



ASSOCIATION OF MANITOBA MUNICIPALITIES

## BUDGET SUBMISSION

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Minister of Finance

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## 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.

### *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 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.<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.

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<sup>1</sup> Mirza, Saeed, "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 2008 – Municipalities of the Province of Manitoba", P.17

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.<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 167 boil water advisories in Manitoba, many in Manitoba municipalities.<sup>6</sup> 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

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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 19<sup>th</sup>, 2010

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 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 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.

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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.

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 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 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 with 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.

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

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. 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.

**Therefore the AMM would like to see:**

- 1. A greater investment in municipal infrastructure by all orders of government**
- 2. An end to the downloading of responsibilities to municipalities and a requirement that new mandates come with new funding**
- 3. A commitment to provide new alternate revenues to municipalities**

## 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 2011-12 Provincial Budget to assist municipalities in addressing ongoing challenges.

### MANITOBA ABORIGINAL AND NORTHERN AFFAIRS

#### *Funding for Treaty Land Entitlements and Service Agreement Negotiations*

The Province of Manitoba's responsibility to transfer land to First Nations to fulfill Treaty Land Entitlements (TLE) is entrenched in the Canadian Constitution. Municipalities support this process by providing land for conversion as well as services once the process is complete. However, the conversion process can be lengthy – and therefore costly – to municipalities, providing a clear disincentive to move forward. The Province's *Guide to Municipal Development and Service Agreements* has been a useful tool, however, there remains a need to address the high cost of negotiating TLE agreements. This difficulty is exacerbated by the fact that Saskatchewan municipalities receive a far more extensive compensation package than Manitoba municipalities. The complexity of the negotiations process demands a review of the current TLE compensation structure in order to advance TLE negotiations in Manitoba.

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

Manitoba's established transportation network offers considerable opportunities for expanding interprovincial and international trade. A remarkable portion of these trade opportunities rely on northern Manitoba's transportation infrastructure, particularly the Port of Churchill and its rail line connections. Through northern Manitoba, this province has access to an impressive array of foreign markets including Europe, Africa and South America. The Province has made strides in recent years to support these assets, such as the 2007 investment in the Hudson Bay rail line and the Port of Churchill, as well as the ongoing development of CentrePort Canada. Both hubs boast access to rail as among their key attributes, however, each can only function as effectively as its supporting infrastructure. For this reason, northern rail lines are critically important and require increased provincial investment in order to capitalize on Manitoba's growing export potential.

Beyond the contribution to Manitoba's economic development, rail lines in northern Manitoba provide an essential link for those living in northern communities. Yet, there are ongoing concerns with the quality of the rail system in Manitoba. The looming threat of reduced service through VIA rail compounds the questionable reliability of the rail system. Therefore, greater provincial investment is required to support the sustainability of northern communities as well as to reap the full benefit of trade opportunities in northern Manitoba.

## MANITOBA AGRICULTURE, FOOD AND RURAL INITIATIVES

### *Funding for Economic Development in Manitoba*

The provincial and municipal governments share an interest in creating a solid and diverse economic base from which Manitoba can flourish. For this reason, the AMM was pleased to see recommendations related to improving communication and cooperation among economic development organizations in the 2008 report, *Manitoba Connects*. Much of this report echoed the work of the AMM's Task Force on Economic Development and its 2003 report, *Creating a Vision*. Together, the two consultations provide insight into the need for an enhanced economic development delivery system and confirm that the long-standing issues will not be resolved without intervention. Since municipalities are already engaged in economic development processes, the AMM is prepared to work with the Province towards coordinating and strengthening these efforts for the overall benefit of Manitoba's economic development. This effort requires a commitment of financial resources from the Province to ensure we can achieve our shared goals through programming that supports a strong local economy.

### *Funding for Noxious Weed Control*

Controlling noxious weeds is another shared interest for provincial and municipal governments. Each order of government is responsible for conducting weed control within their property and it is imperative that each fulfills this responsibility to minimize the spread of noxious weeds in Manitoba. Neglecting this important issue will exponentially increase the problem due to the aggressive growth patterns of noxious weeds such as leafy spurge and red bartsia. At present, many municipalities are engaged in weed districts but greater coordination with provincial efforts is required. This necessarily includes a greater provincial commitment to clean vehicles

and equipment used near infested areas. Since many provincial vehicles cover great distances, these vehicles can rapidly spread weed seeds across Manitoba. Greater resources should also be allocated to weed districts since these agencies make a significant contribution to weed control in Manitoba. There is little doubt greater financial support will entice more municipalities to form or join weed districts. Furthermore, the review of *The Noxious Weeds Act* should support a coordinated weed control strategy by equipping municipalities with the authority to effectively control weeds on public and private property. Working together with additional resources, the rapid expansion of noxious weeds can be contained to the benefit of communities across Manitoba.

## MANITOBA CONSERVATION

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

The Province's inventory of contaminated sites is an important step toward resolving the long-standing problem of orphaned and abandoned sites in Manitoba. Only as remediation efforts move forward will the full financial scope of the projects become clear, therefore a long-term funding commitment is required to ensure continued progress in this regard. Municipalities recognize their responsibility for cleaning up municipally-owned sites, however, the cost of remediation on orphaned and abandoned sites is beyond the scope of municipal responsibility. With 80 sites identified in Manitoba to date, there is a serious need for additional funding to eliminate the environmental and health hazards associated with contaminated sites.

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

In certain areas of Manitoba, beaver dams and the associated changes in water flow pose a persistent threat to local infrastructure. For this reason, the incentives offered by the Problem Beaver Management Program have been a welcome approach to controlling beaver activity and avoiding the significant cost of restoring washed out infrastructure. Particularly in wet years such as this, there is escalating demand for greater control of Manitoba's beaver population and additional resources to support increased beaver trapping. This includes ensuring sufficient resources are available to allow the Problem Beaver Management Program to offer incentives that will increase trapping as well as to control beavers on Crown land. Municipalities can incur

significant damage due to beaver activity on Crown land, yet have no ability to manage beavers in those areas. There are enormous costs associated with rebuilding infrastructure and proactive approaches to avoid these damages must be supported by additional financial resources.

### *Waste Reduction and Recycling Support Levy*

In recent years, there have been extensive changes to recycling in Manitoba and municipalities support the initiatives aimed at increasing the overall collection of recyclable material. Incentives to support municipal recycling are also appreciated since they help municipalities reduce the amount of material collected at local landfills. While some communities expect to gain from the Waste Reduction and Recycling Support (WRARS) Levy, others are concerned that the levy will place them at a further disadvantage. Often, the latter communities have limited recycling programs in place because they lack the resources required for improvement. The WRARS Levy will further diminish the resources available to invest in recycling in those communities. Once all Manitoba landfills are collecting the levy, its full impact should be carefully examined and incentives should be developed to encourage all municipalities to invest in recycling, regardless of the extent of their current collection systems.

Since the reporting process for Class 2 and 3 landfills is not entirely clear, there is great concern among municipalities that the new system of estimating garbage tonnage will be costly. The Province must be willing to provide financial support to municipalities for this process, otherwise this new levy will be seen as little more than another unfunded mandate from the Province.

## MANITOBA CULTURE, HERITAGE AND TOURISM

### *Funding for Libraries*

Although libraries represent an important educational asset for communities throughout Manitoba, there is an ongoing struggle to secure necessary funding. Part of this struggle stems from the increasing use of technology to access information and the need to respond to questions regarding relevance. Yet, there is so much libraries can offer when equipped with adequate resources. In order to allow Manitoba's libraries to embrace changing public expectations and

demands for information, it is time to review the existing per capita funding formula. The 2006 Public Libraries Review Committee supported this contention, however no changes have been made. As established institutions, libraries are well-positioned to engage residents in the ongoing learning that is essential to a thriving community. This requires a substantial increase in the overall funding for public libraries along with a review of the funding formula that ensures declining population does not impact a library's ability to function effectively. In reality, there are basic operating costs that are not influenced by population. Therefore, an effective funding mechanism would assist with these expenses while encouraging the further development of library programming and services. Compared to other Canadian provinces, Manitoba municipalities currently contribute the second highest amount to public libraries while the Province contributes the second lowest. Our libraries are falling behind and we urgently need the Provincial Government to commit additional funds for public library services across Manitoba.

### *Tourism Funding*

Communities throughout Manitoba maintain local assets to attract visitors from various parts of the province and beyond. Drawing tourists to the community provides revenue for the organizations that maintain the attractions, as well as spinoff benefits for other local businesses. Therefore, tourism is an important part of economic development for many municipalities. For this reason, municipalities appreciate the Province's initiative to promote some of the top attractions in Manitoba through the Star Attraction designation. At the same time, municipalities are concerned that there are additional attractions that could be showcased in a similar fashion, thereby promoting the breadth of tourism options Manitoba has to offer. Broadening this effort would enable more communities across the province to exhibit their intriguing local attractions while expanding the economic development benefits of tourism to additional communities.

### *Funding for Community Museums*

Manitoba's community museums have an important responsibility to preserve and promote diverse aspects of our provincial heritage. Museum collections offer significant educational opportunities as well as contributing to economic development for many communities. However, stagnant funding jeopardizes the sustainability of these local institutions. Municipalities make

financial contributions to local museums, however additional funding is required through the Community Museum Grants Program to assist in managing the increasing operating and maintenance costs.

## MANITOBA EDUCATION

### *Reduction of Education Tax on Property*

The volume of topics covered in the AMM's pre-budget submission demonstrates the ongoing struggles municipalities face in securing necessary funding to provide the wide range of services Manitobans expect. It is clear that municipalities have limited tools at their disposal, thus relying heavily on property taxes to generate revenue at the local level. However, municipalities do not have full control over this mechanism due to the ongoing reliance on property taxes to fund education. Although recent budgets have made progress in reducing the amount of education funding collected from property taxation, a long-term strategy is still required to achieve an 80:20 funding ratio on operating expenses for education. Municipalities require the flexibility to address local priorities by controlling property tax levels, therefore the Province must identify sustainable new mechanisms that allow all school divisions to reduce their reliance on property taxes to fund education.

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

Investing in preventative measures can save significant government funds over the long-term, and drug awareness is a prime example. Criminal activity associated with drug abuse is a huge detriment to both urban and rural communities as young people are exposed to drugs in all parts of Manitoba. Teaching the consequences of drug use through the school curriculum offers a powerful opportunity to minimize this criminal activity while supporting the crime prevention efforts of local communities. There are a variety of structured anti-drug campaigns available and municipalities are pleased that many schools have implemented these programs. A broader effort is required to ensure that students across the province are engaged in anti-drug programs and are educated on the negative repercussions of drug use from an early age. Therefore, the Province should provide funding and support for anti-drug programming as an integral part of Manitoba's school curriculum.

## MANITOBA ENTREPRENEURSHIP, TRAINING AND TRADE

### *Business Development in Rural Manitoba*

Ongoing concerns about the strength of the global economy resonate in communities throughout Manitoba. Small businesses across the province are facing new challenges in this environment and need support to minimize the impacts on the local economy. In particular, there is a demand to expand business development and training programs to additional rural and northern communities. The AMM appreciates the Province's efforts to make mobile training labs accessible and such initiatives should continue in order to ensure the needs of all communities are met. Maintaining a strong base of skilled workers and entrepreneurs will ensure that Manitoba can respond effectively when economic challenges arise. Developing our workforce in this way also ensures that capable individuals are equipped to take over thriving businesses from retiring owners. Therefore, the Province should work with communities in all areas of Manitoba to promote and retain local businesses through training and development initiatives.

## MANITOBA FAMILY SERVICES AND CONSUMER AFFAIRS

### *Funding for Child Care Across Manitoba*

Although not a direct municipal service, municipalities have an interest in securing high-quality child care services. This interest stems from the role of child care in supporting local economic development. A 2007 study estimated that every \$1 spend on child care in Manitoba generates the significant impact of \$1.58 worth of economic activity. However, to achieve the long-term benefits of child care investments, it is necessary to address the ongoing problems plaguing this sector. A primary issue for many communities is the shortage of spaces, therefore greater action must be taken to create entirely new spaces that will address the gap between supply and demand. In addition, as non-profit organizations, it is difficult for many daycares to afford competitive starting wages and the increasing minimum wage has exacerbated these budgetary constraints. Although the commitment to implement a pension program is an important new benefit for staff, a greater investment is still required to increase actual employee wages. Such an investment will assist in addressing the ongoing staffing shortages by attracting individuals to the

profession. In general, this issue must be a greater priority with funding allocated to addressing the short- and long-term obstacles facing child care centres in all parts of Manitoba.

### *Survey Monument Restoration Program*

The cost of replacing survey monuments can be quite onerous for municipalities, particularly when numerous monuments must be replaced at one time. Furthermore, it is difficult for municipalities to budget for these expenses as they often arise unexpectedly due to individual requests or a determination that several consecutive monuments must be restored. The funds for the Survey Monument Restoration Program were fully exhausted for 2009-10 and the AMM has learned the demand for the program is expected to exceed the funds available by over \$100,000 for 2010-11. Therefore it is necessary not only to re-evaluate the overall program funding allocation, but to invest resources in promoting alternatives to survey monument restoration where possible.

## MANITOBA HEALTH

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

Municipalities experience significant impacts due to the shortage of medical professionals in Manitoba and thus are forced to participate in securing health care services for their communities. This involvement tends to be in the form of financial and other incentives that attract medical professionals to practice in local clinics. Offering these incentives has become a necessity, however it is an inequitable system that places municipalities with limited resources at a serious disadvantage. For this reason, additional resources are required for a comprehensive strategy to train, recruit and retain medical professionals in all areas of Manitoba. Municipalities appreciate the steps the provincial government has taken to date, however shortages remain and further action is urgently needed. For instance, the AMM supports efforts to increase the participation of rural and northern students and those expected to practice family medicine in order to train more individuals likely to practice in rural and northern settings. As well, innovative problem-solving such as implementing training and certification programs for nurse practitioners, physicians assistants and midwives greatly assists in reducing the reliance on physicians for all health care services. Initiatives such as these are valuable components of a

broader strategy to improve access to health care services and such projects should receive additional funding in the upcoming budget.

### *Medical School in Brandon*

Establishing a medical school at Brandon University would complement ongoing efforts to increase the overall capacity for medical training in Manitoba as well as support the increased participation of rural and northern students. The commitment to undertake a feasibility study on this matter must be matched with sufficient resources to complete the study in a timely manner. As well, the Province must be prepared to commit the resources necessary to implement the study's recommendations in order to address the severe shortage of medical professionals in Manitoba.

### *Removal of Community Capital Contributions for Health Facilities*

Municipalities have struggled to meet the demands of this inequitable policy for over a decade and it is time to eliminate the requirement for community contributions to health capital projects. Several Provincial Health Ministers committed to reviewing this policy, however no changes have been made. The current terms of this policy require communities to commit to a project whose design and costs are unilaterally decided by the provincial government. Communities are also in the unfair position of funding 100 per cent of any change order related to the project even though they have no input into the associated decision process. The Province has indicated that the policy ensures that requests for facilities will only come from communities that are genuinely in need, however, there is no evidence to demonstrate that communities are unnecessarily requesting new facilities. Therefore, the AMM is seeking the elimination of the community contribution requirement in order to reverse this download and make municipal resources available for other local initiatives.

### *Funding for Regional Palliative Care*

As our population ages, there will be an associated increase in demand for palliative care that allows individuals to approach death with dignity in a comfortable environment. Manitobans must receive the health care services they require throughout the entire life cycle and this

necessarily includes dedicated funding for palliative care programs. At present, regional health authorities can only provide palliative care services by drawing funding away from other equally important health care services. However, palliative care requires a range of medical professionals and caregivers to assist patients and families through these difficult circumstances. A piecemeal funding approach does not ensure that appropriate services are available, therefore the upcoming budget should include dedicated funding for regional palliative care.

## MANITOBA HEALTHY LIVING, YOUTH AND SENIORS

### *Funding for Recreation Practitioners*

Municipalities share the Province's interest in providing opportunities for Manitobans to engage in active lifestyles, and this is evident in the ongoing municipal support for recreation initiatives. This contribution to the overall health of the community complements provincial government efforts to encourage Manitobans to incorporate physical activity into their daily lives. To be effective, active living initiatives must receive adequate funding to develop and maintain recreation programming that will engage community members. Agencies such as recreation commissions and Recreation Connections Manitoba support recreation professionals and volunteers in developing the programming that is critical to active living. However, these agencies are underfunded, as demonstrated by the stagnant funding for recreation commissions since the early 1990s. Therefore, there is a strong need to invest in the health of all Manitobans by allocating additional resources to recreation practitioners and associations in all parts of the province.

### *Funding for Seniors Housing*

Municipalities struggle to respond to the overall shortage of housing in Manitoba, however, an important aspect of this issue is the rising demand for various types of housing for seniors. In recent years, there have been a number of provincially-supported seniors' housing projects that have offered beneficial options in select communities. However, there are no geographic boundaries on the need for seniors' housing, particularly as demographics shift toward an aging population. Therefore, there are many municipalities that would also appreciate similar projects.

A key part of this issue is providing supportive housing options to the senior population and regional health authorities must obtain the resources to enable further expansion of supportive housing throughout Manitoba. Overall, the housing needs of seniors must be prioritized in provincial housing programs and financial resources must be in place to support this priority.

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

Another difficulty facing recreation centres is that a high proportion of the centre's budget is consumed by operating costs. Although many communities are replacing local recreation centres with newer, more energy efficient facilities, the reality is that many municipalities continue to use older facilities that are more costly to operate. These communities appreciate Manitoba Hydro's programming in support of energy efficiency for recreation centres, however the costs of operating these facilities remains high. In such situations, a facility may not be used to its maximum potential since there is little remaining in the local recreation budget to support programming. Therefore, the provincial government should establish new programs and new rate structures for recreation centres that reward communities that have undertaken improvements yet still confront high operating costs.

## MANITOBA HOUSING AND COMMUNITY DEVELOPMENT

### *Increased Funding for Housing*

The 2009 report by Dr. Tom Carter, *Housing For Manitobans: A Long-Term Plan*, emphasizes that housing is central to the successful achievement of many community, economic and social development initiatives. The shortage of affordable housing therefore impedes many other initiatives aiming to improve communities, and existing housing issues must be addressed. Dr. Carter's report also articulates that provincial government involvement is necessary to ensure that adequate housing is available. The AMM supports this contention as many municipalities are without sufficient affordable housing options. As the provincial government moves forward with its new housing strategy, it is essential to develop new housing programs that are accessible in all areas of the province. The structure of previous programs created disadvantages for municipalities with limited resources and resulted in funding that consistently targeted large

urban centres while neglecting the critical housing needs in other parts of the province. New programs must also allow for low-income thresholds to be responsive to the particular circumstances of northern communities where basic necessities are more costly and low-income individuals have reduced purchasing power. The federal government should also commit funding to Manitoba's housing strategy and the AMM supports the Province's efforts to lobby for national housing programs.

### *Increased Funding for the Community Places Program*

For several years, municipal projects have benefitted from the Community Places Program (CPP), however, this program could have a far greater impact with an increased funding allocation. Many municipal applications are for large-scale projects with expenses that quickly rise beyond the \$50,000 maximum, particularly when the program includes requirements such as LEED certification. The CPP is often referenced by the Province as a valuable source of funding for recreation infrastructure projects, however, it is only a valuable resource to the extent that it provides a significant contribution to local projects. For these reasons it is necessary to increase the overall funding allocation for the CPP and re-evaluate the maximum allowable grant per project.

## MANITOBA INFRASTRUCTURE AND TRANSPORTATION

### *Municipal Infrastructure Priorities and Funding*

Municipalities across Manitoba are struggling to address a severe infrastructure deficit caused by years of insufficient investment in deteriorating infrastructure. This problem is magnified by the fact that more is expected of municipalities, yet insufficient resources are available to meet these expectations. The infrastructure deficit affects all types of public infrastructure including: water and wastewater treatment systems, roads, bridges, public transportation, airports, railroads and recreation facilities. In recent years, all orders of government have made significant investments in public infrastructure, however there is an ongoing demand for further investment. Even with these recent investments, it has been estimated that Manitoba's municipal infrastructure deficit is in excess of \$11 billion. Therefore, only through a strategic investment in public infrastructure will governments jointly be able to reverse the rampant trend of infrastructure deterioration.

A fundamental part of this problem for municipalities is the limited resources available for raising local revenues. Municipalities cannot provide the infrastructure investment required using only the property tax mechanism, therefore all orders of government must contribute to these necessary projects. 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 are long-standing municipal issues. Even with recent provincial commitments toward improving drainage in Manitoba, there are insufficient resources available to effectively coordinate drainage works across the province. There is an opportunity to remedy this disjointed approach through the implementation of a strategic plan to guide drainage works throughout Manitoba. Developing such a plan will also be useful in maximizing both provincial and municipal drain construction and maintenance funding. At the same time, the AMM expects that a strategic drain management plan will highlight the need for greater investment in drainage infrastructure and the Province must be prepared to increase its investment to ensure drainage systems function effectively.

### *Water System Assessment Funding*

In general, one of the biggest problems municipalities face is allocating resources to satisfy new requirements due to recent legislation. A prime example is *The Drinking Water Safety Act*, which requires 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. Municipalities agree with the need to ensure the systems are consistent with safety standards, however, it is unreasonable to expect municipalities to continue absorbing such additional costs, particularly

when mechanisms are already in place to ensure the safety of the water supply. The AMM therefore requests that the upcoming budget allocate funding for these additional engineering assessments.

## MANITOBA INNOVATION, ENERGY AND MINES

### *Funding Support for Mining Communities*

Many northern communities rely on resource-based industries as the main driver of the local economy. At the same time, mining activity in these communities represents a major investment and the spinoff benefits accrue throughout Manitoba. For this reason, the provincial government shares these municipalities' interest in maintaining long-term sustainability and should assist communities facing downturns stemming from the discontinuation of mining activity. The Mining Community Reserve Fund assists in such scenarios, however, this funding must be available when needed and not tied up in mineral exploration efforts. Therefore, the Province must ensure that adequate supports are available for single-industry communities and that existing support programs are not reallocated to serve various other purposes.

## MANITOBA JUSTICE

### *Municipal Policing Costs*

Even with some recent additional provincial government investment in police officers, there are still major policing concerns in communities throughout Manitoba. Municipalities remain concerned with the escalating cost of police services as well as inefficiencies of service provision. Of particular concern is that municipalities are required to pay for police services while having little or no control over substantial cost drivers such as salaries. As well, the increasing use of municipal police officers to enforce provincial and federal laws and priorities results in additional costs for municipalities, yet compensation should be available for providing these services. One mechanism to resolve these policing concerns is the implementation of alternative delivery models and the Province should explore the benefits offered by initiatives

such as more clerical support staff. There is a clear need for additional resources in this year's budget to offset these policing challenges.

## MANITOBA LABOUR AND IMMIGRATION

### *Cost of Fire Inspections for Municipalities*

Due to recent changes to the Fire Safety Inspection Regulation under *The Fires Prevention and Emergency Response Act*, municipalities are facing increased responsibilities for fire inspections. This requires additional resources for municipalities that already provide significant funding for fire prevention and protection. Many municipalities lack the resources to fulfill these requirements and perceive this to be a downloading of responsibility from the provincial government. For this reason, municipalities are requesting financial support through the upcoming budget in order to offset the cost of these additional inspection responsibilities.

### *Cost of Traffic Control by Fire Personnel at Motor Vehicle Accidents*

While it is clear that responsibility for traffic control for motor vehicle accidents technically rests with the RCMP, the reality is that in the majority of cases, municipal firefighters provide this important service. The costs associated with traffic control are significant, particularly in municipalities where major highways and high traffic volumes are present. Municipalities appreciate that local firefighters are willing to fill this gap in service, however structured training and compensation mechanisms must be in place to recognize fire departments' contribution to this aspect of emergency response. For this reason, the AMM will continue to lobby for funding for municipal fire departments engaged in critical traffic control services, including training support to effectively fulfill this role. The upcoming budget presents an important opportunity to resolve this matter after several years of municipal fire departments providing a service that is beyond their scope of responsibility.

## MANITOBA LOCAL GOVERNMENT

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

The success of established handivan programs has led to the expansion of this important service throughout many municipalities. Originally conceived as a means of assisting mobility challenged community members, the programs have evolved into an important resource for local seniors. However, the increasing operating costs are threatening the viability of handivan services in many communities. The operating funding formula has not changed since the program was created, leaving municipalities to bear the increased operating costs. For this reason, the AMM is asking the Province to increase its maximum operating grant beyond the current limit of \$30,000 and to ensure additional resources are available to maintain these important services throughout Manitoba.

## MANITOBA WATER STEWARDSHIP

### *Increased Funding for Conservation Districts*

The AMM appreciated the opportunity to participate in the process to define a vision for the future of conservation districts (CDs) in Manitoba. This very important exercise highlighted the enormous contributions of CDs toward improving water quality. Through many measurable successes, CDs have demonstrated positive impacts on local watersheds and they are well-positioned to further expand on these successes. However, one of the clear issues arising from this process was the need for CDs to access additional resources to ensure their mandates can be fulfilled. The AMM supports the proposed funding formula that was presented to CDs and the CD Commission earlier this year and looks forward to the implementation of these changes along with an increased funding allocation for CDs.

### *Funding for Provincially-Directed Water Initiatives*

In response to growing environmental concerns, the Province has enacted various new requirements to protect and enhance Manitoba's valuable water resources. Municipalities share an interest in preserving these resources, however, the Province must recognize the extensive financial and time commitments demanded by recent legislation. *The Drinking Water Safety Act*,

*The Water Protection Act*, and *The Water and Wastewater Facility Operator's Regulation* each articulate new requirements for managing municipal facilities. As a result, municipalities must allocate significant additional resources to meeting new requirements. This goes beyond straining municipalities' financial resources in cases such as the certification of water and wastewater operators. Due to a lack of sufficient training opportunities, many municipalities are struggling to meet the demand for increased education and additional provincial attention to these matters is required. While municipalities understand the need for legislation governing water protection, continuing to impose unwieldy and costly demands places an excessive burden on municipal budgets. Therefore, as water management legislation is developed, the Province must consider the financial feasibility of meeting new requirements and be prepared to work with municipalities to support the requirements of its legislation.

## SUMMARY

### ***Manitoba Aboriginal and Northern Affairs***

- Treaty Land Entitlement Negotiations: Municipalities require assistance with the costly and time consuming process of negotiating land transfers to fulfill Treaty Land Entitlements.
- Port of Churchill and Northern Rail Lines: This northern infrastructure requires targeted investment to promote trade, economic development and access to goods and services for remote communities.

### ***Manitoba Agriculture, Food and Rural Initiatives***

- Economic Development: Budget 2011 should commit resources to fulfilling the recommendations of the 2008 report, *Manitoba Connects*, to strengthen supports for economic development in Manitoba.
- Noxious Weeds: To minimize the spread of noxious weeds, Manitoba should develop a province-wide weed control strategy and allocate sufficient resources for implementation.

### ***Manitoba Conservation***

- Contaminated Sites: The extensive work required to remediate contaminated sites can only be completed through a long-term funding commitment.
- Beaver Management: A greater investment in the Problem Beaver Management Program is a proactive approach that minimizes the cost of rebuilding damaged infrastructure.
- Waste Reduction and Recycling Support Levy: Along with incentives to improve recycling, the Province should implement mechanisms that advance municipalities with poor recycling programs. As well, funding should be available to support municipalities in meeting the reporting requirements of estimating garbage tonnage at Class 2 and 3 landfills.

### ***Manitoba Culture, Heritage and Tourism***

- Libraries: There is a long-standing need to review the library funding formula and to allocate additional funding to these valuable assets.
- Tourism: The Province should make a greater effort to promote more local attractions as part of an overall Manitoba tourism strategy.
- Community Museums: The amount allocated through the Community Museums Grants Program has not changed for a number of years and increased funding is required.

### ***Manitoba Education***

- Education Tax on Property: Municipalities need greater control over property taxes and the 2011 Budget should build on past reductions to education taxes on property while moving towards an 80:20 funding ratio on operating expenses for education.
- Anti-Drug Programs: Resources should be allocated to expanding structured anti-drug programming to all Manitoba schools.

### ***Manitoba Entrepreneurship, Training and Trade***

- Rural Business Development: The Province should work with communities in all areas of Manitoba to promote and retain local businesses through training and development initiatives.

### ***Manitoba Family Services and Consumer Affairs***

- Child Care Services: There is a need to invest in efforts to create additional spaces and attract more staff to ensure high-quality child care services are available throughout Manitoba.
- Survey Monuments: Given recent increases in demand for the Survey Monument Restoration Program, the overall program funding allocation should be reviewed along with an allocation of resources to promote alternatives to survey monument restoration where possible.

### ***Manitoba Health***

- Recruitment, Training and Retention: Additional resources are required for a comprehensive strategy to train, recruit and retain medical professionals in all areas of Manitoba.
- Medical School in Brandon: Investing in a medical school at Brandon University would complement ongoing efforts to increase the overall capacity for medical training in Manitoba.
- Community Contributions for Health Facilities: This policy must be eliminated in order to reverse the downloading of health care services to local communities and make municipal resources available for other local initiatives.
- Palliative Care: Dedicated funding for regional palliative care is required to ensure patients have access to appropriate health care services, even at the end of the life cycle.

### ***Manitoba Healthy Living, Youth and Seniors***

- Recreation Practitioners: There is a strong need to invest in the health of all Manitobans by allocating additional resources to recreation practitioners and associations in all parts of the province.
- Seniors Housing: The housing needs of seniors must be prioritized in provincial housing programs and financial resources must be in place to support this priority.

- Operating Costs for Recreation Centres: The provincial government should establish new programs and new rate structures for recreation centres that reward communities that have undertaken improvements yet still confront high operating costs.

### ***Manitoba Housing and Community Development***

- Housing: As the Province moves forward with its new housing strategy, it is essential to develop new housing programs that are accessible in all parts of Manitoba.
- Community Places Program: The overall funding allocation for this program should be increased along with an increase to the maximum allowable grant per project.

### ***Manitoba Infrastructure and Transportation***

- Municipal Infrastructure Priorities and Funding: The Province should address Manitoba's infrastructure deficit by working with the federal government to provide long-term, sustainable, predictable funding for all categories of public infrastructure.
- Drainage: To improve drainage works in Manitoba, the Province should develop a strategic drain management plan as well as increase investment in drainage infrastructure construction and maintenance.
- Water System Assessments: Municipalities require additional resources in order to meet the Province's requirement for engineering assessments on water system infrastructure.

### ***Manitoba Innovation, Energy and Mines***

- Mining Communities: The Province should make resources available to assist communities facing downturns stemming from the discontinuation of mining activity by ensuring that existing programs continue to serve their intended purposes.

### ***Manitoba Justice***

- Municipal Policing Costs: On a regular basis, municipalities are expected to absorb the increasing cost of policing their communities and the Province must implement mechanisms to assist with the provision of police services.

### ***Manitoba Labour and Immigration***

- Fire Inspections: Municipalities are requesting financial support through the upcoming budget in order to offset the cost of additional inspection responsibilities stemming from changes to the Fire Safety Inspection Regulation.
- Traffic Control: The expectation that municipal firefighters will conduct traffic control at the scene of motor vehicle accidents must become an official responsibility to ensure fire departments are compensated for this important work.

### ***Manitoba Local Government***

- Mobility Disadvantaged Transportation Program: The AMM is requesting an increase to the maximum operating grant of \$30,000 and additional resources to maintain handivan services throughout Manitoba.

### ***Manitoba Water Stewardship***

- Conservation Districts: The AMM supports the proposed funding formula as presented to the CD Commission and looks forward to the implementation of these changes along with an increased funding allocation for conservation districts.
- Provincially-Directed Water Initiatives: As water management legislation is developed, the Province must consider the financial feasibility of meeting new requirements and be prepared to work with municipalities to support the requirements of its legislation.