

Meeting of the
**Association of
Manitoba
Municipalities**



with

The Honourable Rosann Wowchuk

Minister of Agriculture, Food and Rural
Initiatives

April 20, 2005

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A) Executive Summary

Departmental Issues

1. Deadstock Disposal and Rendering

- The AMM appreciates the Provincial Government's involvement in providing information to municipalities regarding disposal of dead stock, offal and butcher waste at regional meetings in March and October of 2004.
- It is evident from discussions at our regional meetings however that there is a need for an immediate solution for how to dispose of materials currently being stored on-farm. We are pleased the Province has reinstated the deadstock pickup program originally created last year however the Province needs to continue to take a leadership role in material disposal, especially since the current program does not cover all areas of the province.
- The AMM encourages the Province to explore long-term options for disposal, including composting, incineration, and rendering for such things as bio-diesel. Options like bio-diesel can be an opportunity to diversify the agricultural economy as well as a solution to the disposal issue.
- The cost of disposal facilities is however prohibitive and municipalities cannot develop them on their own. While the Environment Act states that municipalities are responsible for disposing of waste created within their jurisdiction, such application is intended for normal circumstances. Our membership believes the Province should take a leading role in developing these sites and provide assistance, including technical and financial, to municipalities wishing to explore these options further.

The AMM appreciates the Provincial commitment to continuing the deadstock collection program, but encourages the Province to continue to play a leading role in pursuing other long-term options for disposal, including composting, incineration, and rendering for such things as bio-diesel.

2. The Crisis in Agriculture

- For nearly two years, Canada has been suffering the devastating effects of the closure of international markets to Canadian cattle. The impact of BSE is being felt in all communities across the province and the country.
- It is not only BSE that is causing the current crisis, as many other agricultural producers are facing often insurmountable challenges. Low commodity prices are partly to blame, and when coupled with higher input costs and a stronger Canadian currency, actual farm incomes have plummeted, often resulting in escalating debt.

Natural factors such as drought, frost and grasshoppers further exacerbate the current situation, leaving agriculture in its current state of crisis.

- The economies of all Manitoba communities are linked in some way to the agriculture industry, and municipalities are feeling the effects throughout their communities. Businesses are closing, people are losing employment, and income is diminishing. It is important that the Province support all communities that are suffering during this difficult time.

Therefore the AMM encourages the Province to continue to work with the Federal Government to provide assistance to those directly impacted by the current agricultural crisis and to help ease the burden this crisis is having on all Manitoba communities.

3. Bio-Diesel Development in Manitoba

- The AMM is pleased with the Provincial Government's commitment to developing renewable energy sources such as ethanol, wind power, hydro and bio-diesel in Manitoba, as this new focus can have a very positive economic impact across the province.
- The AMM is pleased that the Province has established the Manitoba Ethanol Office to guide the development of this important initiative. The AMM believes that Manitoba is in an ideal position to capitalize on this growing industry, as it is clear that demand for alternative energy will continue to increase in the future and will help to diversify rural economies.
- The Biofuels Act mandates a ten per cent ethanol blend in gasoline by 2005. This mandate requires approximately 150 million litres of ethanol production per year and the AMM believes this target can be achieved through incentives and financial assistance, and an educational campaign targeted at agricultural producers that would increase the supply of feed grains, straw and other raw materials needed to produce more ethanol. The AMM encourages the Province to proclaim this Act.
- The Federal Government's February 2004 announcement to provide over \$6 million in funding to Husky Energy to expand its production facility is demonstrative of its support of biodiesel developments. The AMM has been actively lobbying the Federal Government to move forward with the funding needed to expand this industry in Manitoba.
- In addition, the environmental benefits of ethanol cannot be overstated; ethanol blended gasoline is cleaner burning than pure gasoline, reducing greenhouse gas emissions and helping Canada to meet its Kyoto commitments.
- The recommendations from the recently released Biodiesel Advisory Council's report should be given serious consideration. These include the encouragement of a biodiesel industry in the province, the development of a variety of production plants to produce biodiesel, the consideration of options for fair and equitable support programs for stakeholders, the encouragement of local ownership opportunities, the exploration of the feasibility of converting deadstock and offal into feedstock for biodiesel and that the Province take a leadership/co-ordinator role in the future development of alternative fuel initiatives.

Therefore, the AMM urges the Provincial Government to devote the necessary funds to cultivate Manitoba's ethanol production potential, and to continue to explore options for increasing alternative energy production in Manitoba.

4. Rural Economic Development Initiatives Grants

- Municipalities are seeking ways of encouraging business growth through entrepreneurship and training opportunities.
- The financial support provided by Rural Economic Development Initiative (REDI) programming is vital to Manitoba's ongoing investment in rural economic development.
- The 2005 Budget increase to REDI is rather misleading since a large portion of the funding is actually allocated to other areas.
- The reinvestment in REDI for 2005 is an important contribution to the rural economy, and increased support for this program must be clearly sustained in future budgets.

Therefore, the AMM urges the Provincial Government to continue to invest in REDI, thereby supporting the growth and development of Manitoba's rural economy.

5. Land and Water Planning

- Although there has been varied response regarding certain aspects of land and water planning, municipalities consistently raise the same concern regarding the division of responsibility for environmental regulation and land use regulation: the need for Provincial Government representation at public hearings.
- Concerns regarding public hearings exist since only municipal councils are available to explain the terms of the regulations, without the immediate support of the Provincial Government, which made the decision.
- The AMM requests that Manitoba Agriculture, Food and Rural Initiatives allocate resources to increase the number of staff responsible for environmental regulations.

Therefore, the Provincial Government should ensure that qualified staff are available to attend public hearings and respond to inquiries related to environmental legislation and regulations.

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

- Since new water legislation is forthcoming and the Planning Act is currently under review, a municipal perspective must be represented as legislation is formulated.
- The first municipal priority for land use and water resource planning legislation is to recognize local authority.
- The need to recognize local interests pertains to the inclusion of consultation processes within land use and water resource planning legislation.
- The second municipal priority relates to the responsibilities held by the Provincial and municipal governments regarding effective land use and water resource planning.
- The AMM is concerned that municipalities, conservation districts and planning districts will be expected to take on significant administrative and financial obligations in order to provide additional services.
- The Provincial Government must consider the impacts of adding new responsibilities to their own operations since requiring all municipalities and planning districts to create a development plan will increase the demand for the ministerial approval process.
- The Provincial Government must provide support for municipalities that lack the resources to meet the new legislative requirements.

The AMM urges the Provincial Government to ensure that legislation and regulations related to land use and water resource planning are responsive to municipal concerns, including the need for local authority and a balance between Provincial and municipal government responsibilities.

B) Departmental Issues

1. Deadstock Disposal and Rendering

The AMM, with the Provincial Government, held a series of meetings across Manitoba in March and October of 2004. The intent of these meetings was to provide information to municipalities about the disposal of dead stock, offal and butcher waste and to begin the discussions on regional disposal sites for this material. The AMM appreciated the commitment on the part of the Province to participate in these meetings and believes it was a worthwhile exercise. The closing of international markets to live Canadian cattle has created a new reality and the increased volume of cattle in Manitoba has created the need to explore new options for disposal.

It became evident from the discussions at these meetings that the development of regional disposal sites would take some time, and there was a need for an immediate solution for the material that was currently being stored on-farm. The AMM was pleased to see the Province take the lead on this pressing issue with last year's announcement of a collection program to pick up much of this material and the decision to have another program this spring. However this pick-up program is not the solution, as not all areas of the province have benefited. At our last two annual conventions, resolutions were passed calling on the Province to subsidize the cost of disposal and to develop a plan for disposal that does not involve municipal landfill sites. The need for the Province to take a leadership role in regards to the disposal of this material was heard as well at both the 2004 regional meetings and the recent round of Mayors, Reeves and CAO meetings held across the Province by our association in March. While disposing of this material in landfills is a short-term solution, the AMM encourages the Province to explore other long-term options, including composting, incineration, and

rendering for such things as bio-diesel. The AMM encourages the Province to explore options like bio-diesel further, and look at this as an opportunity to diversify the agricultural economy rather than solely as a disposal issue.

Another concern that has been raised by our membership is the cost of both researching and establishing these sites. This high cost is a major impediment to the development of regional sites. Municipalities are unable to bear the costs associated with establishing regional sites, and the costs cannot be passed on to producers, as they are unlikely to use the sites if they are cost prohibitive. It was clear from our meetings that municipalities believe the Province must take a leading role in developing these sites and needs to provide assistance, including technical and financial assistance, to those municipalities that wish to explore the option of regional disposal sites further. Establishing regional sites is beyond the capabilities of most municipalities and the Province needs to play a major role for this initiative to be successful. While the Environment Act states that each municipality, provincial government agency and crown corporation will make provision for the disposal of all solid waste created within its jurisdiction, this is intended for application under normal circumstances, and it is clear that the new realities that exist in the livestock industry in Manitoba is anything but normal.

The AMM appreciates the Provincial commitment to continuing the deadstock collection program, but encourages the Province to continue to play a leading role in pursuing other long-term options for disposal, including composting, incineration, and rendering for such things as bio-diesel.

Resolution Number 10-2004

Topic: 'Made in Manitoba' Strategy

Sponsor(s): RM of Woodlands

Department(s): Manitoba Agriculture, Food and Rural Initiatives

WHEREAS the United States and other major trading country borders remain closed to live Canadian beef due to the identification of a case of BSE within a Canadian herd and it is unlikely that the border will re-open to live cattle within the next five years;

AND WHEREAS Manitoba beef producers continue to struggle to access domestic killing facilities for their growing and expanding herds;

AND WHEREAS current inter-provincial policies limit the movement of domestic beef products within Canada and favour processing of animals within their own jurisdiction over Manitoba animals;

AND WHEREAS Manitoba has insufficient domestic beef killing and processing facilities to accommodate the provincial herds (cull cows, bulls, fats);

AND WHEREAS the establishment of a plant within Manitoba and development of a domestic strategy to market beef would greatly benefit the Manitoba cattle industry;

THEREFORE BE IT RESOLVED THAT the Association of Manitoba Municipalities lobby the Provincial Government to develop a 'Made in Manitoba' solution to the BSE crisis which includes establishing necessary domestic beef marketing policies and strategies to deal with the Manitoba herds; to foster the development of a Manitoba abattoir(s) to process and market both cull animals and fats; to assist in developing a market for said processed animals; to develop associated businesses to deal with wastes, offal, hides and other potential bi-products of the industry;

AND BE IT FURTHER RESOLVED that the Association of Manitoba Municipalities lobby the Provincial Government to put in place the necessary team to ensure that this is accomplished with speed and a minimum of restrictions and barriers to development;

AND BE IT FURTHER RESOLVED that the Association of Manitoba Municipalities and the Provincial Government work together with the Federal Government to reduce restrictions on inter-provincial trade.

Resolution Number 08-2004

Topic: Deadstock Disposal

Sponsor(s): City of Dauphin

Department(s): Manitoba Agriculture, Food and Rural Initiatives; Manitoba Conservation; Manitoba Intergovernmental Affairs and Trade

WHEREAS the Province of Manitoba requested the assistance of Manitoba municipalities in the spring of 2004 relating to the disposition of dead livestock;

AND WHEREAS this assistance was requested as a result of the Bovine Spongiform Encephalopathy (BSE) disease in cattle and the resultant reduction in the ability of dead livestock to be rendered;

AND WHEREAS the disposal of dead livestock in licensed municipal landfill sites utilizes valuable space and presents a number of health and safety-related concerns;

THEREFORE BE IT RESOLVED THAT the Association of Manitoba Municipalities lobby the Provincial Government to develop a plan to dispose of dead livestock carcasses that does not involve the use of municipal landfill sites.

Resolution Number 05-2003

Topic: Deadstock Removal Due to BSE

Sponsor(s): RM of Argyle

Department(s): Manitoba Agriculture, Food and Rural Initiatives

WHEREAS the Bovine Spongiform Encephalopathy (BSE) situation has forced Rothsay to change its practice for the pick-up of ruminants resulting from extra costs and charges being forced on them;

AND WHEREAS these charges are being passed on to individual farmers, as Rothsay will now charge \$20 per stop in the country plus between \$80 and \$150 per Metric Tonne collected, depending on the region of pick-up;

AND WHEREAS this may lead to improper disposal of dead stock as some producers will not be willing or able to pay this fee for dead stock pick-up;

THEREFORE BE IT RESOLVED THAT the Association Manitoba Municipalities lobby the Provincial and Federal Government to subsidize the cost to provide effective and efficient disposal of the culls, the dead and the offal from the livestock industry.

2. The Crisis in Agriculture

For nearly two years, Canada has been suffering the devastating effects of the closure of the international market to Canadian cattle. While those directly involved in the ruminant industry have been hit the hardest, the impact of Bovine Spongiform Encephalopathy (BSE) is being felt in all communities across the province and country.

It is not only BSE that is causing the current crisis, as many other agricultural producers are facing often insurmountable challenges. Low commodity prices are partly to blame, and when coupled with higher input costs and a stronger Canadian currency, actual farm incomes have plummeted, often resulting in escalating debt. Natural factors such as drought, frost and grasshoppers further exacerbate the current situation, leaving agriculture in its current state of crisis.

The economies of all Manitoba communities are linked in one way or another to the agriculture industry and any negative outcome in that sector will have immediate consequences in all communities. As the ban on live cattle to the United States and other markets continues, businesses are forced to close which affects communities through a loss of employment and income for their residents. These are businesses that have already been struggling as a result of the challenges agricultural producers have been facing for many years. Almost all sectors of the economy have felt the impact of the current crisis in agriculture, including farm equipment dealerships, hardware stores, car dealerships, trades people, grain producers, and tourism and outfitting. It is important that the Province support all communities that are suffering during this difficult time.

Therefore the AMM encourages the Province to continue to work with the Federal Government to provide assistance to those directly impacted by the current agricultural crisis and to help ease the burden this crisis is having on all Manitoba communities.

Resolution Number 07-2004

Topic: Impacts of BSE

Sponsor(s): Town of Melita

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

WHEREAS the BSE crisis, which has carried on for more than one year, is having a detrimental impact on small town businesses;

AND WHEREAS municipalities have recently lost businesses;

AND WHEREAS the closing of businesses has the direct result in the loss of employment and income for local residents;

THEREFORE BE IT RESOLVED THAT the Association of Manitoba Municipalities lobby the Provincial and Federal Governments to take steps to provide some measure of relief to small town businesses as well as to the ruminant producers, thereby ensuring that these businesses (commercial and agricultural) are able to withstand these desperate times.

3. Bio-diesel Development in Manitoba

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 bio-diesel. During a presentation at the Municipal Officials Seminar (MOS) on February 24, 2004, the previous Minister of Energy, Science & Technology, Tim Sale, informed AMM members that the Province 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. From Minister Sale's presentation, the AMM learned that ethanol production adds value to corn and wheat, and 70 per cent of the revenue generated by an ethanol plant is spent within a 150-kilometre radius of the plant. Additionally, the Manitoba Ethanol Advisory Panel reports that Manitoba is the lowest cost producing area for ethanol in North America. Such knowledge is encouraging, and the AMM views the expansion of ethanol production plants as major economic development opportunities, particularly in rural areas of the Province and hopes the Province will work to maximize their impact in all areas of Manitoba.

The AMM is pleased with the Province's willingness to develop Manitoba's ethanol production capacity as we believe the Provincial Government has a key role to play in

developing Manitoba's ethanol potential. The AMM was pleased that the Biofuels Act passed through the Legislature and is anticipating its proclamation. Its mandate of a ten per cent ethanol blend in gasoline by 2005 is an important feature. It is also positive to see a declining tax preference for Manitoba-made ethanol. Presently, the production plant at Minnedosa is the only ethanol producing plant in Manitoba. Although this plant produces an impressive ten million litres of ethanol each year, Manitoba requires approximately fifteen times this amount to meet the ten per cent mandated by the Biofuels Act. This is a lofty goal but the AMM believes this target can be achieved through incentives and financial assistance, and an educational campaign targeted at agricultural producers that would increase the supply of feed grains, corn, straw, and other raw materials needed to produce more ethanol. The federal announcement in February 2004 to provide over six million dollars in funding to Husky Energy for expansion of its production facility appears a step in the right direction, and the AMM is pleased with these commitments. The AMM has been actively lobbying the Federal Government to move forward with the funding needed to expand this industry in Manitoba.

The AMM strongly believes that ethanol production will have long-term benefits for agricultural producers, and believes that an investment in ethanol is an investment in Manitoba's future. In addition, the AMM believes this investment should be spread out across Manitoba so that many communities will benefit from this growing industry. Furthermore, the environmental benefits of ethanol cannot be overstated; ethanol blended gasoline is cleaner burning than pure gasoline, reducing greenhouse gas and tailpipe emissions as well as carbon dioxide emissions by up to 25% and is helping Canada to meet its Kyoto commitments.

Further, the Biodiesel Advisory Council recently released their report to the Province. The Council made numerous recommendations, which should be given serious consideration. Some of these recommendations include the encouragement of a biodiesel industry in the province, the development of a variety of production plants to produce biodiesel, the consideration of options for fair and equitable support programs for stakeholders, the encouragement of local ownership opportunities, the exploration of the feasibility of converting deadstock and offal into feedstock for biodiesel and that the Province take a leadership/co-ordinator role in the future development of alternative fuel initiatives.

Therefore, the AMM urges the Provincial Government to devote the necessary funds to cultivate Manitoba's ethanol production potential, and to continue to explore options for increasing alternative energy production in Manitoba.

Resolution Number 53-2002

Topic: Ethanol Program

Sponsor(s):

Department(s): Manitoba Agriculture, Food and Rural Initiatives; 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.

Resolution Number 07-2001

Topic: Conservation and Economic Development

Sponsor(s):

Department(s): Manitoba Agriculture, Food and Rural Initiatives; 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.

4. Rural Economic Development Initiative Grants

As the rural economy evolves, it is increasingly important for municipalities to attract new business opportunities and retain existing businesses. Prominent trends that heighten the need for such action include the declining rural population and youth emigration. Rural economies still rely heavily on the agricultural industry to support local businesses, and the negative impacts of the BSE crisis are felt strongly among rural business owners. Therefore, municipalities are seeking ways of encouraging business growth through entrepreneurship and training opportunities.

The financial support provided by Rural Economic Development Initiative (REDI) programming is vital to Manitoba's ongoing investment in rural economic development. Municipalities appreciate REDI funding since it is designed to provide a boost to the economy while laying the foundation for sustained growth and development. REDI's explicit focus on job creation that includes youth entrepreneurship will help to ensure that municipalities have the appropriate resources to address their economic development goals.

Because of the importance of REDI to all Manitoba municipalities, the AMM was very disappointed to see the \$1.25 million reduction in REDI funding in the 2004 Provincial Budget. Throughout the year, the AMM heard this concern raised by the membership along with support for this effective program and other economic development initiatives. For this reason, the AMM was pleased with the overall \$6.775 million increase in funding for REDI included in the 2005 Provincial Budget. Such an increase in spending indicates that valuable resources are being delivered to various municipalities for beneficial purposes.

However, this increase is rather misleading since a large portion of the funding is actually allocated to other areas. There are several items throughout the 2005 Provincial Budget that are funded by an amount that is recoverable from REDI, such as conservation programs and criminal justice (provincial policing). These recoverable amounts increased significantly from 2004 to 2005, a total of \$4,650,400 according to the 2005 Budget document. As a result, the actual increase to REDI specifically for economic development program operations and capital grants equals \$1.041 million. This is a concern for municipalities since the 2004 Budget document included a reduction of \$1.25 million for REDI, while reducing the recoverable amounts by \$287,400. Therefore, the 2005 increase only begins to address the reduction in funds that was evident in 2004 and municipalities still require additional funding for local business support. The reinvestment in REDI for 2005 is an important contribution to the rural economy, and increased support for this program must be clearly sustained in future budgets.

Therefore, the AMM urges the Provincial Government to continue to invest in REDI, thereby supporting the growth and development of Manitoba's rural economy.

5. Land and Water Planning

The issues of planning for land use and water management are of critical importance to municipalities. In order to sufficiently inform the AMM's participation in the review of the Planning Act and the development of water stewardship legislation, the AMM has been actively seeking feedback from municipalities regarding these two issues. Although there has been varied response regarding certain aspects of land and water planning, municipalities consistently raise the same concern regarding the division of responsibility for environmental regulation and land use regulation: the need for Provincial Government representation at public hearings.

In general, municipalities are supportive of the separation of environmental and land use regulations. The Provincial Government is better equipped to develop and implement environmental regulations based on the level of staff expertise that is available. It is therefore appropriate for the Province to govern manure management regulations and similar environmental concerns. As well, the responsibility of the Provincial Government to ensure regional approaches are employed further supports the need for the Province to control environmental legislation and regulations. In contrast, land use planning decisions are most appropriately made at the local level in order to account for local expertise and priorities. Therefore, municipalities agree with the division of responsibilities between the Province and municipal governments.

However, concerns regarding public hearings exist, since only municipal councils are available to explain the terms of the regulations, without the immediate support of the Provincial Government, which made the decision. When technical questions arise, it is more

appropriate for Provincial Government staff to respond since an explanation of Provincial environmental regulations is often required. This situation is problematic since Provincial staff rarely attend public hearings, which creates a perception that municipal councillors are accountable for Provincial decisions. It is inappropriate for this to occur since municipalities are not responsible for the environmental regulations.

The AMM requests that Manitoba Agriculture, Food and Rural Initiatives allocate resources to increase the number of staff responsible for environmental regulations. Such action will improve the ability of the Provincial Government to provide representation at public hearings and reduce the burden on municipal councils. The Provincial Government should be accountable for the environmental regulations that are in place and ensure the transparency of the process by attending public hearings. The current system expects municipalities to justify provincial policy and this situation must be rectified in order to ensure that the public has access to accurate information.

Therefore, the Provincial Government should ensure that qualified staff are available to attend public hearings and respond to inquiries related to environmental legislation and regulations.

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 in 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 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 relief

should be available to all property owners since it is incongruous for education funding to be associated with property. At the same, 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 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 Resource Planning

Municipalities are highly involved in planning for both land use and water management purposes. As a main stakeholder in these processes, the AMM has appreciated the opportunity to actively participate in the consultations regarding the legislation that affects these two types of municipal planning efforts. Since new water legislation is forthcoming and the Planning Act is currently under review, a municipal perspective must be represented as legislation is formulated. There are two major municipal considerations that must be given priority in any new legislation and these are consistent for both land use and water resource planning. The first pertains to recognizing local authority regarding planning matters. The second consideration relates to the division of responsibility between municipalities and the Provincial Government.

Municipalities are in the best position to make the majority of planning decisions since they represent a local body of knowledge and expertise. For this reason, the first municipal priority for land use and water resource planning legislation is to recognize local authority. The review of the Planning Act will provide several opportunities to meet this objective, such as ensuring that municipalities have the final say in all land use planning decisions. In order to guarantee local control over land use planning, there should be no appeals process to another jurisdiction that supersedes municipal land use decisions. This is very important to AMM members as councils are elected officials with first hand knowledge of suitable land use within their jurisdiction. They also have a responsibility to objectively consider the consequences for all stakeholders and to establish a plan on that basis. An appeal process beyond this level would undermine the authority of the municipal council. Similarly, appeals to the Municipal Board should only be considered when a critical mass of ratepayers

formally objects to a land use decision. Through these policies, local interests will be upheld based on the authority of the municipal council to undertake effective long-term land use planning.

The need to recognize local interests also pertains to the inclusion of consultation processes within land use and water resource planning legislation. Meaningful consultations provide a vehicle for municipalities to express their concerns and ensure that these concerns will be taken into account. Such consultations should occur while developing the legislation and its accompanying regulations. This will be particularly important regarding water resource planning since the regulations are expected to articulate crucial details regarding the implementation of the Water Protection Act. Local expertise should also contribute to the development and implementation of watershed management plans since this type of expertise is based on historical information about the area. In addition, the review of the Planning Act should include public consultation, as it is essential that municipalities have the opportunity to express their specific views and garner a deeper understanding of the specific details of the proposed act.

New procedures within the Planning Act should also allow for public input, such as the environmental approvals processes. While the Province is well-equipped to conduct environmental assessments through the Technical Review Committees, the process would benefit from the inclusion of local input. The ongoing use of public consultation as required under the Planning Act also supports the ability of local authorities to effectively undertake land use planning. Community consultations are therefore critically important to land use

and water resource planning and the inclusion of consultation feedback will strengthen support for legislation and regulations.

The second municipal priority relates to the responsibilities held by the Provincial and municipal governments regarding effective land use and water resource planning. In particular, the extent of new municipal responsibilities remains unclear for the Water Protection Act and the Planning Act review. As a result, the AMM is concerned that municipalities, conservation districts and planning districts will take on significant administrative obligations in order to provide additional services. Due to the limited resources available to these organizations, the AMM cannot support policies that unfairly burden local authorities. Therefore, minimizing the uncertainty surrounding the responsibilities of municipalities, conservation districts and planning districts will clarify the impacts of the new policies and contribute to a greater understanding of the legislation.

The Provincial Government must also consider the impacts of adding new responsibilities to their own operations. For instance, requiring all municipalities and planning districts to create a development plan will increase the demand for the ministerial approval process. Presently, municipalities view the approvals process as too lengthy and the AMM is concerned that an increased demand for development plan approvals will further delay the approvals process and plan implementation. This concern will potentially impact the public hearing process where technical staff from the Province is required to attend. The Province is most appropriately positioned to address environmental concerns, however the presence of Provincial representatives at public hearings will facilitate understanding and acceptance from communities. Development plan approvals and public hearings provide municipalities

with important tools to accomplish community planning, therefore the Province should avoid delays in completing these processes and ensure effective information sharing.

Administrative responsibilities must often be supplemented by additional technical requirements that may not be available to all municipalities. Integrating land use and water resource issues through comprehensive planning will therefore require additional financial resources. In order to undertake the type of detailed planning that is expected, mapping and other technical services will be required. For instance, the Water Protection Act refers to the identification of watershed quality management zones however, in many cases, municipalities do not have the necessary levels of expertise or financial resources to meet this requirement. A similar situation could arise if development plans become mandatory for all municipalities or if the need to map agricultural zones is part of the reviewed Planning Act. For this reason, the Provincial Government must provide support for municipalities that lack the resources to meet the new legislative requirements.

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. Due to the strong interconnection between land use and water resource planning, municipal concerns are consistent across these two issues. The

legislation that is currently under consideration will only be effective to the extent that it incorporates the municipal concerns outlined above.

The AMM urges the Provincial Government to ensure that legislation and regulations related to land use and water resource planning are responsive to municipal concerns, including the need for local authority and a balance between Provincial and municipal government responsibilities.