



ASSOCIATION OF MANITOBA MUNICIPALITIES

MEETING WITH

Honourable Dave Chomiak
Minister of Innovation, Energy and Mines

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Table of Contents

Executive Summary.....	3
Departmental Issues	7
1. Biodiesel and Ethanol Initiatives	7
2. Wind Power Initiatives	8
3. Mining Issues in Northern Manitoba.....	10
4. Support for Resource Based Communities.....	11
General Issue.....	12
The Core Challenges for Municipalities.....	12
Municipal Infrastructure Deficit	13
Ever Increasing Responsibilities	15
Alternate Revenues.....	16
Appendix A – Active Resolutions.....	20

Executive Summary

Departmental Issues

1. Biodiesel and Ethanol Initiatives

- Biofuels represent an important opportunity for communities to participate in the growing alternative energy industry, while gaining significant economic development benefits.
- The expansion of the Minnedosa ethanol plant is significant, however it will not supply the ethanol needed to meet the ten per cent requirement the Province has mandated in *The Biofuels Act*.
- The Province must invest in incentives and financial assistance that make it attractive for municipalities to pursue new ethanol production facilities.
- *Bill 17: The Biofuels Amendment Act* will help provide targeted funding since it creates a fund to support ethanol and biodiesel production in Manitoba with dedicated funding from a portion of the provincial tax revenue collected under *The Motive Fuels Act*.
- Communities can also assist in promoting the production and usage of biodiesel by leveraging the Province's commitment to expand this industry.
- Since biodiesel production and usage is now underway in Manitoba, it is important for the Provincial mandate to be articulated in a timely manner in order to provide a framework to further stimulate biodiesel production.

Therefore, the AMM urges the Provincial Government to fully support the development of ethanol and biodiesel production facilities in Manitoba communities.

2. Wind Power Initiatives

- As the St. Leon and St. Joseph projects demonstrate, wind energy stimulates regional economies throughout the construction process by creating jobs for local tradespeople as well as additional demand for the purchase and rental of equipment and materials.

- The Province should consider the growing spinoff industries and provide incentives for increasing the economic impact of Manitoba's wind energy projects.
- A further means of supporting wind power development in Manitoba is to develop a standard offer contract for community wind projects.
- Other provinces are beginning to implement standard offer contracts and useful precedents are available for application to the Manitoba context.

Therefore, the AMM urges the Provincial Government to provide incentives to increase Manitoba's wind generation potential and spinoff industries and develop a standard offer contract for community wind projects.

3. Mining Issues in Northern Manitoba

- The Provincial interest in promoting mining industry investment must also consider the need to assist communities that suddenly lose this critical industry.
- The Mining Community Reserve Fund is a critical program since market forces can quickly halt the growth of local prosperity once associated with productive mines.
- However, as illustrated in a resolution passed at the 2008 AMM Convention, municipalities are concerned that the Fund is increasingly being used to fund exploration activity.

Therefore, the AMM urges the Province to ensure that adequate supports are available for single-industry communities and that existing programs serve their intended purposes.

4. Support for Resource Based Communities (City of Thompson)

- Resource-based industries provide jobs to a significant number of rural and northern Manitobans, contributing significantly to the overall health of these communities.

- It was therefore a very serious concern when in November of last year, Vale proposed the shutdown of smelter and refinery operations in Thompson by 2015, which would result in the loss of up to 650 jobs.
- Both the AMM and the City of Thompson strongly oppose the proposed closure and appreciate the Province's commitment to work with stakeholders to find alternative solutions.
- It is extremely important that the Province continues to support resource based communities to prevent job losses and associated negative economic consequences.

Therefore, the AMM urges the Provincial Government to continue working with stakeholders to support and protect resource based industries and jobs in rural and northern Manitoba.

General Issue

The Core Challenges for Municipalities

- Municipal government plays a greater role in the lives of Canadians than any other time in history and the new realities facing municipalities have serious repercussions as they diligently try to balance growing responsibilities with stagnant revenues.
- The core challenges facing municipalities have become overwhelming, and the lead up to this year's provincial election provides an opportunity for all political parties, candidates and citizens to engage in a thoughtful discussion about how these challenges should be addressed.
- Municipal infrastructure is the very foundation of a community, yet its current state leaves communities with little hope for prosperity. Nationally the municipal infrastructure deficit is in excess of \$123 billion and provincially it is estimated at over \$11 billion, or a staggering \$10,000 per Manitoban.
- As well, municipal responsibilities continue to grow, either through the intentional or unintentional offloading of responsibilities or new unfunded mandates being forced on municipalities.
- Because of these challenges municipalities must have access to new sources of

revenues. Options include the Province collecting a one cent municipal tax to be allocated to municipalities for infrastructure, a rebate of the Provincial Sales Tax paid by municipalities, or an increase to existing revenue sources such as VLTs.

- Manitoba municipalities are more reliant on provincial and federal grants than any other province in Canada and while in some cases these types of programs are necessary it leaves municipalities having to compete against each other for limited dollars and restricts a municipality's ability to properly plan for much needed investment.
- For municipal government to be sustainable into the future, and for Manitobans to have access to the quality of life they deserve, municipalities need to have access to sustainable growth revenues. This is the only way municipalities will be able to even begin to address the core challenges they face.
- The AMM is therefore asking every political party to make municipal funding a top priority for this year's provincial election. Now is the time for each party to lay out its vision for the future of municipal government in Manitoba and how these core challenges can be addressed. The health of our communities is at stake.

Therefore, the AMM would like to see a commitment from each political party to:

- 1. Make a greater investment in municipal infrastructure**
- 2. End the downloading of responsibilities to municipalities and require that any new mandates come with new funding**
- 3. Provide new growth revenues to municipalities**

Departmental Issues

1. Biodiesel and Ethanol Initiatives

Demand for alternative energy is increasing as a means of reducing the reliance on fossil fuels. Therefore, biofuels represent an important opportunity for communities to participate in the growing alternative energy industry, while gaining significant economic development benefits. The new Provincial strategy to expand the bio-products industry, including a \$20 million investment over the next decade, will play an important role in supporting innovation, research, market development, and the creation of skilled, green jobs. The AMM appreciates the Province's commitment to the industry, and to the development of biodiesel and ethanol facilities. A continued investment in these renewable energy resources is required to ensure that Manitoba is prepared to meet increasing local demand for biofuels.

In particular, the expansion of Husky's ethanol plant in Minnedosa increased Manitoba's ethanol production from 10 million to 130 million litres per year. The investment in this facility has benefitted the area through its contribution to regional economic development and increased employment opportunities. While the expansion of the Minnedosa plant is significant, it will not supply the ethanol needed to meet the ten per cent requirement the Province has mandated in *The Biofuels Act*. As a result, there are further opportunities available for additional ethanol production through the construction of new facilities in other parts of Manitoba.

Therefore, the Province must invest in incentives and financial assistance that make it attractive for municipalities and developers to pursue new ethanol production facilities. A substantial investment is required due to the large scale of ethanol production operations and municipalities do not have the resources to initiate construction. The Province should also develop an education campaign targeted at agricultural producers in order to increase the supply of feed grains, corn, straw and other raw materials needed to produce more ethanol. There are other areas of Manitoba with the potential to supply these raw materials; however a coordinated local effort is required for the expansion of ethanol that includes the support of Provincial investment.

The AMM was pleased to see the commitment in *Bill 17: The Biofuels Amendment Act* to establish a fund to support ethanol and biodiesel production in Manitoba with dedicated funding from a portion of the provincial tax revenue collected under *The Motive Fuels Act*. It is critical that greater investment be targeted to this area as there is real potential for Manitoba.

Communities can also assist in promoting the production and usage of biodiesel by leveraging the Province's commitment to expand this industry. Such coordinated action is critical since communities of all sizes can pursue biodiesel production due to the capability of operating effectively on a small scale. A variety of communities are eager to pursue biodiesel production facilities and additional incentives to heighten the appeal of this economic development endeavour are appreciated.

Manitoba municipalities are well-positioned to participate in the growing biofuels market. The environmental importance of renewable energies such as ethanol and biodiesel necessitates expansion of these markets at the local level. At the same time, the Province has an important role in stimulating ethanol and biodiesel production through incentives for producers and end-users.

Therefore, the AMM urges the Provincial Government to fully support the development of ethanol and biodiesel production facilities in Manitoba communities.

2. Wind Power Initiatives

Municipalities are eager to support the growing clean energy industry by investing in wind energy production. The St. Leon wind farm has already generated substantial local benefits and the development of the new St. Joseph site has further stimulated interest in the generation of wind energy. For this reason, the AMM is pleased with the Provincial Government's commitment to increase wind generation capacity in Manitoba as there will be no shortage of communities willing to participate.

As St. Leon and now St. Joseph demonstrate, wind energy stimulates regional economies throughout the construction process by creating jobs for local tradespeople

as well as additional demand for the purchase and rental of equipment and materials. In St. Leon landowners gained a significant source of annual revenue, as \$9 million will be paid to approximately 50 landowners over a 25 year period. The St. Joseph wind farm will also create a major boom for that area and will provide landowners with an estimated \$38 million and local municipalities with \$44 million in taxes over the life of the project, in addition to providing clean energy to 50,000 homes when it is complete.

The operation and maintenance of wind turbines is a further job creation outcome associated with wind energy expansion. The electrical components of wind turbines require ongoing maintenance which creates local employment opportunities. Training to support these positions would therefore augment local involvement in the industry. In addition, as more Manitobans gain knowledge related to turbine components, additional opportunities will develop for local component manufacturing. Turbine components are now shipped to Canada from Europe, whereas investing in a knowledgeable local workforce would support future efforts for Manitobans to enter the component production market. With the development at St. Joseph and the Province's commitment to add 1000 megawatts of wind generation capacity by 2015 there will soon be even more demand for complementary industries and services. The Province should therefore consider these spinoff industries and provide incentives for increasing the economic impact of Manitoba's wind energy projects.

A further means of supporting wind power development in Manitoba is to develop a standard offer contract for community wind projects. The Province had previously committed to developing 50 megawatts of community wind projects to support Manitoba's rural economy and smaller communities are very interested in pursuing such projects. A standard offer contract promotes project development by guaranteeing the purchase of power for a standard price, over a set time frame. This ensures a much safer long-term investment for stakeholders, while supporting the use of renewable energy on a smaller scale. Other provinces are beginning to implement standard offer contracts therefore useful precedents are available for application to the Manitoba context. The AMM appreciates the Province's commitment to release a

community wind policy as well as a wind atlas to aid future development, and looks forward to the inclusion of features such as a standard offer contract.

Therefore, the AMM urges the Provincial Government to provide incentives to increase Manitoba's wind generation potential and spinoff industries and develop a standard offer contract for community wind projects.

3. Mining Issues in Northern Manitoba

Many northern communities rely on resource-based industries such as mining or forestry as the main source of employment and primary stimulus for the local economy. These industries attract major investment and provide spinoff benefits throughout the province. However, the mining industry has a very cyclic nature that depends on the market for minerals and booming communities can quickly turn to struggling communities with high unemployment rates. The Provincial interest in promoting mining industry investment must also consider the need to assist communities that suddenly lose this critical industry.

For this reason, mining communities appreciate the Province's support for mineral exploration and mining with its three year extension to the Mineral Exploration Assistance Program with a total investment of \$4.5 million. If exploration efforts are continually pursued there will be jobs available on an ongoing basis and potential to develop further mining activity that will certainly benefit communities. As well, the Provincial and Federal investment in the Northern Manitoba Mining Academy in Flin Flon will provide local residents with access to training for high-paying, skilled and sustainable local job opportunities. As well, communities are pleased that the Province maintains the Mining Community Reserve Fund to assist in managing the repercussions of suspension or abandonment of mining activity. This is a critical program since market forces can quickly halt the growth of local prosperity once associated with productive mines. However, as illustrated in a resolution passed at the 2008 AMM Convention, municipalities are concerned that the Fund is increasingly being used to fund exploration activity.

While establishing new mines is beneficial, there are shorter-term consequences of mine closure and suspension that must also be addressed. For instance, in the summer of 2008, the Town of Snow Lake was expecting a three-fold increase in population until the declining price of zinc caused the abrupt suspension of the Chisel North Mine. More recently, Thompson is facing the possibility of significant job losses after an announcement by Vale in 2010 that it intends to close its smelter and refinery operations by 2015. Dealing with such a turnaround is difficult for communities and requires assistance from the Province in managing unemployment and the impacts on local businesses. Municipalities are doing their part as many have developed sustainability plans for future development and are planning as best as possible for the future. However since these events are not necessarily predictable, the Mining Community Reserve Fund must be maintained exclusively to respond to these circumstances in order to support economic stability in the affected community.

Therefore, the AMM urges the Province to ensure that adequate supports are available for single-industry communities and that existing programs serve their intended purposes.

4. Support for Resource Based Communities

Resource-based industries provide jobs to a significant number of rural and northern Manitobans, contributing significantly to the overall health of these communities. They also generate significant revenues which contribute to economic prosperity throughout the Province. It was therefore a very serious concern when in November of last year, Vale proposed the shutdown of smelter and refinery operations in Thompson by 2015.

The proposed shutdown would result in the loss of up to 650 jobs and would have a major impact on both the community of Thompson and the province. Both the AMM and the City of Thompson strongly oppose the proposed closure and appreciate the Province's support. After Vale's announcement the Province promptly committed to work with stakeholders to find alternative solutions that provide a long-term, net benefit. It is extremely important that the Province remain committed to resource based communities to prevent job losses and associated negative economic consequences.

Therefore, the AMM urges the Provincial Government to continue working with stakeholders to support and protect resource based industries and jobs in rural and northern Manitoba..

General Issue

The Core Challenges for Municipalities

Today's municipal government plays a greater role in the lives of Canadians than any other time in history. Municipalities no longer simply plow the streets and pick up the garbage. Certainly today's municipal corporation still cleans the streets and collects garbage (and recyclables), but it also is sustainably managing growth through everything from state of the art transit systems to environmentally conscious land use and water planning. The pioneers of municipal government would be astonished to see today's council agenda where elected officials are doing everything from recruiting doctors from around the world to providing funding for daycares.

These new realities are having serious repercussions for municipalities as they diligently try to balance growing responsibilities with stagnant revenues. Every day municipalities are facing new demands from both citizens and other orders of government and must try to balance these with existing priorities and scarce revenues that remain overly reliant on the ebb and flow of grant programs. The current challenges facing municipalities are overwhelming and there must be a greater effort to address these if we want to see strong vibrant communities throughout our province.

While municipal concerns cut across every provincial department, there are two core issues that are most pressing for municipalities today - the ballooning municipal infrastructure deficit and the growing mandate of municipal government, either through intentional and unintentional offloading of responsibilities from other orders of government and unfunded mandates. These two challenges are crippling municipal government and keeping Manitoba communities behind.

The lead up to this year's provincial election provides an opportunity for all political parties, candidates and citizens to engage in a thoughtful discussion about how these core challenges should be addressed.

Municipal Infrastructure Deficit

It is no secret that municipalities are facing nearly insurmountable infrastructure challenges. We only need to take a look around our communities to see the deteriorating state of our infrastructure. Roads that are nearly impassable due to potholes and heaving, drafty libraries with crippling heating bills, recreation complexes with leaking roofs and water and sewer treatment plants that are running beyond capacity. These are the very foundation of a community, yet their current state leaves communities with little hope for prosperity. For Manitoba communities to thrive in the future these swelling infrastructure challenges must be addressed.

In Canada the municipal infrastructure deficit was estimated in 2007 to be in excess of \$123 billion for current needs. Most alarming is how quickly the deficit has been compounding, as it has doubled over the previous 5 years. Equally alarming, the \$123 billion is only for the upgrade and repair of current municipal infrastructure, with another \$115 billion required for new infrastructure.¹

These national trends hold true for Manitoba as well. The City of Winnipeg has recently calculated its infrastructure deficit at \$3.8 billion for existing infrastructure and \$3.6 billion for new strategic infrastructure.² Historically the municipal infrastructure deficit outside of Winnipeg has been double that within Winnipeg so it is fair to extrapolate that the deficit outside Winnipeg for existing infrastructure is over \$7.5 billion, putting the total municipal deficit for existing infrastructure in Manitoba in excess of \$11 billion, or a staggering \$10,000 per Manitoban. It is certainly an insurmountable amount for municipalities to tackle on their own since the total municipal taxes levied in 2008 were just over \$760,000,000.³

¹ Mirza, Saeed, "Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure", November 2007 (available at www.fcm.ca)

² City of Winnipeg Administrative Report, "Infrastructure and Possible Funding Options" Tabled at July 22nd, 2009 Council Meeting (available at www.winnipeg.ca)

³ Province of Manitoba, "Statistical Information 2008 – Municipalities of the Province of Manitoba", P.17

There is no doubt the current infrastructure deficit is crippling Manitoba's economy. Adequate infrastructure is an obvious prerequisite for economic development and unfortunately it is greatly lacking in many communities. FCM has investigated this principle in depth and found that an increase in municipal infrastructure spending of \$1 billion in 2008 (at nominal process and allocated to a representative mix of infrastructure) would increase the size of the real economy by roughly 0.13 percent or \$1.3 billion in nominal terms. While this would erode slightly over time with consistent investment, over a four-year period it would still result in meaningful gains to the economy, dropping to a 0.6 percent increase in the final year. The resulting investment would be felt in the employment sector as well, since a great number of industries would benefit. A \$1 billion investment in 2008 would add 11,500 new jobs, which would be felt in industries from labour and material suppliers through to architects and engineers.⁴

Providing adequate infrastructure has both direct and indirect benefits for private-sector manufacturing. Infrastructure is an intermediate input into the production process, with businesses locating where there is access to water, hydro and transportation. New roads reduce fuel costs and haul times. Access to high quality (and adequate) water reduces input costs. There is also evidence that increased investments in public infrastructure allow private companies to use labour inputs more intensively, translating into more jobs.⁵

While the numbers are staggering, of far greater concern is the very real impact this infrastructure deficit is having on the people who live in Manitoba. Manitobans are experiencing longer commutes to work either because of impassable roads or slower speeds. We are also spending more time traveling to neighbouring communities to access recreation opportunities. Many have seen the outmigration of neighbours and friends who tire of dealing with these daily challenges.

⁴ Sonnen, Carl, "Municipal Infrastructure- Macroeconomic impacts of spending and level-of-government financing" May 31, 2008 (available at www.fcm.ca)

⁵ Brox, James A. "Infrastructure Investment: The Foundation of Canadian Competitiveness - IRPP Policy Matters 2008" August, 2008 (available at www.irpp.org)

Municipal councils want to create vibrant, welcoming communities, but this is nearly impossible with the state of infrastructure today. For example, there remain 167 boil water advisories in Manitoba, many in Manitoba municipalities.⁶ This means today, thousands of Manitobans do not have access to safe drinking water when they turn on the tap. It is unreasonable to think these communities can realistically compete with the rest of Manitoba and Canada if they do not have this essential infrastructure.

Ever Increasing Responsibilities

A second core challenge for municipalities is ever increasing responsibilities. Municipalities are continually being asked to do more and more, either through the intentional or unintentional offloading of responsibilities from other orders of government or through new unfunded mandates being forced on municipalities by the provincial and federal government. These new responsibilities do not come with new revenue sources and result in municipal budgets being stretched thinner and thinner. The sad reality is that as municipalities are being forced to take on more, the core municipal responsibilities suffer.

Municipal officials believe in their community. This is where they live, where they raise their families, where they work and for many where they were born. They care greatly about their community and when they see a need they will do everything they can to address it. Many times municipal officials are their own worst enemy, as they step in and act where other orders of government have abdicated their responsibilities. Municipalities step up and do repairs on provincial roads, they recruit physicians from all corners of the world, and they help fund community health facilities. In some cases municipalities are just filling gaps in service unintentionally left by other orders of government and other times municipalities are stepping in because the provincial and federal governments have made it clear their community will not get the service or investment unless they do.

Compounding this is the growing trend of unfunded mandates being heaped on municipalities by the provincial and federal governments. Too often new rules are implemented without adequate thought to how they can possibly be implemented.

⁶ Province of Manitoba “Provincial Boil Water Advisories” – October 19th, 2010

These unilateral decisions leave municipalities in the untenable position of either sacrificing core programs and services or being in non-compliance of provincial rules. Unfortunately we are hearing more and more from municipalities that they are being forced to opt for the latter.

Municipalities cannot keep pace with the rapid increase in the offloading of responsibilities and unfunded mandates. These challenges are pushing municipalities further and further behind.

Alternate Revenues

Now more than ever municipalities need new tools to deal with new responsibilities and new expectations. Currently Manitoba municipalities are more reliant on provincial and federal grants than any other province in Canada⁷. While in some cases these types of programs are necessary (for example large-scale infrastructure projects), it leaves municipalities having to compete against each other for limited dollars and restricts a municipality's ability to properly plan for much needed investment. The amount allocated to grant programs like the recent Municipal Rural Infrastructure Fund or community infrastructure funding under the Building Canada Fund is nowhere near the total demand, meaning there is no guarantee much-needed projects will ever receive funding.

Over-reliance on grants and transfers leave municipalities without the tools required to meet demands. Many municipal issues, when stripped down to their core, are really issues of access to revenue. For example, the need to remove education tax from property is really a municipal revenue issue, as municipalities see education tax as eroding the property tax base, which is the single greatest source of municipal revenue. Over the last number of years we have seen more and more municipalities speaking out on the need for greater municipal revenue sources.

It is important that the federal and provincial government contributions to municipalities are not forgotten. Federally, municipalities have benefited from a GST rebate, the sharing of the federal gas tax and the Building Canada Fund as well as

⁷ Slack, Kitchen, McMillan, Vaillancourt, "Roles, Responsibilities, Resources and Relationships – Report to the Provincial and Territorial Municipal Associations" June 15th, 2007.

Stimulus Funding. Provincially, municipalities have benefited from the sharing of provincial income tax, the Building Manitoba Fund, and supports in several other areas. We also appreciate the Province stepping up with their one-third share of recent federal programs. The message the AMM is hoping to convey is not that either order of government has completely forgotten about municipalities, but rather that despite these efforts municipalities still face enormous challenges and more is needed.

Municipalities must have access to new revenue sources. A greater reliance on property taxes and provincial and federal grants has created an ever-widening chasm between municipal revenues and needs, leaving future generations with what is quickly becoming an insurmountable infrastructure deficit. Municipalities are struggling to deliver core services as their budgets begin to crack under increased demands.

The reality is the property taxation system cannot meet the new demands facing municipalities. Municipalities have been increasing taxes to try to meet these demands however they are falling further and further behind. Over the last 10 years municipalities outside the City of Winnipeg have increased their own taxes levied by over 4 percent a year on average. In 2009 only 13 municipalities outside Winnipeg decreased taxes, while 183 increased taxes, 22 municipalities by over 10 percent. Every year municipalities are going to citizens in their communities and asking them for more and more, yet the infrastructure deficit and budgetary demands continue to rise.

A new approach is needed, and for this reason we are advocating for a one-cent municipal tax to be allocated to municipalities for infrastructure and split equally among municipalities on a per capita basis. This will provide municipalities with in excess of \$200 million a year. For a community of 1,000 people, this means roughly an investment of \$185,000 in their local infrastructure, or \$370,000 for a community of 2,000 people. A community such as Thompson could see close to \$2.5 million, while Winnipeg would expect to see over \$117 million. Although this funding alone will not erase the infrastructure deficit in Manitoba, it is a positive first step.

While the AMM is not necessarily asking for a new tax, there is support among Manitobans for a new tax dedicated to municipal infrastructure. Polling done by AMM

in 2008 found that 94 percent of Manitobans see infrastructure as a high priority, including a 94 percent positive response rate in Winnipeg. The poll also found that 55 percent of Manitobans think that municipalities do not have the revenue sources needed to cover infrastructure costs alone, including 50 percent in Winnipeg. Most interestingly, the poll found that 54 percent of Manitobans, including 51 percent of Winnipeggers, support an additional one percent municipal tax dedicated to infrastructure renewal projects⁸. As the infrastructure deficit continues to grow, support for this will only increase.

The AMM is also asking for other revenue sources for municipalities, such as a rebate of the Provincial Sales Tax as well as increases to existing sources such as VLT revenues. We would also ask that any new mandates for municipalities be accompanied by corresponding financial support.

The sad reality is that while the Province of Manitoba has been a leader in some municipal areas, it has not been enough. We have the opportunity to visit every municipality in Manitoba within the four year election cycle and it is clear our communities are struggling and we are falling behind.

We understand that providing additional revenues to municipalities may become more difficult as the economy continues to fluctuate. While economic projections can never be taken as absolute fact, they are often a prophetic divining rod on economic times. However what should not be lost is the positive impact infrastructure investment would have for the provincial and national economy. Furthermore, delaying investment in these critical infrastructure projects will have serious long-term consequences for Manitoba's economy.

Municipalities are not looking for new revenue sources to store money away for a rainy day. The storm has arrived. With a national municipal infrastructure deficit in excess of \$123 billion, and Manitoba's share in excess of \$11 billion, there is no shortage of work to be done. If municipalities are left to deal with this ballooning deficit alone armed only with property taxes and grants, it will continue to grow exponentially.

⁸ Probe Research "Public Attitudes on Infrastructure Renewal Funding in Manitoba" September, 2008.

Alternatively, providing municipalities with new revenue sources will not only begin to address this growing deficit, but will help build and strengthen our economy.

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

The AMM is therefore asking every political party to make municipal funding a top priority for this year's provincial election. Now is the time for each party to lay out its vision for the future of municipal government in Manitoba and how these core challenges can be addressed. The health of our communities is at stake.

Therefore, the AMM would like to see a commitment from each political party to:

- 1. Make a greater investment in municipal infrastructure**
- 2. End the downloading of responsibilities to municipalities and require that any new mandates come with new funding**
- 3. Provide new growth revenues to municipalities**

Appendix A – Active Resolutions

AMM Resolution Number 42 – 2010

Topic: Support for Resource Based Communities

Sponsor: City of Thompson (Northern District)

Department: Manitoba Innovation, Energy and Mines

WHEREAS Vale Canada announced on November 17, 2010 the decommissioning of the Thompson smelting and refining operations in 2015, with an anticipated job loss of 650 people;

AND WHEREAS resource based industry and employment contribute to the economic strength of the Province of Manitoba and Canada, and generate significant revenue on an annual basis;

AND WHEREAS the reduction of resource based industry and employment in rural and northern Manitoba will have a negative ripple effect and consequence for all communities in Manitoba;

AND WHEREAS multiple stakeholders have come together to seek solutions and meet with senior levels of government to address the situation;

THEREFORE BE IT RESOLVED THAT the Association of Manitoba Municipalities lobby the provincial and federal governments to support and protect resource based industries and jobs in rural and northern Manitoba.

AMM Resolution Number 67 - 2008

Topic: Mining Community Reserve Fund

Sponsor: Town of Lynn Lake (Northern District)

Department: Manitoba Innovation, Energy and Mines

WHEREAS the original intent for the establishment of the Mining Community Reserve Fund was for the welfare and employment of persons residing in a mining community which may be adversely affected by the total or partial suspension, or the closing down, of mining operations attributable to the depletion of ore deposits;

AND WHEREAS the Mining Community Reserve Fund is being increasingly used to fund mining exploration;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to ensure the Mining Community Reserve Fund is used for its originally intended purpose;

AND BE IT FURTHER RESOLVED THAT the AMM lobby the Province of Manitoba to establish a new fund to provide support for mining exploration.

AMM Resolution Number 65 - 2008

Topic: Standard Offer Contract

Sponsor: RM of Minto, RM of Odanah (Midwestern District)

Department: Manitoba Innovation, Energy and Mines

WHEREAS the Province of Manitoba has stated that its mandate is to develop 50 mega watts of community wind projects to help boost the rural economies of Manitoba, as well as Manitoba First Nations;

AND WHEREAS other groups have been trying to glean renewable energy from solar and bio-mass projects;

AND WHEREAS in Manitoba hydro-electric power is reasonably cheap to produce compared to these other energy forms;

AND WHEREAS if the Province of Manitoba wishes to engage the population in green alternatives, then it must be viable to do so;

AND WHEREAS a Standard Offer Contract (SOC) can assist in increasing the benefits of these new energy sources around the province and to First Nations;

AND WHEREAS other provincial jurisdictions already have SOCs in place, or are in the process of finalizing them;

AND WHEREAS there is an unprecedented interest in alternative energy resources in this province, especially in the areas of wind, solar and bio-mass;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba and Manitoba Hydro to come to an agreement on a Standard Offer Contract for alternative energy projects under 10 mega watts.

AMM Resolution Number 64 - 2008

Topic: Elton Energy Cooperative Model

Sponsor: RM of Elton (Western District)

Department: Manitoba Innovation, Energy and Mines

WHEREAS Elton Energy Cooperative (EEC) has developed a model for 100% community owned renewable energy projects

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba and Manitoba Hydro to develop the EEC Community Investment Model for the benefit of all Manitobans.

AMM Resolution Number 72 - 2005

Topic: Improved Cell Phone Coverage

Sponsor: City of Thompson, RM of Riverside

Department: Manitoba Innovation, Energy and Mines

WHEREAS communities in Manitoba do not have adequate cell phone coverage;

AND WHEREAS the distances without such coverage are huge and include long stretches of highway;

AND WHEREAS there is a question of safety and security that must be addressed;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Provincial Government and Manitoba Telecom Services, or other communication providers, to provide for improved cell phone coverage in Manitoba.

AMM Resolution Number 53 - 2002

Topic: Ethanol Program

Sponsor: RM of Brokenhead (Eastern District)

Department: Manitoba Innovation, Energy and Mines

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.