



ASSOCIATION OF MANITOBA MUNICIPALITIES

MEETING WITH

Honourable Stan Struthers
Minister of Agriculture, Food and Rural Initiatives

February 25, 2011

Table of Contents

Executive Summary.....	3
Departmental Issues	7
1. Economic Development Report	7
2. Ecological Goods and Services Policy for Manitoba	8
3. Noxious Weed Issues	9
4. Role of MAFRI in Municipal Land Use Planning	11
5. National Water Supply Expansion Program	12
General Issue.....	13
The Core Challenges for Municipalities.....	13
Municipal Infrastructure Deficit	14
Ever Increasing Responsibilities	16
Alternate Revenues.....	17
Appendix A – Active Resolutions.....	21

Executive Summary

Departmental Issues

1. Economic Development Report

- In December of 2008 the Province received the *Manitoba Connects* report, which included five recurring themes in discussions with stakeholders.
- The report made three recommendations - establish a comprehensive regional economic development system based on a federation model, establish an umbrella group to guide, track and coordinate and evaluate economic development work in Manitoba and conduct a targeted process as the next step in addressing the need of the North.
- Since the public release of the report there has been little progress on the recommendations of the report.
- Municipal concerns in this area go back well before the AMM conducted its own report in 2003 and the time has come for the Province to take action.

Therefore, the AMM requests an update on the Province's action plan for implementing the recommendation in the *Manitoba Connects* report.

2. Ecological Goods and Services Policy for Manitoba

- There is a need to provide incentives for landowners to encourage ecologically beneficial practices as has been shown by pilot projects like the one in the RM of Blanshard.
- Much of agro-Manitoba sees the positive benefits derived from a healthy ecosystem, as this is where they live, and they understand the need to take action to ensure clean air, water and enhanced biodiversity.
- Municipalities are ready to work with landowners and the Province to promote ecologically beneficial practices however a plan must be in place.
- The AMM believes strongly that the groundwork has been laid for a province-wide program and action is required to move ahead.

Therefore, the AMM would like to see the Province move forward quickly with a Made in Manitoba Ecological Goods and Services Policy.

3. Noxious Weed Issues

- The breadth of issues raised by AMM's nine weed control resolutions indicates a serious need to invest greater resources in weed control throughout Manitoba.
- In early 2010, the Province advised the AMM of progress made on the review of *The Noxious Weeds Act*, begun in 2008. The AMM raised concerns with the current Act to be considered throughout the review.
- For instance, it is essential that the list of weeds included in the Act be updated.
- Section 27(3) currently limits the sum collectable for weed control on private land to \$500 per year on a quarter section of land, unless the written approval of the minister is obtained, which is insufficient to cover actual costs.
- The Provincial Government must also make a greater commitment to controlling noxious weeds such as leafy spurge and red bartsia on Provincial ditches, rights-of-way and road allowances.
- The Province should ensure its vehicles are adequately cleaned after working near weeds in order to minimize the widespread expansion of noxious weed growth.
- The AMM is not advocating for mandatory participation in weed control districts, however the Province should explore alternative mechanisms to engage non-participating municipalities in weed control efforts.
- At the same time, the Province must provide adequate support for municipalities participating in the weed control district structure.

Therefore, the AMM urges the Provincial Government to establish a coordinated approach for municipalities and Departments to control weed growth along Provincial highways, roads and ditches in order to minimize the spread of noxious weeds. The AMM also urges the Provincial Government to move forward in its review of *The Noxious Weeds Act*.

4. Role of MAFRI in Municipal Land Use Planning

- Land use planning remains one of the most important responsibilities of municipal government and municipal officials are tasked with laying out a coherent sustainable vision for their community for both the immediate future and the long term.
- Municipalities have worked regionally in planning districts to develop comprehensive plans for their communities and areas.
- We understand that one of the core principles of good planning is seeking input from all sectors that are impacted by the planning decisions, however our concerns come from the approach your department has taken toward these plans.
- Agriculture is an important part of the planning process, however it must be balanced with all aspects of planning and we are finding all too often agriculture stands in the way of municipal planning and adopts a combative approach toward municipal plans.
- Building strong and vibrant communities across Manitoba will only benefit the agriculture sector and needs to be recognized.
- The AMM has been pleased with the ongoing revisions to the Provincial Land Use Policies and how they relate to agriculture, and hope this process will help clarify agricultural land use planning and remedy some of the ongoing issues.

Therefore, the AMM urges MAFRI to adopt a more cooperative approach to land use planning and recognize building a strong rural Manitoba is to the benefit of all, including agriculture.

5. National Water Supply Expansion Program

- The National Water Supply Expansion Program was established in an effort to help address the rural water infrastructure needs that exist across Canada in order to protect scarce water resources.
- While funding for the program officially lapsed in March 2009, it has been much longer since Manitoba has seen funding in this area since we were able to use our allocation quickly due to high demand.

- What makes the discontinuance of this program so damaging is that many municipalities were only able to begin work and complete the early phases of larger projects resulting in partial completion of pipeline projects across the province.
- While we have received mixed messages from the Province and the Federal Government as to what has happened with funding for the program, the reality is investment must be made in this area.

Therefore, the AMM would like to see a renewed investment in rural water pipelines and is asking each order of government to dedicate \$5 million annually of new funding for rural water pipeline expansion in Manitoba.

General Issue

The Core Challenges for Municipalities

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

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

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

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

Departmental Issues

1. Economic Development Report

In 2008, the Province conducted consultations with key stakeholders to discuss economic development issues in Manitoba. The AMM was pleased to participate in this process since municipalities play an important role in economic development. In 2003, the AMM released a report on this topic entitled *Creating a Vision: AMM's Report on Economic Development*. Many of these recommendations remain valid and the AMM appreciated the opportunity to discuss these and other important municipal concerns with the consultation coordinator, Clay Serby.

In December of 2008 the Province received his report “Manitoba Connects” which included five recurring themes in discussions with stakeholders – a shared vision and cooperation, communication, a multiplicity of departments and organizations in economic development, local involvement and longer term financial commitments. The report also made three recommendations - establish a comprehensive regional economic development system based on a federation model, establish an umbrella group to guide, track and coordinate and evaluate economic development work in Manitoba and conduct a targeted process as the next step in addressing the need of the North.

After the release of the report the AMM asked MAFRI to come to all our June meeting to give an overview of the report. Maurice Bouvier attended all of our meetings last year to provide an update to municipalities on the report. Since that time there has not been much progress on the recommendations of the report. Municipal concerns in this area go back well before the AMM conducted its own report and the time has come for the Province to take action.

Therefore, the AMM requests an update on the Province’s action plan for implementing the recommendation in the *Manitoba Connects* report.

2. Ecological Goods and Services Policy for Manitoba

An issue that has long been discussed in Manitoba is the need to provide incentives for landowners to encourage ecologically beneficial practices. Pilot projects like the one in the RM of Blanshard have shown without a doubt the advantages of offering incentives for ecologically practices.

Much of agro-Manitoba sees the positive benefits derived from a healthy ecosystem. This is where they live, and they understand the need to take action to ensure clean air, water and enhanced biodiversity. Many municipalities have jumped at the chance to participate in conservation districts and water management authorities because they understand the importance of these issues. Municipalities are ready to work with landowners and the Province however there needs to be a plan in place.

The AMM believes strongly that the groundwork has been laid for a province-wide program and action is required to move ahead. We understand that the Interdepartmental Policy Working Group is in the process of developing a program however this initiative has dragged on too long.

Therefore, the AMM would like to see the Province move forward quickly with a Made in Manitoba Ecological Goods and Services Policy.

3. Noxious Weed Issues

The recent increase in AMM resolutions related to weed control illustrates the growing concern for the spread of noxious weeds in Manitoba. At both the 2008 and 2009 AMM conventions two new resolutions were passed by our membership, with a total of nine active resolutions on the topic. The breadth of issues raised by these resolutions indicates a serious need to invest greater resources in weed control throughout Manitoba. For this reason, municipalities are prepared to work with the Provincial Government to develop and implement a coordinated weed control strategy.

One of the most pressing issues is the need for the provisions of *The Noxious Weeds Act* to reflect the current environment. Therefore it is essential that the review of the Act continue to move forward. The Province committed to undertake a review of this legislation in early 2008, and the AMM was advised of the progress to date in early 2010. The Province indicated that weed district supervisors had been consulted and the intent was to ensure municipalities supported any prospective changes to the Act. The Province was in the process of reviewing the weeds named by the Regulation under *The Noxious Weeds Act* in order to focus management efforts on the weeds posing the greatest threat to agriculture. It is crucial that the list of weeds included in the Act is up to date so that the Province, municipalities, and private land owners are able to protect public and private land.

Municipalities have identified several other concerns with the current legislation. For instance, the Act authorizes municipalities to apply the costs of weed control on private land to the tax roll, which is a valuable mechanism for cost recovery. However, Section 27(3) currently limits the sum collectable to \$500 per year on a quarter section

of land, unless the written approval of the minister is obtained. This amount is outdated as the actual cost of weed control today can far exceed \$500 per quarter section. By limiting municipalities in this manner, a significant portion of the actual costs must be absorbed by the municipality. As a result, all ratepayers ultimately bear the cost of one landowner's negligence. Therefore, the Province should strengthen the penalties for ineffective weed control and empower municipalities to conduct required works by removing the maximum amount collected against a parcel of land each year. This provision must be updated along with the rest of *The Noxious Weeds Act* to promote effective weed control practices throughout Manitoba.

Furthermore, the Provincial Government must make a greater commitment to controlling noxious weeds such as leafy spurge and red bartsia on Provincial ditches, rights-of-way and road allowances. *The Noxious Weeds Act* clearly defines the Provincial responsibility for such weed control, yet municipalities and agricultural producers are continually bearing the majority of the costs of weed control in Manitoba. Neglecting this responsibility not only contributes to the spread of noxious weeds, but increases costs to agricultural producers through reduced crop production and land values. As well, overgrown ditches increase the risk of flooding due to clogged culverts. These risks further illustrate the significance of establishing a coordinated approach for weed control and the Provincial Government has a key role in this process.

The Provincial Government should be subject to similar expectations for weed control as municipalities and agricultural producers. For instance, *The Noxious Weeds Act* identifies the need to clean farm machinery that is used in proximity to noxious weeds in order to minimize the risks of transporting and spreading weed seeds across a considerable distance. The same risks exist for Provincial vehicles used along roadsides. When Provincial employees conduct work on road allowances, rights-of-way and ditches there are the same opportunities for their vehicles to collect weed seeds and carry them to other areas. This is especially problematic given the extensive travel undertaken by many Provincial vehicles. Therefore, the Province should ensure its vehicles are adequately cleaned after working near weeds in order to minimize the widespread expansion of noxious weed growth.

There are significant impacts associated with the spread of noxious weeds and the Province must work with municipalities to address this issue. Although there are systems in place such as weed control districts, municipalities are not required to participate in any related efforts. This creates gaps in weed control practices which can dramatically exacerbate the spread of noxious weeds. The AMM is not advocating for mandatory participation in weed control districts, however the Province should explore alternative mechanisms to engage non-participating municipalities in weed control efforts. At the same time, the Province must provide adequate support for municipalities participating in the weed control district structure. This system once offered an example for other provinces to follow, however this is no longer the case due to the recent inadequacy of Provincial support. The Province stated in early 2010 that a new Act will eliminate some of the current powers; however it essential that municipalities have sufficient powers of enforcement and cost recovery to effectively manage the spread of noxious weeds. In addition, targeted weed control requires many stakeholders to work together to develop and implement an effective strategy, including all municipalities and the Provincial departments of Conservation, Infrastructure and Transportation, and Agriculture, Food and Rural Initiatives.

Therefore, the AMM urges the Provincial Government to establish a coordinated approach for municipalities and Departments to control weed growth along Provincial highways, roads and ditches in order to minimize the spread of noxious weeds. The AMM also urges the Provincial Government to move forward in its review of *The Noxious Weeds Act*.

4. Role of MAFRI in Municipal Land Use Planning

Land use planning remains one of the most important responsibilities of municipal government. Municipal officials are tasked with laying out a coherent sustainable vision for their community for both the immediate future and the long term. Manitoba municipalities have been leaders in land use planning, and our efforts were vindicated with the decision of the federal government to exempt Manitoba municipalities from having to create Integrated Community Sustainability Plans as a condition of Gas Tax Program funding since this work was already being done in Manitoba.

Municipalities have worked regionally in planning districts to develop comprehensive plans for their communities and areas. We understand that one of the core principles of good planning is seeking input from all sectors that are impacted by the planning decisions. However our concerns come from the approach your department has taken toward these plans. Agriculture is an important part of the planning process, however it must be balanced with all aspects of planning. We are finding all too often agriculture stands in the way of municipal planning and adopts a combative approach toward municipal plans that call for anything other than blanket agricultural land use. Building strong and vibrant communities across Manitoba will only benefit the agriculture sector and needs to be recognized.

The AMM has been pleased with the ongoing revisions to the Provincial Land Use Policies and how they relate to agriculture. We view this process as one way to help clarify agricultural land use planning and hopefully remedy some of the ongoing issues.

Therefore, the AMM urges MAFRI to adopt a more cooperative approach to land use planning and recognize building a strong rural Manitoba is to the benefit of all, including agriculture.

5. National Water Supply Expansion Program

An issue that is of critical importance to municipalities is infrastructure. The National Water Supply Expansion Program was established in an effort to help address the rural water infrastructure needs that exist across Canada in order to protect scarce water resources. While funding for the program officially lapsed in March 2009, it has been much longer since Manitoba has seen funding in this area since we were able to use our allocation quickly due to high demand.

What makes the discontinuance of this program so damaging is that many municipalities were only able to begin work and complete the early phases of larger projects. The result is that many municipalities have only partially completed rural water pipelines, providing service to some areas but not all that are in need.

The AMM is also concerned with the mixed messages we are receiving from the Province and the Federal Government. In the past the AMM has been told that the Federal Government has cancelled the program and the Province is ready with its share of funding. We have also been told that funding for rural water pipelines has continued at the federal level and simply rolled into a larger funding envelope shared with provinces, and it is a provincial decision to not use the funding for rural water pipelines.

Therefore, the AMM would like to see a renewed investment in rural water pipelines and is asking each order of government to dedicate \$5 million annually of new funding for rural water pipeline expansion in Manitoba.

General Issue

The Core Challenges for Municipalities

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

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

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

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

Municipal Infrastructure Deficit

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

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

These national trends hold true for Manitoba as well. The City of Winnipeg has recently calculated its infrastructure deficit at \$3.8 billion for existing infrastructure and \$3.6 billion for new strategic infrastructure.² Historically the municipal infrastructure deficit

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

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

outside of Winnipeg has been double that within Winnipeg so it is fair to extrapolate that the deficit outside Winnipeg for existing infrastructure is over \$7.5 billion, putting the total municipal deficit for existing infrastructure in Manitoba in excess of \$11 billion, or a staggering \$10,000 per Manitoban. It is certainly an insurmountable amount for municipalities to tackle on their own since the total municipal taxes levied in 2008 were just over \$760,000,000.³

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

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

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

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

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

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

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

Ever Increasing Responsibilities

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

Municipal officials believe in their community. This is where they live, where they raise their families, where they work and for many where they were born. They care greatly about their community and when they see a need they will do everything they can to address it. Many times municipal officials are their own worst enemy, as they step in and act where other orders of government have abdicated their responsibilities. Municipalities step up and do repairs on provincial roads, they recruit physicians from all corners of the world, and they help fund community health facilities. In some cases municipalities are just filling gaps in service unintentionally left by other orders of

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

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 Canada⁷. While in some cases these types of programs are necessary (for example large-scale infrastructure projects), it leaves municipalities having to compete against each other for limited dollars and restricts a municipality's ability to properly plan for much needed investment. The amount allocated to grant programs like the recent Municipal Rural Infrastructure Fund or community infrastructure funding under the Building Canada Fund is nowhere near the total demand, meaning there is no guarantee much-needed projects will ever receive funding.

Over-reliance on grants and transfers leave municipalities without the tools required to meet demands. Many municipal issues, when stripped down to their core, are really issues of access to revenue. For example, the need to remove education tax from property is really a municipal revenue issue, as municipalities see education tax as

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

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.

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

A new approach is needed, and for this reason we are advocating for a one-cent municipal tax to be allocated to municipalities for infrastructure and split equally among municipalities on a per capita basis. This will provide municipalities with in excess of \$200 million a year. For a community of 1,000 people, this means roughly an

investment of \$185,000 in their local infrastructure, or \$370,000 for a community of 2,000 people. A community such as Thompson could see close to \$2.5 million, while Winnipeg would expect to see over \$117 million. Although this funding alone will not erase the infrastructure deficit in Manitoba, it is a positive first step.

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

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

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

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

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

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.

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

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

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

Appendix A – Active Resolutions

AMM Resolution 04 - 2010

Topic: National Water Supply Expansion Program

Sponsor: RM of Westbourne (Midwestern District)

Department: Manitoba Agriculture Food and Rural Initiatives; Manitoba Local Government

WHEREAS in the past the National Water Supply Expansion Program was managed jointly by the Prairie Farm Rehabilitation Administration and the Manitoba Water Services Board and was funded one-third by Federal government, one-third by Provincial government and one-third by municipalities;

AND WHEREAS this program was offered to encourage rural water lines to be installed;

AND WHEREAS there are still areas of the province that have not been serviced by rural water and are in drought prone and low population density areas;

THEREFORE BE IT RESOLVED THAT the Association of Manitoba Municipalities lobby the Province of Manitoba and Government of Canada to reinstate the National Water Supply Expansion Program so all citizens get equal treatment for drought proofing and a safe water supply.

* Explanatory note - The National Water Supply Expansion program was a federal initiative that supported the development, enhancement and protection of vital water resources to help address water constraints in agricultural areas of Canada.

AMM Resolution 03 - 2010

Topic: Ecological Goods and Services Policy

Sponsor: RM of Blanshard (Midwestern District)

Department: Manitoba Agriculture Food and Rural Initiatives; Manitoba Local Government

WHEREAS there is a precedent for reimbursing landowners for societal benefits stemming from ecological goods and services derived from their property;

AND WHEREAS a number of pilot projects such as ALUS in the RM of Blanshard indicate strong landowner support of such programs;

AND WHEREAS reviews of these pilot projects have indicated the benefits generated significantly outweighed the costs;

AND WHEREAS Manitoba Agriculture, Food and Rural Initiatives is leading an interdepartmental working group tasked with creating a made-in-Manitoba Ecological Goods and Services policy;

AND WHEREAS a stakeholder knowledge group has been struck to assist the interdepartmental group;

THEREFORE BE IT RESOLVED THAT the Association of Manitoba Municipalities actively participate as a member of the stakeholder knowledge group;

AND BE IT FURTHER RESOLVED that the Association of Manitoba Municipalities lobby the Province of Manitoba to implement an Ecological Goods and Services Policy for Manitoba.

AMM Resolution 34 - 2009

Topic: Increase Funding for Economic Development

Sponsor: RM of Eriksdale (Interlake District)

Department: Manitoba Agriculture Food and Rural Initiatives; Manitoba Local Government

WHEREAS the economic base is the determining factor in the viability of most municipalities;

AND WHEREAS promoting economic development and diversification in communities will lessen the strain of a boom and bust local economy;

AND WHEREAS municipalities need support from the Province of Manitoba to diversify local economies;

AND WHEREAS given current levels of funding to local regional economic development organizations are inadequate and barely cover annual operating costs for these organizations;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to substantially increase funding levels to regional and municipal economic development organizations;

AND BE IT FURTHER RESOLVED THAT funds for economic development efforts should be directed to areas of greatest need as demonstrated by factors such as unemployment levels, social and other assistance program recipients, average income levels, age demographics of local workforces and population and other measures identified by AMM.

AMM Resolution 09 - 2009

Topic: Noxious Weeds

Sponsor: RM of Dauphin (Parkland District)

Department: Manitoba Agriculture Food and Rural Initiatives

WHEREAS Weed Districts in Manitoba play a vital role in controlling noxious weeds on public land and enforce The Noxious Weed Act on private property;

AND WHEREAS there is concern that the present list of noxious weeds could be reduced through proposed amendments to The Noxious Weed Act;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to maintain or expand the list of noxious weeds that currently exist in The Noxious Weed Act.

AMM Resolution 08 - 2009

Topic: Process for Property Tax Rebate

Sponsor: RM of Thompson (Central District)

Department: Manitoba Agriculture Food and Rural Initiatives

WHEREAS it has been necessary for rural ratepayers to submit a claim form for the Farmland School Tax Rebate since its introduction in 2004;

AND WHEREAS municipal office staff assist ratepayers with the completion of the claim forms;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to simplify the process for rural ratepayers to receive their property tax reduction by showing this initiative on the tax statement in an equitable manner to the education property tax credit, thereby reducing both the administrative time in municipal offices and the administrative costs associated with the current rebate process.

Resolution 49 – 2008

Topic: Funding for Community Development Corporations

Sponsor: RM of Alexander (Eastern District)

Department: Manitoba Agriculture Food and Rural Initiatives

WHEREAS in 2003, the AMM Task Force on Economic Development tabled a report including a recommendation that more resources be committed by all orders of government for economic development;

AND WHEREAS approximately 99 Community Development Corporations in the province receive funding at an average of \$20 - \$25,000 each yearly from their municipalities;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to develop a funding formula and implement a long-term secure fund that rewards municipalities for funding community development corporations;

AND BE IT FURTHER RESOLVED THAT the AMM lobby the Province of Manitoba to develop an associated strategic plan with accountability for results.

AMM Resolution 13 – 2008

Topic: Leafy Spurge Management Program

Sponsor: RM of Cornwallis (Western District)

Department: Manitoba Agriculture Food and Rural Initiatives; Agriculture and Agri-Food Canada

WHEREAS the Rural Development Institute of Brandon University in partnership with the Leafy Spurge Stakeholders Group and the Governments of Canada and Manitoba have partnered to manage and prevent the spread of leafy spurge;

AND WHEREAS the uncontrolled spread of leafy spurge is a problem of provincial and national significance;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to dedicate the financial and human resources necessary to develop and implement a meaningful and effective leafy spurge management program.

AMM Resolution 35 – 2007

Topic: Livestock Emergency Plan

Sponsor: RM of Dufferin (Central District)

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

WHEREAS the AMM has been working together with municipalities, Manitoba Agriculture, Food and Rural Initiatives and the Canadian Food Inspection Agency to develop a contingency plan to use in the event of a major livestock emergency;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba and Government of Canada to identify burial sites and fund an incinerator for use in the event of a livestock emergency.

AMM Resolution 12 – 2007

Topic: Increase to Operating Grants for Veterinary Services

Sponsor: Town of Shoal Lake (Midwestern District), RM of Ste. Rose (Parkland District)

Department: Manitoba Agriculture, Food and Rural Initiatives

WHEREAS Veterinary Service Districts in Manitoba may receive an operating grant of \$19,000 from the Province of Manitoba on a yearly basis;

AND WHEREAS the cost of maintaining a Veterinary District is ever increasing with municipal levies surpassing the provincial contribution;

AND WHEREAS the cost of operating veterinary clinics has increased significantly;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba for an increase in operating grants to Veterinary Service Districts in the amount equal to municipal levies.

AMM Resolution 11 – 2007

Topic: Noxious Weed Control

Sponsor: RM of Alonsa (Parklands District)

Department: Manitoba Agriculture, Food and Rural Initiatives; Manitoba Infrastructure & Transportation

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to ensure that all equipment, either owned by the Province or private contractors, being used on Manitoba highway roadsides has been cleaned to ensure that leafy spurge and other noxious weeds are not transferred among municipalities.

AMM Resolution 10 – 2007

Topic: Costs of Controlling Noxious Weeds

Sponsor: RM of West St. Paul (Interlake District)

Department: Manitoba Agriculture, Food and Rural Initiatives

WHEREAS *The Noxious Weeds Act* has provisions for controlling and destroying noxious weeds on lands;

AND WHEREAS municipalities find that the cost of weed control on certain lands exceeds \$500.00 per lot or quarter section;

AND WHEREAS Section 27 (3) of *The Noxious Weeds Act* limits the sum collectable to \$500.00 in any one year for any parcel or quarter section without the written approval of the Minister;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to amend Section 27 (3) of *The Noxious Weeds Act* to remove the limitation on the amount that can be collected against any one parcel or quarter section in any one year.

AMM Resolution 09 – 2007

Topic: Review of the Noxious Weeds Act of Manitoba

Sponsor: RM of Macdonald (Central District)

Department: Manitoba Agriculture, Food and Rural Initiatives

WHEREAS the current version of *The Noxious Weeds Act* was enacted in 1987 and subsequently amended a number of times;

AND WHEREAS the current version of *The Noxious Weeds Act* makes reference to situations that are no longer applicable to the agricultural practices of today;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to have *The Noxious Weeds Act* of Manitoba reviewed and entirely updated.

AMM Resolution 18 – 2005

Topic: Weed Control Along Rights-of-Way

Sponsor: RM of Springfield (Eastern District)

Department: Manitoba Agriculture, Food and Rural Initiatives

WHEREAS weed growth along rights-of-way has been proven to contribute to the widespread dispersal of noxious weeds, which leads to increased weed control costs for municipalities and farmers, and to reduced crop returns for the agricultural industry;

AND WHEREAS The Noxious Weeds Act of Manitoba requires all property owners to control weeds on lands under their control;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Provincial Government to require all owners and occupants of all rights-of-way to recognize their responsibility to adequately control weeds along their rights-of-way in order to minimize the spread of noxious weeds.

AMM Resolution 43 - 2002

Topic: Milk Price Controls in Rural and Northern Communities

Sponsor: Town of Churchill (Northern District)

Department: Manitoba Agriculture, Food and Rural Initiatives; Manitoba Aboriginal and Northern Affairs

WHEREAS the sale of liquor is regulated by *The Liquor Control Act* under section 51(1) which states: "The price of each particular variety of liquor shall be the same at all liquor stores and premises of liquor vendors appointed under section 17";

AND WHEREAS the Province of Manitoba controls the price of liquor sold in stores regardless of geographical location;

AND WHEREAS the Province controls the operation and production of milk which is regulated under *The Dairy Act*;

AND WHEREAS the Province does not regulate or control the price of milk as is the case with liquor;

AND WHEREAS the price of milk in rural and northern communities is more expensive than the southern region of the province and is, at times, more expensive than an equal quantity of liquor;

AND WHEREAS the availability of fresh milk is an essential component of healthy living, especially for children, and is one cornerstone of Canada's Food Guide to Healthy Eating, while liquor is not;

AND WHEREAS Canada's Food Guide to Healthy Eating suggests that children 4-9 years consume 2-3 servings per day, children 10-16 years consume 3-4 servings per day, adults consume 2-4 servings per day and breast-feeding women consume 3-4 servings per day. The same cannot be said for liquor;

AND WHEREAS alcohol and drug abuse is the largest socioeconomic crisis in rural and northern Manitoba;

AND WHEREAS the Province has placed more effort into supplying affordable liquor to rural and northern communities than any other consumable;

THEREFORE BE IT RESOLVED that the AMM lobby the Province to regulate and control the price of milk in rural and northern communities in the same way as liquor is regulated and controlled by *The Liquor Control Act*.

AND BE IT FURTHER RESOLVED that the AMM lobby the Province to amend *The Dairy Act* to include similar pricing controls as are found in section 51(1) of *The Liquor Control Act*, to ensure that the price of milk in rural and northern communities is the same across the province regardless of geographical location.