is an absence of interdisciplinary teams to administer to the needs of the terminally ill and their families;

AND WHEREAS there is an absence of 24-hour crisis response services in palliative care;

AND WHEREAS there are inadequate resources (both human and equipment/supplies) for someone who chooses to die at home, which can be prohibitive to the individual and their family;

THEREFORE BE IT RESOLVED THAT the AMM lobby the provincial government to provide additional financial support for the Regional Palliative Care Program.

AMM Resolution Number 12 - 2006

Topic: Recreation Connections Funding

Sponsor: Town of The Pas (Northern District)

Department: Manitoba Culture, Heritage, Tourism and Sport

WHEREAS it is recognized that the Municipal Governments of Manitoba, as the closest Government to the people, are responsible for the delivery of recreation services to their residents;

AND WHEREAS Municipal Governments spend considerable financial resources to deliver recreation services to their residents on an annual basis;

AND WHEREAS the Province of Manitoba has a policy outlining the provincial responsibility to support the recreation delivery system and its practitioners;

AND WHEREAS the most effective and efficient way to support and strengthen the recreation delivery system is to fund Recreation Connections Manitoba to the level outlined in the business plan developed by Recreation Connections and the Province of Manitoba;

AND WHEREAS the Manitoba Government takes a lead role in supporting this organization and developing and nurturing partnerships with the key stakeholders in the recreation delivery system;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to support municipalities and practitioners of the recreation delivery system by funding Recreation Connections to the level identified in their business plan in order to fulfill and fully support the recreation delivery system in accordance with their existing policy.

AMM Resolution Number 19 - 2005

Topic: Trust Fund for Maintenance of Trans-Canada Trail

Sponsor: RM of St. Andrews (Interlake District)

Department: Manitoba Culture, Heritage, Tourism and Sport, Manitoba Finance, Finance Canada

THEREFORE BE IT RESOLVED THAT the AMM lobby the Federal and Provincial Governments to create a trust fund to provide for the maintenance of the Trans-Canada Trail in the Province of Manitoba.

AMM Resolution Number 55 - 2001

Topic: Funding for Community Places Program

Sponsor: Town of Neepawa (Midwestern District), Village of Elkhorn, RM of North Cypress, Town of Rivers (Western District)

Department: Manitoba Culture, Heritage, Tourism and Sport

WHEREAS the Manitoba Government has promised that 25 per cent of VLT profits would be distributed to rural Manitoba through direct grants, 10 per cent through economic development programs such as REDI, and 15 per cent through the Community Places Program;

AND WHEREAS the Province of Manitoba has decreased the amount of funding to the Manitoba Community Places Program since 1987;

AND WHEREAS the maximum allowable grant under this program is \$50,000 and the average grant awarded is \$13,750 per project;

AND WHEREAS this program is one of the few to assist with the renovation, replacement, or construction of recreation facilities within the province of Manitoba;

AND WHEREAS it is a known fact that recreation facilities are aging and in need of some major capital dollars as demonstrated by the over \$10 million in annual requests for a program of \$2.6 million;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province to:

- a) Increase the amount of available funds in the Manitoba Community Places Program; and,
- b) Increase the maximum funds allowable under the grant guidelines to better reflect the true costs of major capital projects.

AMM Resolution Number 21 - 2000

Topic: Infrastructure Grants for Recreational Facilities

Sponsor: RM of St. Andrews (Interlake District)

Department: Finance Canada, Manitoba Intergovernmental Affairs

WHEREAS recreational facilities in the province are aging and many need upgrading;

AND WHEREAS grants to recreational associations have been reduced and municipal governments are financially unable to totally support these upgrades;

AND WHEREAS some municipalities need to provide new recreational facilities;

THEREFORE BE IT RESOLVED THAT the AMM lobby the federal and provincial governments to establish a tri-partite infrastructure program for recreational facilities in need of repair and upgrading, and also for new facilities that are required.