

CABINET MEETING 2004

One of the most significant policy meetings for the AMM is the annual meeting with the Premier of Manitoba and the Provincial Cabinet, as it provides the AMM an opportunity to discuss our highest priority issues. The AMM also presents the same submission to the official opposition caucus. This year's meeting was held June 3, 2004 at the Manitoba Legislature. The major issues discussed were:

*Left:
President
Briese
address the
Standing
Committee
on
Legislative
Affairs.*

BSE and Disposal of Deadstock

The AMM thanked the Province for the variety of programs that were implemented to assist agricultural producers in dealing with the economic impacts of the border closure due to BSE. The BSE crisis continues to have a profound impact on Manitoba's communities and has highlighted the need for an effective long-term marketing strategy for the beef industry.

AMM noted that even after the US border reopens to live Canadian cattle, the market will not immediately recover. As well, the increased volume of livestock in Manitoba requires new options for disposal. Regional meetings hosted across Manitoba by the AMM and the Provincial Government resulted in the successful Spring Clean-Up program, but there is a growing need to address the medium- to long-term implications of Manitoba's expanding cattle herd. The AMM expressed appreciation for the Provincial Government's leadership efforts with the Deadstock, Offal and Butcher Waste Stakeholder Group and encouraged the Province to explore other long-term options.

Rural Economic Development Initiative (REDI) Grants

The AMM feels the Rural Economic Development Initiative (REDI) is extremely important to Manitoba communities, as it allows Manitobans to reach their economic potential by building on traditional strengths and focusing on new opportunities, creating long-term benefits. The AMM expressed disappointment with the 2004 Provincial Budget, which reduced the amount of money going to REDI grants by \$1.25 million. The AMM strongly encouraged the Provincial Government to increase funding for REDI grants in any upcoming budget.

Household Hazardous Waste Program

The inappropriate disposal of hazardous waste has been an ongoing issue for municipalities and is consistently raised as a concern by the AMM membership. The Province is currently spending \$600,000 per year on a limited collection program



President Briese addresses Premier Gary Doer and members of the Provincial Cabinet.

that addresses only the select needs of few communities. The AMM feels the Provincial Government must move forward with a permanent program in order to minimize the impact of hazardous wastes on the health and environment of all Manitoba communities.

New Water Legislation

The AMM was pleased with the creation of the new Department of Water Stewardship in November of 2003. Municipalities do, however, have some concerns about the lack of detail in Bill 22: The Water Protection Act. While the bill clearly grants additional powers to the Minister, it lacks details on the where the financial burden will lie. It is also unclear if assistance will be provided to municipalities to meet the obligations laid out in the legislation, including the development of detailed water management plans.

Drainage

Drainage is one of the most important water-related issues in this province, and is an issue municipalities consistently raise with the AMM. The wet conditions incurred by Manitobans in the last decade have exposed the inadequacies of the current system. The AMM was pleased to see additional funding for drainage in the 2003 Provincial Budget; however the 2004 Budget failed to build on this commitment. Greater funding is required to allow municipalities to proceed with the drainage construction, repair and maintenance projects so desperately needed.

Funding for Conservation Districts

Conservation Districts have become an important component of water conservation in Manitoba and it is essential that the

Province continue to provide funding. As more and more municipalities are working together to create conservation districts, it is essential that the Province increase the budget to ensure that all new and existing districts have the funding needed to perform valuable services.

Increase to Per Capita Operating Grants for Libraries

Municipalities have consistently expressed to the AMM the importance of libraries, and many have increased their per capita levies by as much as 67 per cent over ten years to keep up with the increased public demand for services. Costs of purchasing new materials pose a significant financial burden to municipalities. The AMM expressed appreciation for increases to per capita operating grants for libraries, but noted the level of provincial support to libraries remains inadequate.

Funding for the Community Places Program

The Community Places Program is one of the few programs to assist with the renovation, replacement or construction of recreational facilities in Manitoba. However, in the 2003/04 application intake period, only about 50 per cent of applications were approved for funding, and funding for the program was decreased by \$400,000 in the 2004 Budget. The AMM strongly believes that there should be enough funds to assist all Manitoba municipalities wanting to upgrade their recreational and community infrastructure, and encouraged the Province to increase funding to the Community Places Program.

Efficiency Manitoba

In December of 2003, the Provincial Government announced the creation of a one-stop agency to promote conservation of energy and resources in Manitoba. The AMM supports this initiative but stressed that the many well-functioning programs that currently exist should not be adversely affected if incorporated under the wider umbrella of Efficiency Manitoba. The AMM also urged the Province to include municipal representation on the Efficiency Manitoba Board.

Housing in Rural Manitoba

Previously, under the Affordable Housing Initiative (AHI), some housing programs were restricted to Manitoba's urban centres. The AMM was concerned that this policy has prevented much-needed AHI funding from reaching rural and non-designated urban areas, many of which are experiencing affordable housing challenges. The AMM has since met with the Minister of Family Services and Housing who indicated that

Education Funding and Property Taxes

The proportion of education funding coming from property taxes remains the primary concern of AMM members. The AMM raised this issue with each Minister we met with this year, as well as various stakeholder.

The AMM believes that a new formula must be developed that would decrease property tax support for education while not diminishing the quality of education that Manitoba youth receive.

The AMM continues to urge the Province to adopt a logical, workable, sustainable plan for addressing this issue.

rural projects will now receive funding under the AHI. In addition, a fund now exists to provide financial assistance to potential applicants in completing the funding proposals.

Extended Scope of Retail Sales Tax

In the 2004 Provincial Budget speech, the Minister of Finance announced that retail sales tax would be extended to include legal, accounting, architectural, engineering, security and private investigation services. The AMM was disappointed to learn that sales tax would apply to Manitoba's municipal governments and expressed strong opposition to this extension.

Survey Monument Program

Since this program was first established in 1998, demand for the fund has increased substantially, and has now exceeded the fund maximum. The AMM believes the survey outline monument restoration program is a worthwhile initiative and noted that almost all Manitoba municipalities have benefited from the fund since 1998. Therefore, the AMM urged the Province to consider increasing the fund maximum of \$150,000 to reflect the increased demand.

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Physician Training, Recruitment and Retention

The availability of family physicians in Manitoba communities is a long-standing concern for AMM members. At the 2003 AMM Convention, members passed a resolution concerning physician training in Manitoba that argues the non-availability of physicians in many rural areas has reached crisis proportions.

The issue of physician shortages relates to the limited space available at Manitoba Universities for physician training. The AMM acknowledged the efforts of the Provincial Government to increase space for Manitoba students, but also argued that space should be ensured specifically for rural students, as rural students are more likely to return to work in rural areas. The AMM also believes it is very important to recruit students that have an interest in practicing family medicine, so there would be a greater supply of physicians available to practice in communities throughout the Province. The AMM also encouraged the Province to reconsider the requirement for physicians trained out of country to write competency tests, so that Manitoba is competitive with Saskatchewan and the United States, where these tests are not required. The AMM acknowledged the efforts the Province has made to recognize the importance of locally-trained physicians, but stressed there

is still much to be done to increase the supply of family physicians practicing in Manitoba communities.

West Nile virus (WNV) Program

The primary concern of Manitoba municipalities in relation to WNV is the matter of financial compensation to offset the costs associated with taking measures to deal with health-related emergencies. Currently, the Province requires municipalities to bear 25 per cent of the cost of insect control measures, even though WNV is clearly a provincial health issue. AMM members believe that the associated costs should be borne by the Province. The AMM also strongly suggested that the Province consult and communicate with municipalities when the risk of WNV is increasing, by warning municipalities *in advance* of the occurrence and number of infected birds at the start of the mosquito season, and of any public health orders to fog communities.

The Planning Amendment Act

The AMM reviewed the proposed amendments to The Planning Act and effectively communicated the priorities of Manitoba's municipal governments during the development of this legislation. The AMM also communicated a number of

The Planning Amendment Act

In July 2002, the Provincial Government outlined its comprehensive plan for livestock planning in Manitoba. The AMM was invited, along with other key stakeholders, to provide detailed feedback to help develop legislation that would be appropriate for all affected groups, and this discussion continued over a two-year period. The AMM believes this process was very productive and provided an avenue for municipal interests to be expressed to the Provincial Government.

Bill 40, The Planning Amendment Act, ensures that land use decision-making will remain at the local level while placing the monitoring and enforcement of environmental issues with the Provincial Government. These proposed changes pertain directly to several AMM resolutions dealing with the intensive livestock issue, and the AMM believes municipalities will now be able to build their livestock operations policy into their development plan – providing clarity and consistency for the municipality and its citizens.

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important municipal concerns with the proposed legislation. At the Cabinet Meeting, the AMM urged the Province to provide financial and technical assistance to municipalities for development plans and mapping, as this will go a long way to securing municipal support for the process. The AMM also encouraged the Province to devote the necessary resources and staff to enforce and monitor the environmental issues surrounding livestock operations, in order to support fully the legislation.

Funding for Infrastructure

Infrastructure was re-affirmed as one of the top priorities for the AMM at the 2004 Strategic Planning Session. The AMM welcomed the ongoing commitment by both the Provincial and Federal Governments to fund the Canada-Manitoba Infrastructure Program, and was pleased to see the announcement of the Municipal Rural Infrastructure Fund (MRIF). However, a tremendous gap still exists between infrastructure needs and funding available. The AMM urged the Province to continue to match funding for infrastructure in Manitoba, and further urged them to press the Federal Government to both extend the length of the National Infrastructure Program and to devote greater funds to infrastructure initiatives in Manitoba.

Policing

The escalating cost of police service continues to be a primary concern for many municipalities. Many AMM members are concerned that further cost increases will compromise their ability to provide effective police service to their communities. Manitoba municipalities believe that there must be measures

A New Deal for Municipalities

The AMM raised this issue with each Minister we met with this year, as well as various stakeholders. The AMM believes there are important ramifications for *all* Municipal 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.



President Brieze speaks at a Canada-Manitoba Infrastructure Program announcement.

implemented to offset the rapid increase in municipal police costs. The Federation of Canadian Municipalities (FCM) is currently examining many of the same issues at the national level, therefore the AMM believes that now is an appropriate time to evaluate police service and cost in Manitoba. We encouraged strong cooperation and collaboration between Federal, Provincial and Municipal Governments, as all have a stake in addressing policing challenges in Manitoba.

By-law Enforcement

In Manitoba, the current by-law enforcement system uses criminal courts, even though by-laws do not deal with criminal matters. Many AMM members argue that the present system is therefore needlessly expensive, time-consuming and difficult to enforce, and adds work to an already over-burdened Court system. The AMM believes that a better system of municipal by-law enforcement is possible, and encouraged the Province to continue to work with municipalities in order to develop a more administrative, effective and appropriate system for municipal by-law enforcement.

Provincial Water Bomber Policy

It had become standard practice for the Province to incur the costs associated with the use of water bombers. However, some municipalities receive bills for water bomber service from the Province, and the AMM believes that the decision to pass this expense on to municipalities is problematic. AMM's concern is not that the Province will not respond with water bombers when called upon, but that the decision to make such a call has now been complicated by financial considerations, creating a potentially dangerous situation. If the water bombers are being used in major fires that impact the province, the AMM argues that all Manitobans should contribute, not solely the jurisdiction where the fire occurred.

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Highways Capital Budget

The AMM expressed appreciation to the Province for increasing the Highways Capital Budget to \$130 million for 2004 and 2005. However, a deficit still exists in comparison to the actual amount required to address the deterioration of Manitoba's highways. Based on Provincial estimates, the amount needed to upgrade and standardize Manitoba's highways amounts to \$3.4 billion over the next ten years. More importantly, the current level of funding is insufficient to prevent further degradation of the highway system. A lack of highway maintenance has resulted in poor conditions that pose a safety risk to residents. To ensure safe and efficient transportation, the AMM urged the Province to increase the Highways Capital Budget.

Disaster Financial Assistance

Many of the disasters in Manitoba fall below the necessary financial threshold for federal assistance, and it is crucial that the Province provide adequate disaster assistance to municipalities in this situation. The AMM encouraged the Province to increase its rate of compensation to municipalities for expenses incurred in response to and recovery from disasters within its boundaries.

The AMM also raised the current agreement where municipal equipment used in an emergency is compensated at only sixteen per cent of the cost, and municipal labour is compensated only for overtime, while contracted labour and equipment costs are fully covered at 100 percent. The agreement essentially penalizes municipalities for doing their own work and saving money for the Province. The AMM requested the current rate of compensation for the use of municipal equipment and labour be increased to 65 per cent, to better reflect the true costs incurred by municipalities who use their own equipment and labour.

Community Hostings

Community hostings take place when weather conditions close highways and strand travelers. Many small communities do not have the resources to accommodate high numbers of stranded individuals, so members of the community willingly open their homes in times of need. The AMM actively participated in the development of the policy to reimburse municipalities who are put in the position of having to activate their emergency management plan in order to look after stranded individuals. For emergency management plans to be effective,



The AMM lobbies on issues voted on by our members.

it is critical that municipalities have assurance that the Province is a partner and will provide compensation for the costs incurred.

Other Issues

Other issues raised at the 2004 Cabinet Meeting included:

- Legal Costs for Treaty Land Entitlement Agreements
- Taxation on Permanent Park Residents
- Contaminated Sites
- One-Tier Social Assistance
- Community Youth Justice Initiative
- Workers Compensation Benefits for Part-time Firefighters
- Vision 20/20

The relationship that has developed between municipalities and the Government of Manitoba is the envy of many municipal associations and has quickly become a model for the rest of Canada. This meeting is one of the key elements that has resulted in this support. Municipalities are facing many challenges and the AMM appreciates the opportunity to meet with the Premier and Cabinet to discuss some of these priority issues.

The AMM had the opportunity in the fall of 2004 to raise Manitoba municipal concerns with the Manitoba Federal Liberal Party Caucus. The AMM focused its federal lobbying on two primary concerns: BSE and the Community Crisis, and a New Deal for Cities and Communities.

BSE and the Community Crisis

The AMM stressed that working to open the border must remain a priority. The AMM feels that three key elements must be implemented collectively to be effective.

The AMM feels that Canadian cattle producers need an immediate federal *cash advance* of \$250 per calf on the unsold 2004 calf crop. This advance would be interest free and would be repayable at the time the cattle were sold. If the border remains closed then the advance would be repayable over 5 years at a rate of \$50/year/calf.

The AMM noted that the cash advance needs to be coupled with an *increase in Canadian based slaughter capacity*, and recommended that the federal government funnel some of their venture capital funding into encouraging the establishment of additional value-added slaughter facilities in both western and eastern Canada.

On July 1 Statistics Canada released its livestock inventory numbers indicating that there are approximately 1 million more cattle in Canada than there were in July 2003, a 10% increase in Manitoba, the highest among the western provinces, which highlights the need for slaughter facilities in this province.

Finally, the AMM stressed that it is critical that the first two elements be coupled with a strategy to increase our access to domestic and international markets. This will result in a decreased dependence on the U.S. market, and the Canadian cattle industry would be less likely to be impacted as severely in the future as it was in 2003/2004 if the border were to close again.

A New Deal for Cities and Communities

The AMM stressed that Municipal governments are struggling. Their resources have not kept pace with their growing responsibilities, as other orders of government cut transfer payments and offload services.

Out of every tax dollar collected in Canada, only seven cents goes to

municipal governments. And, transfers to municipal governments from federal, provincial and territorial governments, as a percentage of municipal revenues, have been cut by 37 per cent over the last 10 years. At the same time, from 1999 to 2003, provincial/territorial revenues increased by 13 per cent, federal revenues by 12 per cent, and municipal revenues by only eight per cent.

"Out of every tax dollar collected in Canada, only seven cents goes to municipal governments."

There is a national consensus on the need to put Canadian cities and communities on a more sustainable footing, through the implementation of two core elements. First, the Government of Canada must realize that

municipal governments are essential partners in implementing the national agenda. The AMM urged the Government of Canada to develop *intergovernmental strategies* to build trust, partnership, cooperation and coordination on the fiscal front, including formalized pre-budget consultations with the municipal sector.

Secondly, a *revenue-sharing* agreement is needed to provide a new, net revenue source that is stable and predictable enough to address the large and growing infrastructure deficit faced by municipal governments. The AMM urged the Government of Canada to conclude an agreement with the provinces and territories to provide municipal governments, by the end of 2004, with a total of \$2.5 billion in fuel-tax revenue per year—equivalent to five cents per litre of the federal gasoline tax and two cents per litre of the federal diesel-fuel tax—to support investments in municipal infrastructure, primarily transportation and transit beginning in 2005. Other investments could include water and wastewater.

The AMM also urged the Federal Government to implement a fuel-tax escalator tied to GDP to ensure proportional growth with the economy; and undertake to explore sharing other taxes that grow with the economy.

LEGISLATION OVERVIEW

Each year, the AMM monitors proposed legislation introduced in the Manitoba Legislature. During this year's session, the AMM presented or submitted comments to legislative committees or ministers responsible for the following three bills:

Bill 14: Gas Tax Accountability Act

Last May, the AMM appeared before the Standing Committee on Legislative Affairs to present the AMM's views on Bill 14: *The Gas Tax Accountability Act*.

Bill 14 requires the Provincial Government to report on the revenue coming from fuel tax in Manitoba, but also to report on how these revenues are spent. The AMM supports this mechanism of accountability for fuel tax revenue and expenditures, as adequate transportation infrastructure is a priority issue for AMM members. The AMM did note that the \$2 billion in requests the Province receives each year for highways far exceeds the \$120 million that is allocated, illustrating the need for greater funding of transportation infrastructure in Manitoba.

The AMM stressed that any new monies coming as part of a new deal for municipalities must be distributed fairly across the province. The AMM also called for a transportation blueprint to ensure that monies spent on transportation infrastructure are used toward the most pressing priorities, and in the most efficient way possible.

The AMM believes that Bill 14: *The Gas Tax Accountability Act* is a good start and will help to address a portion of the municipal infrastructure backlog.

The Local Authorities Election Act

Last year, the Provincial Government reviewed the *Local Authorities Election Act*. The AMM was one of several stakeholders included on the Province's Consultation Committee, and provided much advice and feedback to the review process. The goal of the review was to develop new election processes and procedures that were enabling and flexible but respectful of democratic values. It was also important to ensure that local election laws continued to serve the interests of the public, but were easy to administer and interpret. The AMM had lobbied for a review of the Act for quite some time, and is pleased that a renewed *Local Authorities Election Act* will be ready in time for the 2006 general municipal elections.

Bill 8: The Employment and Income Assistance Amendment Act (One-Tier Assistance for Rural and Northern Manitoba)

Last February, the AMM made a presentation to the Legislative Standing Committee supporting Bill 8: *The Employment & Income Assistance Amendment Act*.

Negotiations began four years ago to create a single tier social assistance delivery system in Manitoba after a resolution was passed at the 1999 AMM Convention. The AMM is pleased that as a result of these negotiations the Province introduced Bill 8 in late November 2003. Based on a seven-year average, the legislation offers a cost-neutral agreement for municipalities and the Province, a major concern for both.

The AMM believes that appropriately trained staff is necessary to ensure a well-functioning system, that the new system will lead to a more consistent approach to social assistance and will enable the Province to respond to the varying needs of social assistance recipients.



President Briese, the Honourable Christine Melnick, the MMAA's Val Turner, and Tom Nevakshonoff (MLA for Interlake) at the June 1, 2004 launch of the One-Tier Social Assistance Program.

LOBBYING HIGHLIGHTS

As part of our yearly lobbying process, the AMM requests meetings with individual Cabinet ministers to bring forward important municipal issues pertaining to each provincial department. At each meeting, the AMM discusses areas of key concern involving municipalities and that Minister's departmental portfolio.

This year, the AMM raised two additional issues with every Minister. These issues were education funding and property taxes, and a New Deal for municipalities.

The following list outlines some of the concerns that the AMM highlighted during these meetings:

Aboriginal and Northern Affairs

- Legal Costs of Negotiating TLE Agreements
- Turning Back TLE Lands
- Milk Prices in Northern Manitoba
- Via Rail Service in Northern Manitoba

Advanced Education and Training

- Physician Training in Manitoba
- Water and Wastewater Operator Training

Agriculture, Food and Rural Initiatives

- Deadstock, Offal and Butcher Waste Disposal
- BSE
- Planning Amendment Act

Conservation

- Manitoba Product Stewardship Corporation and the New Efficiency Agency
- Household Hazardous Waste Program
- Manitoba Municipal Efficiency Program
- Beaver Control Program
- Livestock Disposal Sites

Culture, Heritage and Tourism

- Increases to Per Capita Operating Grants for Libraries
- Joining Established Regional Libraries
- Increased Funding for the Community Places Program
- New Travel Manitoba Agency

Education Citizenship and Youth

- Education Funding
- Changes to the Public School Act

Energy, Science and Technology

- Ethanol Program
- Bio-diesel Advisory Council
- Cellular Service Expansion
- Efficiency Manitoba
- Manitoba Municipal Efficiency Program

Family Services and Housing

- New Federal Funding for Housing
- Affordable Housing Initiative
- Seniors Housing in Rural Manitoba

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LOBBYING HIGHLIGHTS

Health

- Physician Recruitment, Retention and Training
- Community Capital Contributions to Health Projects
- Elections to Regional Health Authority Boards
- West Nile virus
- Inter-facility Patient Transfers
- Funding for Regional Palliative Care

Healthy Living and Seniors

- Funding for Seniors Independent Living
- Life-lease Condominiums
- Seniors Housing
- West Nile virus

Industry, Economic Development and Mines

- Mining Issues and Exploration
- Disaster Financial Assistance
- Disaster Assistance for Community Hostings
- Provincial Water Bomber Policy
- EMO Certification of Municipalities

Intergovernmental Affairs and Trade

- Infrastructure
- Manitoba Municipal Efficiency Program
- Neighbourhoods Alive! Program
- Capital Region Report
- Bill 40: The Planning Amendment Act
- BSE and Deadstock Disposal
- Water Bomber Policy and Community Hostings
- Impact on Municipalities of the Expansion of the Retail Sales Tax
- Survey Monument Program
- REDI Grants

Justice

- Municipal By-Law Enforcement
- Policing
- The Youth Justice Act
- Reimbursement for Responding to Motor Vehicle Accidents



The AMM met with Premier Doer to discuss the BSE issue.

Labour and Immigration

- Provincial Water Bomber Policy
- Traffic Control at Accident Scenes
- Workers Compensation Board Benefits for Volunteer

Firefighters

- Equal Workers Compensation for Volunteer Firefighters

Transportation and Government Services

- Highways Capital and Maintenance Budget
- Vision 20/20
- Provincial Gas Tax Legislation and Federal Fuel Tax
- SHIP Update and the Twinning of the Trans-Canada Highway
- Prairie Grain Roads Program

Water Stewardship

- Manitoba Water Strategy
- Drainage
- Lake Winnipeg Nutrient Levels and Municipalities
- Water and Wastewater Operators Regulation
- Drinking Water Safety Act

The position papers developed for each meeting are available on the AMM website at:

www.amm.mb.ca/provministermeeting.htm