



ASSOCIATION OF MANITOBA MUNICIPALITIES

## BUDGET SUBMISSION

Honourable Rosann Wowchuk  
Minister of Finance

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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. Sure 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 operating funding for daycares. These new realities are having serious repercussions for municipalities as they diligently try to balance growing responsibilities with stagnant revenues. Everyday 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.

## The Core Challenges

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.

### 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 is in excess of \$123 billion for current needs. Most alarming is how quickly the deficit has been compounding, as it has doubled over the last 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.<sup>1</sup>

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.<sup>2</sup> 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 is over \$7.5 billion, putting the total municipal infrastructure deficit 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 2007 were just over \$730,000,000.<sup>3</sup>

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

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<sup>1</sup> Saeed Mirza, "Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure", November 2007 (available at [www.fcm.ca](http://www.fcm.ca))

<sup>2</sup> City of Winnipeg Administrative Report, "Infrastructure and Possible Funding Options" Tabled at July 22<sup>nd</sup>, 2009 Council Meeting (available at [www.winnipeg.ca](http://www.winnipeg.ca))

<sup>3</sup> Province of Manitoba, "Statistical Information 2007 – Municipalities of the Province of Manitoba", P.17

would be felt in industries from labour and material suppliers through to architects and engineers.<sup>4</sup>

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.<sup>5</sup>

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 travelling to neighbouring communities to access recreation opportunities. Many have seen the outmigration of neighbours and friends who tire of dealing with these daily challenges.

Municipal councils want to create vibrant, welcoming communities, but this is nearly impossible with the state of infrastructure today. For example, there remain 89 boil water advisories in Manitoba, many in Manitoba municipalities.<sup>6</sup> This means in 2009 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 don't 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

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<sup>4</sup> Sonnen, Carl, "Municipal Infrastructure- Macroeconomic impacts of spending and level-of-government financing" May 31, 2008 (available at [www.fcm.ca](http://www.fcm.ca))

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

<sup>6</sup> Province of Manitoba "Provincial Boil Water Advisories" – October 26<sup>th</sup>, 2009

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, most often where they work and sometimes 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. These unilateral decisions leave municipalities in the untenable position of either scarifying 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 Canada<sup>7</sup>. 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 is nowhere near the total demand, meaning there is no guarantee much-needed projects will ever receive funding.

Over-reliance on grants and transfers leaves 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 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.

A new approach is needed, and for this reason we are asking the Province of Manitoba to collect a one cent municipal tax to be allocated to municipalities for infrastructure

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

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 projects<sup>8</sup>. As the infrastructure deficit continues to grow, support for this will only increase.

The AMM is also asking for other revenues 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 with corresponding financial support.

The sad reality is that while the Province of Manitoba has been leaders 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.

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<sup>8</sup> Probe Research “Public Attitudes on Infrastructure Renewal Funding in Manitoba” September, 2008.

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. 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.

## Priority Issues for Budget Consideration

Although the need for alternate revenues affects all aspects of municipal government, there are also several priority issues that should be addressed in the 2010-11 Provincial Budget to assist municipalities in addressing ongoing challenges.

### MANITOBA ABORIGINAL AND NORTHERN AFFAIRS

#### *Financial Support to Facilitate TLE Agreements*

There are many factors that contribute to the lengthy process for completing Treaty Land Entitlement (TLE) negotiations, including the existing compensation package for municipalities. Saskatchewan municipalities receive compensation for at least 25 years after the land is converted and Manitoba municipalities should be eligible for comparable agreements. The Province should review the current TLE compensation structure in order to seek alternative ways to enhance the TLE negotiation process in Manitoba.

The lengthy TLE conversion process also generates substantial legal costs for municipalities and further steps must be taken to facilitate the negotiation process. Although the Province published the *Guide to Municipal Development and Service Agreements*, there are outstanding concerns with the high costs of negotiating TLE agreements. A cost-sharing program to assist municipalities in paying these legal costs is required and will result in quicker TLE conversion.

#### *Funding for the Port of Churchill and Northern Rail Lines*

The Port of Churchill represents a clear competitive advantage for Manitoba as it is Canada's only Arctic seaport. The Port is also one of the cornerstones of CentrePort Canada, a key initiative of the Provincial Government. Because of the critical importance that the Port plays for Manitoba's economic development it is critical that the Province provides adequate support to the Port of Churchill to develop this critical infrastructure.

Closely related to the Port is the Northern rail system in Manitoba. For many communities it is their only link to the outside world, and the rail line not only moves

people in and out of the community be is relied upon for the necessities of life. The AMM is increasingly hearing concerns about the quality of the rail system in Northern Manitoba. The recent decision by VIA Rail to cut service in the North will also have a negative impact on those communities that rely on rail service. The AMM would like to see the Province make greater investments in this critical infrastructure to not only ensure the sustainability of those in the North but also to capitalize on the opportunities that exist in Northern Manitoba.

## MANITOBA AGRICULTURE, FOOD AND RURAL INITIATIVES

### *Funding for Economic Development in Manitoba*

Economic development is critical to all communities in Manitoba in recently the Province of Manitoba undertook a review of the system in Manitoba. The final report has been completed and there is a need to move forward with enhancing the economic development system in Manitoba. The AMM would like to make sure there is financial support available from the Province to strengthen the economic development delivery system in our province.

## MANITOBA CONSERVATION

### *Recycling*

Recycling has quickly become the norm in Manitoba as citizens expect to have this option provided by their municipality. Municipalities certainly see the value in diverting material from local landfills and have been willing partners in recycling initiatives. While the AMM has expressed frustration in the past with the delays in getting new programs up and running, we are pleased to see Multi-Material Stewardship Manitoba is poised to take over the printed paper and package waste stream this year. We are equally pleased to see the commitment in the recent Throne Speech to getting the electronic and household hazardous waste programs up and running this year. It is critical that the Province provide funding for these initiatives as the sole cost should not be borne by municipalities.

### *Funding for the Clean Up of Contaminated Sites*

A real concern in many Manitoba communities is contaminated sites. These are often located in central locations in the community and provide a real impediment to future development. In October of 2007 the Auditor General released the findings of her audit of the Province's handling of this issue. The report provided a number of recommendations that the Province needs to act on. A number of these will require financial support and the AMM would like to make sure that the Provincial Budget prioritizes this key area.

### *Funding for the Problem Beaver Management Program*

An issue that has been on the municipal agenda for almost as long as there have been municipalities is beavers. The harsh reality is that beavers are the most destructive animals next to humans and pose a real threat to infrastructure. The Problem Beaver Management Program was designed to provide an incentive to trap beavers that pose a threat to municipal and provincial infrastructure. This program has been wildly successful in protecting infrastructure and has saved millions of dollars by eliminating needed repairs due to water changing course because of beaver dams. The AMM recognizes that more funding may not be needed every year for the program, however in wet years when the funding is exhausted it is critical that additional funds are available for the program to ensure infrastructure is protected.

### *Water and Wastewater Operator Training*

Municipalities continue to face obstacles in certifying operators due to the insufficiency of locally-available training. This is an increasing problem since the first round of conditional licenses have already begun to expire. These operators must receive support in attaining the required education and the Province has a vital role in this process. Although there are sufficient Level I and II courses and exams available, the ongoing lack of Level III and IV courses remains a significant concern. Municipalities cover the course and exam fees, and must be assured that there is every opportunity for their employees to succeed. Discussions have begun to make water and wastewater operators an apprenticed trade in Manitoba which will be beneficial in the long term. However immediate financial assistance is required to ensure there are certified operators available in the immediate future.

## MANITOBA CULTURE, HERITAGE AND TOURISM

### *Funding for Libraries*

Libraries are an important information resource for communities yet they continually struggle to obtain sufficient funding. The needs have been reviewed, most recently with the Public Libraries Review Committee, which included the AMM. This group found a need to review the per capita funding formula to ensure that communities with a declining population are not adversely affected. This recommendation was included in the Committee's report in 2006, yet the funding formula has not changed. Regardless of the community population, libraries require a certain level of funding to operate the facilities and the Province must explore new methods of distributing funding in order to maintain these important services. Currently Manitoba municipalities contribute the second highest amount to libraries in Canada and it is critical that the Province increase its investment in libraries.

### *Increased Funding for Tourism*

There is no doubt Manitoba has much to offer and many communities recognize the potential that exists in marketing local attractions to the world. Tourism is an excellent economic development option for many communities and it is critical that this potential is development. While for some communities the attraction might be a ski hill or a destination park, for others it is simply a local museum or place of historical significance. These types of attractions pull people into a community, allowing a community to showcase what they have to offer the world. The AMM would like to see greater investment in local tourism to allow all communities across the province the opportunity to highlight their local attractions.

### *Increased Funding for Community Museums*

One example of a potential tourist attraction is local community museums. Many communities in Manitoba have a local museum which quickly becomes the guardians of local history. These museums help build a sense of community and keep the history of the local area alive for future generations. Unfortunately funding for Manitoba museums has remained stagnant over the last number of years, threatening the sustainability of these important local institutions. Therefore the AMM would like to

see funding for community museums increased in this budget to reflect their importance to local communities.

## MANITOBA EDUCATION

### *Education Tax on Property*

The need to modify education funding mechanisms has been a long-standing municipal concern. The AMM is pleased that the Province has allocated additional funding to education in recent years, however the continued reliance on property tax is unsustainable. Since property taxes are the primary method of generating municipal revenues, municipalities require increased control over the level of local property taxes. The complex nature of this task requires a long-term plan and the AMM is pleased that the Province has committed to an 80:20 funding formula to be phased in over five years. To ensure that education funding remains adequate and equitable, this ratio must apply to operating costs rather than to all education expenses.

### *Funding for Anti-Drug Programs in Schools*

There is little doubt that preventing young adults from ever becoming addicted to drugs is far easier than trying to deal with the damage drug addiction causes. It is critical that the Province invest in drug awareness education early on to maximize prevention efforts. There are a number of programs available to be delivered in the school system and the AMM would like to see the Province invest in these initiatives as the consequences of not acting are far reaching.

## MANITOBA EMERGENCY MEASURES

### *Disaster Financial Assistance*

Many factors contribute to the expenses incurred by municipalities engaging in disaster response. The AMM was very pleased with the decision of the Province to revise and cap the municipal requirement for disaster assistance. The Province also addressed one of the significant costs of disaster recovery by increasing the rate of compensation for municipal labour and equipment from 16 to 65 percent. The corresponding increase to the Federal Government's contribution to 45 percent assists in providing appropriate assistance while supporting the implementation of the most practical solutions. In January 2008, the Federal Government took the further step of

revising the Disaster Financial Assistance Agreement guidelines with considerable improvements for disaster recovery and prevention. The guidelines specify that permanent repairs or replacement to better than pre-disaster conditions are eligible, to the extent that it is less costly than the restoration, repair or replacement to the immediate pre-disaster condition. "Generally, if it is less costly to implement a solution that would prevent reoccurrence of similar damages, such a solution is eligible." The logic behind such provisions is clear given the long-term potential for cost savings. Therefore, the Province should revise the Manitoba guidelines in accordance with the precedent set by the Federal Government.

## MANITOBA ENTREPRENEURSHIP, TRAINING AND TRADE

### *Business Development in Rural Manitoba*

As the faltering economy raises concerns for the future of many Manitoba businesses, there is a need to invest in effective business development and training programs throughout rural and northern Manitoba. Ensuring businesses remain viable will help Manitoba avoid the severe economic impacts experienced in other parts of Canada and a strong pool of skilled workers and entrepreneurs is required to accomplish this goal. The AMM would like to see this year's budget invest in business development in rural Manitoba.

## MANITOBA FAMILY SERVICES AND CONSUMER AFFAIRS

### *Childcare Funding Across Manitoba*

Communities throughout Manitoba are facing severe shortages of childcare spaces that are directly related to years of insufficient capital and operating funding for childcare facilities. Even with recent increases from the Provincial Government, low wages for early childhood educators have led to a critical province-wide staffing shortage that obstructs the provision of high quality childcare services. Studies consistently show that the provision of local childcare opportunities has a direct impact on increased regional economic development. There is little doubt that investment in this area will reap benefits well into the future and the AMM would like to see a marked increase in funding for childcare in this year's budget.

## MANITOBA HEALTH

### *Community Capital Contributions to Health Projects*

The AMM has raised the need to change this policy for a number of years, since it is inequitable and inappropriate for local communities to contribute to the provision of health care services. Several Provincial Health Ministers have committed to reviewing this policy, however it has now been in place for over 10 years. This policy is problematic since communities are required to commit to a project whose design and costs have been unilaterally decided by the Province. In addition, communities must fund 100 percent of any change order regarding the health capital project, even if the project does not initially require a community contribution. The Province has indicated that this policy ensures that demands for facilities will only come from communities that are genuinely in need, however there is no evidence that communities are competing to open new facilities. The AMM is seeking the elimination of this policy in order to reverse this downloading and to make additional municipal resources available for other local initiatives.

### *Health Professional Recruitment, Retention and Training*

The current shortage of health care professionals throughout Manitoba presents a number of challenges that must be addressed through a comprehensive strategy for training, recruitment and retention. An inequitable system has developed whereby municipalities are expected to bid for physicians to work in their communities through financial and other incentives. This creates a disadvantage for communities that lack the financial resources to attract physicians yet continue to experience shortages of health care professionals. Offering sufficient training in Manitoba is critical and the Province has made some progress by creating additional spaces for medical education. More recently there have been discussions on the possibility of a medical school at Brandon University which would further enhance the pool of available physicians in Manitoba. As these developments move forward, it is essential to increase the participation of rural and northern students and those expected to practice family medicine in order to meet the needs of all Manitoba communities. Municipalities also appreciate the proliferation of other medical professions – such as nurse practitioners, physician assistants and midwives – that offer alternative means of addressing the current shortage of physicians in Manitoba. This type of innovative problem-solving

offers a valuable contribution and the Province's comprehensive strategy should emphasize these types of solutions. It is critical that this year's budget allocated the resources necessary to make these improvements.

### *Funding for Regional Palliative Care*

Access to a full range of health care services is a high priority for all communities, including responding to the needs of those nearing death. Palliative care services require a multi-disciplinary team of caregivers to assist in hospitals, hospices, communities and homes. While most RHAs employ a palliative care regional coordinator or director in an attempt to meet the demand for palliative care, there is no dedicated funding for these services. RHAs are only able to provide palliative care services by gleaning funding from other equally important health care services. This shortage of dedicated funding demonstrates a lack of Provincial support for the wide range of services required for patients nearing death. The trend toward an aging population will amplify demand for alternative care, including decisions to approach death with dignity in a comfortable environment. The health care system should be able to support Manitoban's health care needs throughout the entire life cycle, through the establishment of a Provincially-funded regional palliative care program. This year's budget should reflect this need and provide dedicated funding to regional palliative care.

## MANITOBA HEALTHY LIVING, YOUTH AND SENIORS

### *Funding for the Operation of Recreation Centres*

While it is always a challenge for a community to secure funding for the construction of a new recreation facility, equally important for the community is how to pay to operate the facility once it is built. The reality in Manitoba is that many of our community centres are old and expensive to operate. While Manitoba Hydro offers incentives to increase efficiency the reality is it remains one of the top costs drivers for centres. Because of this communities have had to hold the line of funding for recreation practitioners which has implications for the types of programs offered in the community. The sad reality is that in many communities these facilities are not being utilized to their full potential because the overall costs of operation are an impediment.

Therefore the AMM would like to see greater Provincial support in these areas to help communities maximize the resources they have in place.

## MANITOBA HOUSING AND COMMUNITY DEVELOPMENT

### *Funding for Housing*

The demand for affordable housing is prevalent throughout Manitoba since low-income households are not limited by geographic boundaries. The AMM is encouraged that the new department will mark a real commitment to housing needs across the province. Housing is critical to the well-being of a community and unfortunately many communities in Manitoba are experiencing shortages. In some cases it is due to shifting demographics since the increasing population of seniors has augmented demand for various housing types. In other cases it is regional discrepancies such as the high cost of purchasing goods in northern Manitoba that make government programs ineffective because of the inability to meet thresholds. The AMM would like to see greater investment in housing in the coming year due to its critical importance to communities. The Provincial Government must also raise housing concerns on the national stage and encourage the Federal Government to develop a national housing strategy that includes a commitment to long-term funding.

## MANITOBA INFRASTRUCTURE AND TRANSPORTATION

### *Municipal Infrastructure Priorities and Funding*

Insufficient investment in Manitoba's deteriorating infrastructure has created a major burden for municipalities in the form of a severe infrastructure deficit. Municipalities are facing growing demands and expectations, while lacking the resources to meet these expectations. This trend is evident across all types of public infrastructure including: water and wastewater treatment and delivery, stormwater systems, roads, bridges, public transportation, airports, railroads, and recreation and leisure facilities. While we have seen major investment in the last year from both the Federal and Provincial governments, it is not enough and reversing the trend of deterioration will require a collective effort from all orders of government to strategically invest in public infrastructure throughout Manitoba. It has been estimated that Manitoba's municipal infrastructure deficit is in excess of \$11 billion, making it impossible for Manitoba municipalities to address alone.

Municipal infrastructure encompasses a diverse range of assets and services which compete for scarce municipal resources. There is an ongoing need to invest in municipal infrastructure, yet municipalities cannot unilaterally provide the funding required for all the necessary construction, repair and maintenance projects. Municipalities cannot provide the services required using only the property tax mechanism and other orders of government must contribute to the necessary funding. The Provincial Government is an important stakeholder in this process and must be prepared to adequately support municipalities as they take on the arduous task of upgrading and maintaining infrastructure assets. Therefore the AMM urges the Provincial Government to address Manitoba's infrastructure deficit by working with the Federal Government to provide long-term, sustainable, predictable funding for all categories of public infrastructure.

### *Funding for Drainage*

Drain construction and maintenance have been long-standing concerns for municipalities and even with recent Provincial commitments toward improving drainage in Manitoba, there are insufficient resources available to fully address the need for coordinated drainage systems in Manitoba. In order to support the coordination of drainage operations, the Province must develop a plan to guide drainage works throughout Manitoba. Such a plan will provide focus for the strategic allocation of Provincial and municipal drainage funding. As well, both orders of government will be better equipped to identify and prioritize construction and maintenance projects, resulting in more effectively managed drainage infrastructure. A recent report from the Manitoba Ombudsman provides a valuable overview of municipal concerns related to the drainage licensing and enforcement system. This report supports the need for a province-wide drainage management plan and this will require appropriate Provincial resources for drainage construction and maintenance throughout Manitoba.

### *Water System Assessment Funding*

A safe and secure drinking water supply is one of the highest priorities for all municipalities and the AMM supports the Province's aim of ensuring that high quality

drinking water is available to all Manitobans. Municipalities are working hard to satisfy the requirements of recent legislation however the lack of resources is a significant issue for many. The Province should acknowledge the financial impact of these additional requirements and assist municipalities in their efforts to provide clean, healthy drinking water.

In order to meet the requirements of *The Drinking Water Safety Act*, municipalities must now conduct engineering assessments on water system infrastructure and its water supply source. In many cases, municipal water treatment facilities are designed and constructed in conjunction with Provincial Government experts at the Manitoba Water Services Board. Yet an additional engineering assessment is now required to meet the conditions of this legislation. This creates yet another cost that municipalities are expected to incur, but it is unreasonable to expect municipalities with the limited resources available to continue absorbing such costs. It is especially difficult to rationalize when municipalities already take steps to ensure they construct and maintain safe facilities. The AMM would therefore like to see funding in this year's budget to allow municipalities to undertake these necessary assessments.

## MANITOBA INNOVATION, ENERGY AND MINES

### *Support for Mining Communities*

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. The Mining Community Reserve Fund helps support communities but it is critical that the funding is available when it is needed, as currently funding from this fund is going to mineral exploration efforts.

## MANITOBA JUSTICE

### *Policing*

While the Province has made investments in police officers in the past, challenges still continue. Municipalities are concerned with the escalating cost of police services, as well as inefficiencies of service provision. Municipalities are being asked to pay the bill for police services where they have little control over the cost drivers such as salaries. Municipalities are also alarmed at the increasing use of municipal police officers being used to enforce provincial and federal laws and priorities. The AMM would like to see additional resources in this year's budget to offset these policing challenges. Also, many municipalities recognize that the solution to providing an effective police force includes implementing alternative delivery models, therefore the Province should also provide greater support for alternative models.

## MANITOBA LABOUR AND IMMIGRATION

### *Cost of Fire Inspections for Municipalities*

Recently the Province made changes to the Fire Safety Inspection Regulation under *The Fires Prevention and Emergency Response Act* which resulted in an increase in responsibilities for municipalities. Many of our members have expressed concern that they are not equipped to meet the requirements of this regulation and that this is a downloading of responsibilities to municipalities. The AMM would like to see financial support provided to municipalities to help offset the costs of these new requirements.

### *Cost of Traffic Control at Accident Scenes*

An issue of great importance to many of our municipalities is the cost of using fire personnel to do traffic control at motor vehicle accident scenes. Too often untrained fire personnel are being asked to do traffic control as RCMP either do not respond or leave immediately after assessing the damage, as they have other priorities.

Municipalities understand this and while traffic control is ultimately the responsibility of the police force, local fire departments are willing to provide this service. However municipal fire departments should be trained and compensated for their time.

Therefore we are asking the Province to provide funding to municipal fire departments

to offset the cost of providing traffic control at accident scenes and are asking the Province to make traffic control training available to municipal fire departments.

## MANITOBA LOCAL GOVERNMENT

### *Increased Funding for the Mobility Disadvantaged Transportation Program*

Many municipalities have already established handivan programs in their communities and many more are exploring the feasibility of establishing such programs. While originally designed to assist community members with mobility challenges get around the community, the programs have morphed into more substantial transportation systems, often by providing services to seniors in the community. Unfortunately we are hearing from our members that the cost of operating these systems are being prohibitive. The operating funding formula has not changed since the program's inception and municipalities need more support in order to continue providing effective services. Therefore the AMM is asking the Province to increase funding to the mobility disadvantaged transportation program.

## MANITOBA WATER STEWARDSHIP

### *Conservation District Funding*

The AMM appreciates the willingness of the Province to sit down with stakeholders and developing a blueprint for the future of conservation districts in Manitoba. Over the last year we have made some positive changes to the program. Throughout the process what has been obvious is funding for CDs must be increased. CDs are well positioned to have a meaningful impact on the watershed but ultimately lack the resources to deliver. Provincial funding for CDs brings in additional dollars as municipalities share funding for CDs on a rough 3:1 ratio. Therefore every provincial dollar spent on CDs puts additional dollars into the program. There is little doubt CDs are effective tools in Manitoba's effort to improve water quality in our province. The AMM strongly believes that with the past success of CDs and the recent changes to the system additional funding is justified.

### *Impacts of Water Legislation on Municipalities*

Due to growing environmental concerns, the Province has enacted a variety of requirements that aim to protect and enhance Manitoba's water resources. *The*

*Drinking Water Safety Act, The Water Protection Act, and The Water and Wastewater Facility Operator's Regulation* are key examples of new water management legislation that redefine the requirements for managing municipal facilities. Each legislated demand for additional licensing or certification requires a costly and time consuming commitment from municipalities. For instance, the need for engineering assessments on water treatment facilities consumes a significant proportion of the project's budget and municipalities already struggle to raise the funds required for these critical infrastructure investments. There are also constraints beyond the financial that limit the ability of municipalities to meet the requirements laid out in Provincial legislation. The certification of water and wastewater operators is a prime example as there are insufficient training opportunities available. Municipalities support the need to preserve and protect water resources, however this cannot be accomplished by imposing onerous requirements. Therefore, as water management legislation is developed, the Province must consider the financial feasibility of meeting the new requirements and be prepared to work with municipalities to support the requirements of the legislation.