

Meeting of the  
**Association of  
Manitoba  
Municipalities**



with

The Honourable Nancy Allan

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Minister of Labour and Immigration

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February 9, 2004

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## A) Executive Summary

### 1. Provincial Water Bomber Policy

- An ongoing concern for Manitoba municipalities is the expectation that municipal governments will assume responsibility for non-municipal matters. The AMM views the Provincial water bomber policy as an example of this concern.
- Even though there was no formal policy on this matter, it had become standard practice for the Province to incur the cost associated with water bomber usage. However, most recently, the AMM has learned that a municipality received a bill for this service, and the AMM believes the decision to pass this expense on to municipalities is problematic and untenable.
- Fire Chiefs now face a disincentive when calling on water bombers if financial considerations are added to the decision-making process. Further complicating this process has the potential to result in unnecessary and preventable loss of life.
- The AMM believes that prior to the current policy, municipalities infrequently and in good faith used water bombers. In fact, the AMM is unaware of any example where water bombers were called in when not required. Therefore, the decision to shift this expense onto municipalities seems inappropriate when considering the critical role that this service plays in preventing the loss of life and property.

**The AMM would again call on the Province to change its policy on the use of water bombers, so that municipalities are not responsible for the costs associated with this service.**

### 2. Traffic Control at Accident Scenes

- An ongoing concern for Manitoba municipalities is traffic control at the scene of vehicle accidents. Municipal emergency service providers are often required to direct traffic and ensure safety procedures are maintained at the site, despite the fact that they receive no training in the provision of this service.
- Many municipalities are concerned that this practice will result in further accidents, pose a safety concern for municipal emergency service providers, and may result in liability exposure.
- The AMM is interested in recognizing the role that municipal emergency service workers are playing in the provision of traffic control- while mitigating the liability exposure to municipalities- through formal training for this service through the Office of the Fire Commissioner.

**The AMM urges the Province to establish a training program to train municipal emergency service providers in traffic control at the scene of vehicle accidents.**

### 3. Workers Compensation Board Benefits for Volunteer Firefighters

- Workers Compensation Board (WCB) policy on collateral benefits 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.
- Volunteer firefighters and ambulance attendants are prohibited from obtaining “top-up” coverage, and the AMM believes 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 provision of these critical services.
- The AMM’s municipal insurance program could provide “top-up” insurance to cover this ten per cent income loss, which would have no negative affect on WCB payouts and would reflect a fairer system to volunteers.

**The AMM is interested to learn when municipalities can expect a review of *The Workers Compensation Act* that would address the concerns of Workers Compensation Benefits for volunteer firefighters and ambulance attendants.**

### 4. Equal Workers Compensation for Volunteer Firefighters

- In 2002, the Province passed legislation amending the *Workers Compensation Act* to make full-time firefighters automatically eligible for compensation for certain occupational diseases.
- The AMM is concerned that this amendment is limited to full-time firefighters, despite the fact that many members of volunteer municipal 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 under the amended *Act*, but believe these benefits should be extended to the approximately 3500 volunteer firefighters in Manitoba.

**The AMM is interested to learn when a review of the *Workers Compensation Act* may be undertaken that would allow volunteer firefighters to be compensated automatically for certain occupational diseases, to the same extent as full-time firefighters.**

## 5. Education Funding

- No issue is heard more often from our members than the concern of high property taxes as a result of the amount of property taxes dedicated to funding education.
- The AMM is pleased to be a part of the Minister's Working Group on Education Finance and would encourage the Province to move forward with the final report.
- As the recommendations of the report will not be released in time for the 2004 school budget process, the AMM would urge the Province to hold constant the current municipal and provincial contributions to education so that ratepayers are not further burdened with an increase in property taxes.
- The AMM believes that a new formula should be developed that would decrease property tax support for education while not diminishing education quality. The AMM firmly believes that the Province needs to adopt a stable and sustainable education funding ratio of 80 per cent from Provincial general revenues and twenty per cent from property tax revenue levied by local school boards. Furthermore, it is important that once an 80:20 ratio is achieved, it be maintained in future years.

**The AMM urges the Province to move forward with the final report of the Minister's Working Group on Education Finance, and looks forward to discussing the recommendations with the Province, once released. The AMM further urges the Province to adopt a stable and sustainable funding ratio of 80 per cent from Provincial general revenues and twenty per cent levied by local school boards.**

## 6. A New Deal for Municipalities

- All Manitoba municipalities have concerns about the ability of the current taxation system to meet municipal financial requirements. The root of the problem is the gap between the services that municipalities must provide and the resources at their disposal.
- In Manitoba, the infrastructure debt is approximately \$7.4 billion as municipal revenues have failed to keep pace with increasing demands for investment. Although Federal and Provincial revenues have grown significantly over the past four years, Municipal revenues have grown by only four per cent.
- Municipal governments in Canada currently earn 54% of their income from property taxation, a revenue stream that does not increase in times of economic growth. Without a change to this system, infrastructure upgrades will continue to be postponed and the infrastructure debt will only grow larger.
- The AMM hopes that the Province is willing to work with all Manitoba municipalities to access new sources of revenue- including growth revenues, and hopes the Province will respond to the needs of local governments.

**The AMM looks forward to working with the Province to make a new revenue deal for municipalities a reality for local governments across Manitoba.**

## B) Departmental Issues

### 1. Provincial Water Bomber Policy

An ongoing concern for Manitoba municipalities is the expectation that municipal governments will assume responsibility for non-municipal matters. 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, most recently, the AMM has learned that a municipality received a bill 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.

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.

**The AMM would again call on the Province to change its policy on the use of water bombers, so that municipalities are not responsible for the costs associated with this service.**

## 2. Traffic Control at Accident Scenes

An ongoing issue of concern for Manitoba municipalities is traffic control at accident scenes. Municipal emergency service providers are often called in to remain on the scene of motor vehicle accidents to direct traffic and ensure safety procedures are maintained at the site, despite the fact that many local emergency service providers are not trained to supply this service. Many municipalities are concerned that this practice will result in further accidents or may result in liability exposure. The AMM believes this is a safety concern for both municipal emergency service providers, as well as for additional vehicles passing through the accident scene.

Ideally, the AMM believes that the RCMP should provide traffic control at accident scenes; however, the AMM appreciates that the RCMP is often without the resources required to provide this service effectively. Therefore, the AMM is interested in recognizing the role that municipal emergency service workers are playing already in their provision of traffic control- while mitigating the liability exposure to municipalities- through formal training for this service through the Office of the Fire Commissioner (OFC). As this is an important safety concern to municipalities, the AMM is hopeful that the Provincial Government will dedicate the necessary resources to establish a program to train municipal emergency service workers in traffic control at accident scenes.

The AMM has discussed these concerns with the former Minister of Labour and Immigration, Becky Barrett, and the Minister of Justice, and both committed to contacting the OFC and the RCMP to request that they provide traffic control training. Shortly after, the OFC advised the AMM that traffic control training was being considered, and committed to contacting the AMM when a decision was made. However, the AMM has heard nothing further on this issue and the liability and safety concerns of many municipalities still remain relevant.

**The AMM urges the Province to establish a program to train municipal emergency service providers in traffic control at the scene of vehicle accidents.**

**AMM RESOLUTION — 2002 # 48**

**Topic: Reimbursing Municipalities for Traffic Control**

**Department: Manitoba Justice**

WHEREAS the response time to motor vehicle accidents on provincial highways by the RCMP has been very slow, taking up to several hours before they arrive on the scene;

AND WHEREAS local emergency personnel are therefore required, due to the absence of the RCMP, to remain on the scene of motor vehicle accidents to direct traffic and to ensure safety procedures are maintained at the site;

AND WHEREAS the slow response by the RCMP is an expense to the local jurisdiction;

**THEREFORE BE IT RESOLVED** that the AMM lobby the Province to reimburse municipalities at the same rates as paid by Manitoba Public Insurance for response to motor vehicle accidents by emergency personnel where traffic control is provided.

**AMM RESOLUTION NUMBER 80 — 2000**

**Sponsor: RM of Ritchot**

**Topic: Traffic Control**

**Department: Manitoba Labour**

**Manitoba Public Insurance Corporation (MPIC)**

WHEREAS fire departments are called to accident scenes on major provincial trunk highways and are either required in the absence of the Royal Canadian Mounted Police (RCMP) to provide traffic control or are requested by the RCMP to assist in providing traffic control at the scene of an accident;

AND WHEREAS fire fighters are not trained to provide traffic control;

AND WHEREAS this could create a dangerous situation in causing further accidents and could create further liability claims;

**THEREFORE BE IT RESOLVED** that the Association of Manitoba Municipalities lobby the Provincial Government to do the following:

1. Advise municipalities as to the Municipality's responsibility for traffic control at accident scenes;
2. Provide adequate training, if it is appropriate for fire fighters to assist in controlling traffic at an accident scene.

### 3. Workers Compensation Board Benefits for Volunteer 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 principal 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 Benefits 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 is interested to learn when municipalities can expect a review of *The Workers Compensation Act* that would address the concerns of Workers Compensation Board benefits for volunteer firefighters.**

**RESOLUTION NO. 11 - 1998**

**Sponsor: RM of Pipestone (Western District)/ RM of East St. Paul**

**Topic: WCB Benefits for Volunteer Firefighters**

**Department: Manitoba Labour  
Workers Compensation Board**

WHEREAS Workers Compensation Board legislation presently provides for a maximum wage loss benefits of only “90% of net” for all workers disabled at work, including volunteer firefighters/ambulance attendants;

AND WHEREAS disabled firefighters/ambulance personnel are prohibited from acquiring private “top-up” benefits in respect of wages up to \$50,380 per year because WCB regulations provide that for each dollar of private benefits, there is a reduction of WCB benefits at an equivalent dollar;

AND WHEREAS while the principle of encouraging return to work by only paying 90% of net is generally good, it is not appropriate to penalize persons who provide volunteer service to their communities;

THEREFORE BE IT RESOLVED that the Union of Manitoba Municipalities request that the Department of Labour change the Workers Compensation Board legislation and/or regulations in order that the principle of “offset for collateral benefits” not be applied to benefits payable to persons disabled during volunteer firefighter/ambulance duties, and thus allow them to obtain private coverage to “top up” Workers Compensation benefits, and therefore not be penalized in respect of wage loss and other benefits when disabled.

## 4. Equal Workers Compensation for Volunteer Firefighters

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.

**The AMM is interested to learn when a review of the *Workers Compensation Act* may be undertaken that would allow volunteer firefighters to be compensated automatically for occupational diseases. The AMM believes that volunteer firefighters should be included under The *Workers Compensation Act* in the same way as full-time firefighters, so that they may be covered against occupational diseases to the same extent as full-time firefighters.**

AMM RESOLUTION — 2002 # 41

**Topic: Equal Workers Compensation for Volunteer Firefighters**

**Department: Manitoba Labour and Immigration**

WHEREAS The Workers Compensation Amendment Act has been amended to call for a Workers Compensation Board study to determine if there is a link between part-time employment as a volunteer firefighter and the diseases named in the act;

AND WHEREAS the Workers Compensation Board is required to submit a report to the minister and legislature within three years;

AND WHEREAS volunteer firefighters face the same risks as career firefighters;

AND WHEREAS the Province of Manitoba would be creating a double standard for fire service if volunteer firefighters are not included in the act;

**THEREFORE BE IT RESOLVED** that the Association of Manitoba Municipalities lobby the Province to have volunteer firefighters included under The Workers Compensation Amendment Act.

## C) General Issues

### 1. Education Funding

An ongoing and important issue for Manitoba municipalities is education finance. 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 final report of the working group was expected originally in October 2003 but has been delayed and the AMM would encourage the Province to move forward with this report. As the recommendations will not be available in time for the 2004 school budget process, the AMM would urge the Province to hold constant the current municipal and provincial contributions to education so that ratepayers are not further burdened by an increase in property taxes. 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.

It is crucial that the Province take action, as no issue is heard more often from our members than the concern of high property taxes, as a result of the amount of property taxes dedicated to funding education. 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 should 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 not sustainable, and the AMM urges that the reform of education funding be substantive and fair. The AMM again expresses its appreciation for being a part of the Minister's Working Group on Education Finance and looks forward to the release of the final report in the near future.

## 2. 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. 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 percent and municipal revenues only four per cent. Canada's core municipal infrastructure debt has been estimated at about \$57 billion and growing at a rate of \$2 billion annually. 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.

Infrastructure debt passes on the costs of today's use and consumption of infrastructure to future generations, limiting their ability to meet impending infrastructure needs. Furthermore, failure to address the infrastructure debt breaches the principles of sustainable development. Infrastructure should be regarded as an investment and not solely as a payment or cost. However, it does require sustained investment, effort and organization to be maintained properly.

It is clear that the current situation is unsustainable and municipalities must gain access to new revenue sources. Municipal governments in Canada currently earn 54% 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. This leaves municipalities with less revenue to maintain property services; 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 municipalities lowered. Municipal governments are in an ideal position to deliver many services, however, increasing municipal responsibilities have resulted in more demand for services with less revenue to meet these demands.

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 municipal priorities. The Federal Government has committed to raising 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. Furthermore, there are suggestions that municipalities may receive a portion of the federal fuel excise tax, an exciting prospect for municipal governments in Canada and one supported by the Federation of Canadian Municipalities. There is much that the Province of Manitoba can do as well, and the decision to pass all fuel tax collected from municipalities back to local governments 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- including 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.