

Meeting of the
**Association of
Manitoba
Municipalities**



with

The Honourable David Chomiak

Minister of Energy, Science and Technology

October 24, 2005

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A) Executive Summary

Departmental Issues

1. Efficiency Manitoba

- Waste reduction is a priority for Manitobans and the Manitoba Product Stewardship Board has been an important component of the success of Manitoba's recycling system.
- The safe disposal of household hazardous and electronic wastes continues to be a concern for Manitoba's municipalities and accessible recycling programs are needed.
- The Efficiency Manitoba initiative must be put in place with the necessary funding however it must be ensured that programs are not adversely affected if incorporated under the wider umbrella of Efficiency Manitoba.
- For this new agency to be a success, it must have the support of municipalities.

Therefore, the AMM urges the Province both to ensure that those efficiency and waste reduction programs that are working continue to have the resources needed to operate, and to move forward with the Efficiency Manitoba initiative.

2. Wind Power in Manitoba

- Manitoba is becoming a leader in the field of alternative energy as demonstrated by St. Leon's development of wind-generated power.
- Among the advantages of this energy source is the ability to offset the reliance on hydro power alone.
- Other benefits include environmental rewards and the economic growth new industry brings to a community.

Therefore, the AMM encourages the Province to develop a strategy to expand and develop wind power sites across Manitoba to the benefit of all Manitoban communities.

3. Biodiesel Expansion

- The AMM is pleased with the Provincial Government's commitment to developing renewable energy sources in Manitoba.
- The establishment of the Manitoba Ethanol Office is a positive move for the Province to guide the expansion of ethanol in Manitoba.

- The AMM was an active participant on the Biodiesel Advisory Council and the recommendations in its recent report should be given serious consideration.
- Biodiesel development can operate effectively on a small scale and should be established in communities across the province.
- Investing in the biodiesel industry offers economic development opportunities in communities, as well as added health and environmental benefits.

Therefore, the AMM urges the Provincial Government to devote the necessary funds to cultivate Manitoba's bio-diesel industry across Manitoba.

4. Lake Winnipeg Water Levels

- In response to the flooding across the province, the AMM held regional meetings to hear concerns from our membership. Many believe that Manitoba Hydro left Lake Winnipeg water levels too high and unable to handle this year's precipitation, resulting in the flooding.
- Flood damage is extensive, as roads around Lake Winnipeg require clean up and escalating repair costs. Additionally, homes and cottages may be lost.
- The Province's commitment of \$8 million to improve the earthen dyke system and for sandbagging and pumping is an important start for the current situation, however it is necessary to consider the long-term impacts this flooding is having as well. In particular, erosion is a concern as it makes flood damage more likely in future years.

Therefore the AMM urges the Provincial Government to not only provide the financial support needed by communities around Lake Winnipeg because of high water levels this year, but also to pursue preventative measures which will prevent damage in further years.

General Issues

1. Education Funding

- Education remains the number one concern for municipalities as the current model of taxation is not sustainable and a new taxation model is needed.
- The AMM was pleased to see the Province recognize the importance of this issue with the 33 per cent reduction in farmland property taxes in 2004 and a further reduction to 50 per cent in 2005.
- However, further action is required since municipal property taxes should be used to fund strictly municipal services, and a complete removal of education funding from all property classes is needed.
- The AMM strongly supports the need for high quality education in all areas of the Province, yet maintains that other sources of Provincial revenue are more appropriate than property taxation to fund education. While every citizen should contribute to education funding, this does not occur under the current regressive system of property taxation.

- The AMM believes relief is needed on all property classes, as at present, there is an unfair reliance on property owners to fund an education system that contributes so much to the prosperity of Manitoba.

Therefore, the AMM urges the Provincial Government to create a 5-year plan that results in the total removal of education tax from all classes of property.

2. Land Use and Water Resource Planning

- The legislature has recently passed two pieces of legislation that are very important to municipalities: *The Planning Act* and *The Water Protection Act*. It is now crucial that the appropriate processes be implemented to resolve outstanding municipal 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.

Therefore, the AMM urges the Provincial Government to ensure that Department of Conservation staff will attend public hearings for land use planning in order to respond to environmental concerns.

Furthermore, the Province must provide further details on *The Water Protection Act* to clarify any additional financial and administrative duties and to demonstrate the impact of the legislation on municipalities.

B) Departmental Issues

1. Efficiency Manitoba

Waste reduction continues to be a priority for Manitobans. The Province of Manitoba and municipal governments have significantly invested in the development and implementation of recycling programs across the Province. Through the Manitoba Product Stewardship Corporation (MPSC), the Tire Stewardship Board and the Manitoba Association for Resource Recovery Corporation (MARRC), programs for the recycling of tires, corrugated cardboard, as well as numerous other household and farm containers, have been created in many Manitoba communities. MPSC in particular has worked to establish an effective recycling support program for Manitoba communities. MPSC has been very successful in encouraging and facilitating waste reduction across Manitoba through its programs. Most visibly, over 90 per cent of Manitobans have access to some sort of recycling opportunity. This has resulted in more than 50 000 tonnes of residential recyclable materials being diverted from local landfill sites in 2004. The AMM has two representatives on the MPSC board and believes it is a well-functioning and important program for Manitoba communities. Clearly, Manitoba has one of the most successful recycling programs in Canada and it is therefore crucial that MPSC has the funding needed to deliver recycling programs on the 80:20 funding ratio currently used.

In December 2003, the Provincial Government announced the creation of a one-stop agency to promote conservation of energy and resources in Manitoba. Efficiency Manitoba will help Manitobans cut their energy and water bills and decrease the amount of waste destined for landfills. One of the goals of the Manitoba Efficiency Agency is to minimize the duplication of existing efficiency efforts in order to increase the effectiveness of these efforts and reduce the cost to deliver programs and services. Although the AMM agrees with this in principle, there are many well-functioning efficiency programs that currently exist, such as those that are run through MPSC, and it must be ensured that these programs are not adversely affected if incorporated under the wider umbrella of Efficiency Manitoba.

Additionally, household hazardous and electronic waste materials need to be part of this initiative. Household hazardous waste poses a very real danger to the health and safety of

Manitobans, and is a threat to the environment when disposed of with regular garbage in municipal landfills or into ground and water sources. All Manitobans need convenient access to a recycling or safe disposal facility. Furthermore, technological advances results in an increase in the products that become obsolete, increasing waste electronics in the household waste stream. The Government must support municipalities in collecting and managing electronic waste in a manner where it can be reused, recycled or disposed of safely.

Municipal support is key to the success of the Efficiency Manitoba Agency. Gaining this support requires gaining the confidence that the Province will provide assistance at all levels. Most significantly, programs need adequate funding to operate effectively. Efficiency Manitoba is to be the central agency for Manitoba's recycling programs, and it needs to be put in place now with the appropriate resources for its success.

Therefore, the AMM urges the Province both to ensure that those efficiency and waste reduction programs that are working continue to have the resources needed to operate, and to move forward with the Efficiency Manitoba initiative.

AMM Resolution Number 29 – 1999

Topic: Household Hazardous Waste Program
Sponsor(s): RM of Miniota (Midwestern District)
Department(s): Manitoba Conservation

WHEREAS the Household Hazardous Waste Program has provided a valuable service to Manitoba communities;

AND WHEREAS Manitoba Conservation has reduced the program, thereby reducing the level of hazardous waste removal services for Manitoba communities;

AND WHEREAS there is currently no assurance that the program will receive the funding necessary to carry on this program to the extent that is required to fulfil the needs of Manitoba communities;

THEREFORE BE IT RESOLVED that the Association of Manitoba Municipalities request that Manitoba Conservation reinstate the original level of service provided by the program.

AMM Resolution Number 59 – 2004

Topic: Electronic Waste Collection Program

Sponsor(s): RM of Tache (Eastern District)

Department(s): Manitoba Conservation

WHEREAS municipalities currently have no practice regarding the disposal of hazardous waste such as electronic equipment, paint, etc. existing at landfill sites;

AND WHEREAS a stewardship program should be in place for the purpose of disposing of this material;

THEREFORE BE IT RESOLVED that the Association of Manitoba Municipalities lobby the Provincial Government to initiate a program for the disposal of this material;

2. Windpower in Manitoba

One area where Manitoba is quickly becoming a leader is the field of alternative energy, exemplified by the shift to developing wind-generated power in St. Leon. Wind power is an environmentally friendly alternative energy source and a viable supplement to the existing hydro system in Manitoba.

The AMM has had the opportunity to discuss this issue with Manitoba Hydro and understands the advantages and limitations of wind power. One of the greatest attributes of this new system is that it can help offset the singular reliance on hydropower. This will only help build on Manitoba's hydro advantage and will have a positive impact on the province.

With the development of wind farms, the community of St. Leon and the surrounding municipality has seen real rewards. Not only do municipalities get the normal benefits of having a new industry located within their boundaries, but also these windmills have become an attraction in and of themselves and this has had spin-off benefits for the area.

As such, the AMM would like to see the Provincial Government develop a strategy to further develop this industry across Manitoba so that many communities and regions can benefit.

Other provinces are moving in this direction and the AMM feels it is important that Manitoba do the same.

Therefore, the AMM encourages the Province to develop a strategy to expand and develop wind power sites across Manitoba to the benefit of all Manitoban communities.

3. Biodiesel Expansion

The AMM is pleased with the Provincial Government's commitment to the development of renewable energy sources in the Province, among them ethanol, wind power, hydro and biodiesel. The Province has informed the AMM that over the past few years, it has taken many positive steps toward the development of the alternative energy industry. The AMM encourages the Province to continue investing in the development of renewable energy as it is clear that demand for alternative energy will continue to increase in the future and will help to diversify rural economies.

The establishment of the Manitoba Ethanol Office has been a positive move for the Province to guide the expansion of ethanol in Manitoba. Research supports the view that Manitoba is in an ideal position to capitalize on this growing industry, and ethanol production will have a positive economic impact throughout the Province. In July of this year, Husky Oil received over ten million dollars in federal funding to build an ethanol plant in Minnedosa, and the AMM is pleased with this federal commitment to the development of alternative energy. The AMM has been actively lobbying the Federal Government to move forward with the funding needed to expand this industry in Manitoba. Ethanol production requires new financial investment because to be viable, ethanol requires a large operation. Biodiesel however is able to operate effectively on a smaller scale. Many communities in Manitoba are already working on the biodiesel initiative.

The AMM was an active participant on the Biodiesel Advisory Council that recently released its report to the Province. The Council made numerous recommendations that should be given serious consideration. These recommendations include developing numerous biodiesel production plants, considering options for fair and equitable support programs for stakeholders and encouraging local ownership opportunities.

The ability to operate biodiesel plants on a smaller scale offers a great opportunity to locate plants across the province. The positive effects that will arise from fostering this burgeoning industry are numerous. In addition to attracting other businesses as well as staff and their families, developing industry helps build community through economic development. Additionally, health and environmental benefits are as significant as those arising from ethanol use. Benefits include reduced carcinogens, carbon monoxide and unburned hydrocarbons and particulate matter. Investing in biodiesel can be an investment in communities across Manitoba and an opportunity to develop the economy.

Therefore, the AMM urges the Provincial Government to devote the necessary funds to cultivate Manitoba's biodiesel industry across Manitoba.

AMM Resolution Number 07 – 2001

Topic: Conservation and Economic Development

Sponsor(s): Town of Boissevain (Western District), Town of Killarney (Western District), RM of Morton (Western District), RM of Riverside (Western District), RM of Turtle Mountain (Western District), RM of Whitewater (Western District).

Department(s): Manitoba Agriculture and Food, Agriculture and Agri-Food Canada

WHEREAS the Bonn Accord of the Kyoto Protocol commits Canada to reduce greenhouse emissions;

AND WHEREAS the Manitoba Climate Change Task Force is pursuing strategies to address climate change within Manitoba;

AND WHEREAS the federal, provincial, and territorial Agriculture Ministers' vision for agriculture, as announced last June 29 in Whitehorse, identifies the need to pursue innovative economic opportunities and strengthen environmental stewardship within the agricultural sector;

AND WHEREAS the burning of ethanol-blended fuels has been proven to reduce carbon emissions and vehicle manufacturers now have the capability to have vehicles burn 85 per cent ethanol;

AND WHEREAS there are companies interested in producing ethanol from grain farming by-products;

THEREFORE BE IT RESOLVED that the Association of Manitoba Municipalities lobby the provincial and federal governments to develop a policy to encourage the use of alternative green energy and industries using agricultural by-products.

AMM Resolution Number 53 – 2002

Topic: Ethanol Program

Sponsor(s):

Department(s): Manitoba Energy, Science and Technology

WHEREAS the burning of fossil fuels is a major pollutant of our atmosphere;

AND WHEREAS our agricultural community is in need of a value-added diversified alternative to grain production;

THEREFORE BE IT RESOLVED that the AMM lobby the Province to promote, encourage and support a program for the production of ethanol to be blended with fossil fuels.

4. Lake Winnipeg Water Levels

This year has seen an extremely high level of precipitation and as a result flooding has been common across Manitoba. In response to this, the AMM recently held a series of regional meetings to hear first hand the needs in Manitoba communities. One of the key issues we heard was concern with the high water levels in Lake Winnipeg.

Many communities are concerned that Manitoba Hydro has left Lake Winnipeg water levels too high and as a result the Lake has been incapable of handling this year's high level of precipitation. Much of the concern is not only with the overall levels of the Lake but also with levels in specific areas like the south basin. Typically lake levels are discussed as an average, which does not always recognize the high levels that may be occurring in one specific area of the lake. The resulting high water levels are having very real impacts, not only now but for the long term as well.

Presently we are seeing roads around the Lake flooded with clean up and repair costs escalating. Some homes and cottages have been lost and undoubtedly more will be lost if there are high winds or further storms this fall. The AMM was pleased to see the Province

announce a commitment to \$8 million for flood protection this year for improvements to the earthen dyke system, sandbagging and pumping.

While this will help protect the infrastructure that is still in place, the long-term impacts of the high Lake levels will also need to be addressed. One of the major issues of concern is erosion. This year's high water level is causing a great deal of erosion which makes flooding and further damage more likely in subsequent years. The AMM has been advocating for preventative measures to be put in place to prevent erosion, however unfortunately it is too late in many areas and now more costly restoration initiatives will have to be undertaken.

Therefore the AMM urges the Provincial Government to not only provide the financial support needed by communities around Lake Winnipeg because of high water levels this year, but also to pursue preventative measures which will prevent damage in further years.

C) General Issues

1. Education Funding

For 2005, the AMM has identified education funding to be its top priority. The ongoing need to shift education funding away from property taxes was demonstrated when our membership passed a resolution requesting that the Province develop a new taxation model that removes school tax levies from all properties. The current model is not sustainable and further action must be taken to relieve the pressures on municipal property taxes.

The November 2004 Throne Speech included a significant first step that was much appreciated by the AMM membership. A 33 per cent reduction in farmland property taxes for 2004 and a further reduction to 50 per cent in the 2005 Budget will assist an agricultural community that has experienced ongoing pressure as a result of BSE and several consecutive years of poor weather conditions. This commitment of \$33 million over two budget years represents an appropriate beginning to the process of separating education funding from property. Municipal property taxes should be used to fund strictly municipal services, and reducing the education portion of property tax will facilitate this process.

The Province had previously made reference to further education tax relief being unveiled in the 2005 Budget. However, the AMM was disappointed to learn that no additional reductions in education taxes across other property classes have been announced. In order for further action to incorporate municipal interests, education tax relief must be applied equitably to all classes of property. Phasing out the residential Education Support Levy (ESL) is an essential part of this initiative and the new \$30 million reduction for 2005 is certainly beneficial to residential landowners. However, reductions in education tax should be available to all property owners since it is incongruous for education funding to be associated with property. At the same time, a shift away from property should not justify a reduced investment in the education system. The AMM strongly supports the need for high quality education in all areas of the province, yet maintains that other sources of Provincial revenue are more appropriate than property taxation. While every citizen should contribute to education funding, this does not occur under the current regressive system of property taxation. At present, there is an unfair reliance on property owners to fund an education

system that contributes so much to the prosperity of Manitoba. Consequently, the AMM was disappointed that the Province did not take the opportunity presented by Budget 2005 to make a clear policy statement on its intended direction regarding the total removal of education funding from property. The AMM believes a clear five-year plan is needed where the end result is the total removal of education funding from property.

An important aspect of this issue is that municipalities are required to provide a wide variety of services while relying almost exclusively on property taxes as a source of revenue. Until methods of municipal financing are drastically changed, municipalities must be empowered to control the level of local property taxation without having to use this mechanism for Provincial purposes such as education. The current funding system places an unfair burden on property owners and hinders the ability of municipalities to provide property services, such as infrastructure improvements. The AMM appreciates that the Province has begun to take action to improve this situation and looks forward to working with the Provincial Government to develop a long-term plan to shift education funding away from property taxation.

Therefore, the AMM urges the Provincial Government to create a 5-year plan that results in the total removal of education tax from all classes of property.

AMM Resolution Number 17 – 2004

Topic: Total Removal of Education Tax From Property

Sponsor(s): RM of Alexander, RM of Brokenhead (Eastern District), City of Dauphin (Parklands District), RM of Albert, RM of Brenda, RM of Cameron, RM of Edward, RM of Glenwood, RM of Winchester (Western District).

Department(s): Manitoba Education, Citizenship & Youth

WHEREAS the Province of Manitoba currently collects a significant portion of the funds necessary to provide educational services through property taxation;

AND WHEREAS the level of school taxation as a proportion of overall property taxation has increased significantly in the past decade;

AND WHEREAS the increased level of school taxation has had a significant negative impact on municipalities' ability to raise adequate municipal revenue to service their residents;

AND WHEREAS municipalities are very concerned that the current taxation model regarding the levying and collection of taxes for educational purposes on properties in the Province of Manitoba is no longer a viable, fair and realistic method to fund education in the Province of Manitoba;

AND WHEREAS the development of a new taxation model would ensure the removal of all education tax levies from all properties, would address the current taxation inequities and create a fair taxation system applicable to all property classification in the Province;

THEREFORE BE IT RESOLVED that the Association of Manitoba Municipalities lobby the Provincial Government to develop a taxation model that removes school tax levies from all properties in the Province of Manitoba.

2. Land Use and Water Planning

The legislature has recently passed two pieces of legislation that are very important to 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. In general, the AMM is supportive of the changes to *The Planning Act*, however there is a significant issue that must still be addressed regarding public hearings. As well, although *The Water Protection Act* will target important environmental issues, municipalities are concerned that major responsibilities will be downloaded to the local level. Since both acts have been passed, it is now crucial that the appropriate processes be implemented to resolve these concerns.

Regarding *The Planning Act*, there is a need for a 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 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 applications. 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 unclear regarding how the newly legislated ideas and requirements will be implemented. The Province must work with key stakeholders to clarify the roles of all affected organizations and to ensure that local people are effectively consulted and involved in the process.

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. 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 there is no indication that the Provincial Government will provide funding for the development of 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.

Land use and water resource planning are very important for municipalities since each has wide-ranging impacts on the way municipalities function and the development that occurs within their boundaries. Environmental considerations are very important to municipalities as they strive to balance the protection of natural resources with community development.

Both types of planning ensure that municipalities are implementing a long-term approach and considering the impacts of current actions on the future of their communities. The AMM is supportive of the Provincial Government's efforts to improve land use planning and water resource management in Manitoba, yet the application of the legislation must take these municipal concerns into account.

Therefore, the AMM urges the Provincial Government to ensure that Department of Conservation staff will attend public hearings for land use planning in order to respond to environmental concerns.

Furthermore, the Province must provide further details on *The Water Protection Act* to clarify any additional financial and administrative duties and to demonstrate the impact of the legislation on municipalities.