



2005
**Annual
Report**

SEPTEMBER 1, 2004 TO AUGUST 31, 2005





AMM MEMBERS

Urban Centres

Altona, Town
 Arborg, Town
 Beausejour, Town
 Benito, Village
 Binscarth, Village
 Birtle, Town
 Boissevain, Town
 Bowsman, Village
 Brandon, City
 Carberry, Town
 Carman, Town
 Cartwright, Village
 Churchill, Town
 Crystal City, Village
 Dauphin, City
 Deloraine, Town
 Dunnottar, Village
 Elkhorn, Village
 Emerson, Town
 Erickson, Town
 Ethelbert, Village
 Flin Flon, City
 Gilbert Plains, Town
 Gillam, Town
 Gladstone, Town
 Glenboro, Village
 Grand Rapids, Town
 Grandview, Town
 Gretna, Town
 Hamiota, Town
 Hartney, Town
 Killarney, Town
 Lac du Bonnet, Town
 Leaf Rapids, Town
 Lynn Lake, Town
 MacGregor, Village
 Manitou, Town
 McCreary, Village
 Melita, Town
 Minitonas, Town
 Minnedosa, Town
 Morden, Town
 Morris, Town
 Mystery Lake, LGD
 Neepawa, Town
 Niverville, Town
 Notre-Dame-de-Lourdes,
 Village
 Oak Lake, Town
 Pilot Mound, Town

Pinawa, LGD
 Plum Coulee, Town
 Portage la Prairie, City
 Powerview, Village
 Rapid City, Town
 Rivers, Town
 Riverton, Village
 Roblin, Town
 Rossburn, Town
 Russell, Town
 Selkirk, City
 Shoal Lake, Town
 Snow Lake, Town
 Somerset, Village
 Souris, Town
 St. Claude, Village
 St. Lazare, Village
 St. Pierre-Jolys, Village
 Ste. Anne, Town
 Ste. Rose du Lac, Town
 Steinbach, City
 Stonewall, Town
 Swan River, Town
 Teulon, Town
 The Pas, Town
 Thompson, City
 Treherne, Town
 Virden, Town
 Waskada, Village
 Wawanessa, Village
 Winkler, City
 Winnipeg Beach, Town
 Winnipeg, City
 Winnipegosis, Village

Rural Municipalities

Albert
 Alexander
 Alonsa
 Archie
 Argyle
 Armstrong
 Arthur
 Bifrost
 Birtle
 Blanshard
 Brenda
 Brokenhead
 Cameron
 Cartier

Clanwilliam
 Coldwell
 Cornwallis
 Daly
 Dauphin
 De Salaberry
 Dufferin
 East St. Paul
 Edward
 Ellice
 Elton
 Eriksdale
 Ethelbert
 Fisher
 Franklin
 Gilbert Plains
 Gimli
 Glenella
 Glenwood
 Grahamdale
 Grandview
 Grey
 Hamiota
 Hanover
 Harrison
 Headingley
 Hillsburg
 Kelsey
 La Broquerie
 Lac du Bonnet
 Lakeview
 Langford
 Lansdowne
 Lawrence
 Lorne
 Louise
 Macdonald
 McCreary
 Miniota
 Minitonas
 Minto
 Montcalm
 Morris
 Morton
 Mossey
 Mountain
 North Cypress
 North Norfolk
 Oakland
 Ochre River
 Odanah

Park
 Pembina
 Piney
 Pipestone
 Portage la Prairie
 Reynolds
 Rhineland
 Ritchot
 Riverside
 Roblin
 Rockwood
 Roland
 Rosedale
 Rossburn
 Rosser
 Russell
 Saskatchewan
 Shell River
 Shellmouth-Boulton
 Shoal Lake
 Sifton
 Siglunes
 Silver Creek
 South Cypress
 South Norfolk
 Springfield
 St. Andrews
 St. Clements
 St. Francois Xavier
 St. Laurent
 Stanley
 Ste. Anne
 Ste. Rose
 Strathclair
 Strathcona
 Stuartburn
 Swan River
 Tache
 Thompson
 Turtle Mountain
 Victoria
 Victoria Beach
 Wallace
 West St. Paul
 Westbourne
 Whitehead
 Whitemouth
 Whitewater
 Winchester
 Woodlands
 Woodworth



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MISSION STATEMENT

*THE ASSOCIATION OF MANITOBA MUNICIPALITIES
IDENTIFIES AND ADDRESSES THE NEEDS AND CONCERNS
OF ITS MEMBERS IN ORDER TO ACHIEVE
STRONG AND EFFECTIVE MUNICIPAL GOVERNMENT.*

PRESIDENT'S MESSAGE



On behalf of the Board of Directors of the Association of Manitoba Municipalities, I am pleased to present our 2004/2005 Annual Report. This report represents the seventh year of the AMM and reflects the many activities of our organization over the past year.

At our 2004 Annual Convention in Winnipeg, I had the honour of being elected as President of the AMM. In reflecting on the challenges of the past year I believe we, as an organization representing Manitoba municipalities, have much to be proud of.

In terms of our policy and lobbying activities we made significant progress on our number one issue, education taxation on property. We saw a total reduction of 50% in farmland property taxes, along with a continued reduction in the education support levy. While we had hoped for further reductions, these are indeed positive steps that were only achieved due to a strong and united effort on the part of our membership. We will continue to lobby for further reductions in the coming year.

It was also gratifying to see a number of important pieces of legislation come to pass over the past year, most notably Bill 33: The Planning Act. The AMM is pleased that our push to ensure that municipal councils maintain the final say on land use planning decisions is reflected in this Bill. With the interconnected Water Protection Act regulations still being refined, the AMM promises to be ever vigilant to ensure local control over water management planning, as well.

Another very important issue for our members this year has been the impending Federal New Deal. As I write this report, we are very close to an agreement for Manitoba. The New Deal will see \$167.3 million in gas tax funds flow to Manitoba municipalities over the next five years. These funds will represent a very positive step toward addressing our infrastructure deficit and will certainly bring a measure of much needed relief to municipal bottom lines.

The AMM broke some new ground this year, in the form of Lobby Days. Lobby Days were significant as they represented the first opportunity the AMM has had to take important municipal issues to all MLAs, not just the Provincial Cabinet. We were pleased to have the opportunity to share some of our most important issues, and furthermore to hear support for many of our positions.

The AMM also initiated the *Flooding and Wet Conditions in Manitoba* regional meetings in late summer, and I would like to sincerely thank municipalities for their input and candour during these meetings. Your comments made us aware of some emerging issues and also pointed out problems that we had already indicated existed. The recommendations contained within the resulting report are

awaiting a provincial response and I anticipate some positive changes to the way disaster assistance is handled in Manitoba.

I owe a great deal of thanks to the AMM Board of Directors for their support over the past year. The AMM's successes could not be achieved without a strong, effective Board of Directors and we are fortunate to have just that. I would like to thank the four outgoing directors – Steve Lupky, Albert Nabe, George Harbottle, and Harold Foster – for their commitment and dedication to the AMM during their tenure. At the same time, I welcome our four new directors – Alice Bourguin, William Danylchuk, Robert Misko, and Randy Sigurdson – for allowing their names to stand and taking on this increased responsibility. The position of AMM Director is indeed a rewarding experience and I am confident they will make a significant contribution to our Association.

Finally, and most important, I would like to thank you, the membership of the AMM. Your support, encouragement and advice throughout the year are appreciated, and we salute all the good work you do to make your communities better places to live.

Enjoy this annual report and the accomplishments we have made together in 2004/2005.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Bell".

Ron Bell
President



Manitoba Premier Gary Doer and AMM President Ron Bell at a recent infrastructure announcement.

EXECUTIVE DIRECTOR'S MESSAGE



I am pleased to provide the Executive Director's message for the seventh annual report of the Association of Manitoba Municipalities (AMM)

On the financial side, the AMM and Municipalities Trading Company of Manitoba Limited (MTCML) continue to be strong, as shown in the financial statements in this report. The MTCML increased its sales from \$14 million to \$16 million this past year. As a result, the AMM was able to offer a rebate of \$350,000 back to the membership. This brings the total rebates back to the membership to \$1.25 million over the past four years. We would like to sincerely thank all municipalities for their continued use of our trading company. We would also like to express our appreciation and thanks to our MTCML Official Suppliers. They offer our membership excellent products and services at discounted prices that are second to none. This past year also saw the number of AMM Corporate Members increase from nine to fourteen, and we thank them for their support of the AMM.

We were also pleased to once again refund \$918,000 back to municipalities out of our insurance loss pool. This is as a result of two factors — the excellent risk management by municipalities and structure of our municipal insurance program. Our insurance program is a model across Canada, offering broad coverage at one of the lowest rates possible.

In terms of our events, this past year the AMM was able to offer three first-rate and affordable professional development courses for elected officials. Our other events were very well attended, with the 2004 Annual Convention in Winnipeg reaching an all-time attendance record for both the convention and the annual banquet.

AMM communications continue to improve with our magazine and bulletins keeping our membership informed on various initiatives of the AMM. We also undertook a re-design of the AMM web site, which continues to increase in popularity. Launched this fall, the new web site is attractive, user-friendly, and contains a number of new features.

Our policy and lobbying activities continue to make good progress on the major issues facing

municipalities. These are outlined in more detail in the President's message and in the rest of the annual report.

I would like to thank our Board of Directors for their support and guidance throughout the year, including those Board members who are no longer on our Board.

To our staff at the AMM, I would sincerely like to recognize the excellent work they do on behalf of our Board and our membership. They are dedicated and professional in the performance of their duties and I could not do my job as Executive Director without their support.

I would like to thank and acknowledge President Val Turner and Executive Director Mel Nott of the Manitoba Municipal Administrators' Association (MMAA) and all the members of MMAA for their valuable contribution to the AMM. We truly value the partnership and excellent working relationship between the AMM and MMAA.

To the many other groups and organizations that worked with us throughout the past year, we certainly appreciate their support on the various issues we worked on together. These are critical partnerships that assist the AMM in the work we do on behalf of municipalities.

Lastly, I would like to thank our membership for their continued advice, support and encouragement. You have welcomed our Association into your offices on municipal visits, provided us with valuable feedback on issues facing municipalities and you continue to serve your communities with dedication.

We hope you enjoy this annual report and we look forward to continuing to work on your behalf in the coming year.

Sincerely,

A handwritten signature in black ink that reads "Joe Masi". The signature is written in a cursive, flowing style.

Joe Masi
Executive Director



BOARD OF DIRECTORS



Back Row, L to R:

*Mayor Rene Maillard, Parklands Urban Director
Councillor Doug Dobrowolski, Central Rural Director
Reeve Karen Caldwell, Western Rural Director
Mayor Randy Sigurdson, Interlake Urban Director
Reeve Robert Misko, Parklands Rural Director
Reeve Garry Wasylowski, Rural Vice-President
Reeve Roger Wilson, Mid-Western Rural Director
Reeve William Danylchuk, Eastern Rural Director
Mayor Ron Bell, President*

Front Row, L to R:

*Councillor Richard Martel, Central Urban Director
Mayor Shirley Kalyniuk, Mid-Western Urban Director
Councillor Bert Lagimodiere, Northern Director
Mayor Lorne Boguski, Urban Vice-President
Councillor Art Rempel, Eastern Urban Director
Councillor Jae Eadie, City of Winnipeg Director
Reeve Alice Bourgouin, Interlake Rural Director
Mayor Stan Ward, Western Urban Director*

AMM STAFF

(Pictured opposite on Page 7)

Front Row, L to R:

*Joe Masi, Executive Director
Linda Hargest, Director of Administration & Marketing
Tyler MacAfee, Director of Policy & Communications*

Back Row, L to R:

*Lynne Bereza, Communications Co-ordinator
Patti De Baets, Finance Co-ordinator
Donna Belbin, Events Co-ordinator
Erika Rempel, Administrative Assistant
Rachel Philippe, Community Services Policy Analyst
Kim Spiers, Property Services Policy Analyst*



EXECUTIVE & STAFF

AMM EXECUTIVE

Front Row:

Joe Masi, Executive Director

Back Row:

Lorne Boguski, Urban Vice-President

Garry Wasylowski, Rural Vice-President

Ron Bell, President





EXTERNAL COMMITTEES

President Ron Bell

- Federation of Canadian Municipalities Board of Directors
- Infrastructure Council of Manitoba
- Prairie Grain Roads Program Management Committee
- Provincial/Local Consultative Committee on Infrastructure

Vice-President Lorne Boguski

- Hudson Bay Route Association
- Provincial/Local Consultative Committee on Infrastructure
- Large Urban Policing Committee

Vice-President Garry Wasylowski

- Prairie Grain Roads Program Management Committee
- Provincial/Local Consultative Committee on Infrastructure
- Planning Act Review
- Provincial Water Strategy Steering Committee

Reeve Roger Wilson

- Burial Sites for Disposal of Livestock Working Committee
- Conservation Districts Commission
- Conservation Agreements Board
- Manitoba Habitat Heritage Board
- Vision 2020 Steering Committee

Councillor Doug Dobrowski

- Manitoba Disaster Appeals Board
- Drainage Guidelines Committee
- Livestock Facilitated Community Consultation Program
- Office of the Fire Commissioner Advisory Committee
- Manitoba Emergency Services College Advisory Committee
- By-law Enforcement Working Group
- Rivers West Committee
- Public Fire Safety & Prevention Advisory Committee

Mayor Rene Maillard

- Manitoba Disaster Appeal Board
- “Tools for Change” Working Group

Mayor Randy Sigurdson

- Household Hazardous Waste Working Group

Councillor Rick Martel

- Certification of Water & Wastewater Plant Operators Review Committee
- Manitoba Product Stewardship Board
- “Tools for Change” Award Committee

Reeve Robert Misko

- Planning Excellence Awards Judging Panel

Councillor Bert Lagimodiere

- MTS Buried Cable Committee
- Household Hazardous Waste Working Group
- Manitoba Airport Operators Committee
- Inter Utility Committee
- RCMP Human Resources Advisory Committee

Mayor Stan Ward

- Manitoba Public Insurance Vehicle Fire Advisory Committee
- Manitoba Product Stewardship Board
- “Tools for Change” Award Committee
- Building Officials Training Certificate Program
- Building Standards Board

Reeve Alice Bourgoin

- Manitoba Shoreline Erosion Technical Committee

Councillor Art Rempel

- Community Investment Support Program
- West Nile Virus Working Group
- “Tools for Change” Working Group
- Public Libraries Review Committee
- Local Authorities Election Act Review

Mayor Shirley Kalyniuk

- MTS Buried Cable Committee
- Vision 2020 Steering Committee

Reeve Karen Caldwell

- Bio Diesel Advisory Council
- “Tools for Change” Award Committee
- Sport Manitoba Committee
- “Tools for Change” Working Group
- AMM/Government Working Group on Economic Development



POLICY & LOBBYING

Legislative Overview

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

Bill 22: The Water Protection Act — September 13, 2004

Last September, the AMM made a presentation to the Standing Committee on Legislative Affairs around Bill 22: The Water Protection Act.

The AMM's presentation on this bill stressed its many positive attributes, including the focus on watershed based planning, the creation of a water council, and the development of watershed quality management zones. The AMM was also pleased that Bill 22 includes a clause guaranteeing that there will be consultation in the development of the regulations for this act.

The AMM did note that the bill is visibly vague and there is a lack of detail as to how it will be implemented and who will finance the implementation.

As of September 1, 2005, the regulations around Bill 22 are still being refined and the bill has not received Royal Assent. The AMM will continue to follow any amendments and continue to participate in the consultation process.

Bill 36: The Courts Administration Improvement Act — May 31, 2005

On May 31, 2005, the AMM attended the Standing Committee on Legislative Affairs to make a presentation on Bill 36: The Courts Administration Improvement Act.

In this bill, the section of most importance to municipalities is the changes to the Summary Convictions Act. Municipal governments are charged with the responsibility of administering local affairs

through by-laws, and for these by-laws to be effective they must be enforceable.

The AMM participated on a stakeholder committee that explored the options available to municipalities. The committee found that removing the initial stages of the by-law enforcement process from the court system will greatly reduce the cost associated with enforcement. The AMM is pleased that Bill 36 proposes to change the Summary Convictions Act to allow municipalities to appoint screening officers to oversee the initial stages of the process, which will greatly reduce the costs of enforcement and free up criminal courts to deal with criminal matters.

Copies of all of the AMM's presentations to the Legislative Standing Committees are available on the AMM web site at www.amm.mb.ca

The AMM trusts that the changes brought about by Bill 36 will address many of the inadequacies of the current system and will allow municipalities to enforce by-laws in a

cost-effective manner. (*Bill 36 received Royal Assent on June 16, 2005*).

Bill 25: The Workers Compensation Amendment Act — June 2, 2005

June 2, 2005 saw the AMM attend the Standing Committee on Human Resources to present on Bill 25: The Workers Compensation Amendment Act.

Manitoba municipalities have for years urged the Provincial Government to review how volunteer firefighters are treated under the Workers Compensation Act. The primary concern is that part-time, volunteer firefighters are not treated equally under the current legislation when it comes to diseases caused by providing firefighting services. In many communities, it is the part-time firefighters that provide the firefighting services and face the



POLICY & LOBBYING

Legislative Overview

hazardous situations. For this reason, the AMM urged the Provincial Government to add part-time firefighters to the coverage offered to full-time firefighters, and was very satisfied to see coverage extended under this Bill. The AMM has begun discussions with the Provincial Department to look at the costs associated with extending coverage and the best ways to balance the costs for municipalities.

The AMM is also pleased to see that Bill 25 includes the allowance for private top-ups of WCB benefits for part-time firefighters. Many municipalities simply cannot afford full-time fire departments and in these cases, they rely on volunteers to provide local fire-fighting services. Bill 25 also proposes to remove the maximum earnings clause and the AMM supports this as well, as this will help attract volunteers and guarantee that those who make a commitment to the community will not be penalized financially should an accident occur.

Volunteers are the life-blood of many communities and it is important that they are compensated to the fullest should an accident occur. The AMM is pleased to see measures in place that extend compensation for occupational diseases to part-time, volunteer firefighters and that allow for private top-ups above WCB coverage for volunteer firefighters. (*Bill 25 received Royal Assent on June 9, 2005*).

Bill 33: The Planning Act — June 6, 2005

On June 6, 2005, the AMM made a presentation to the Standing Committee on Legislative Affairs on Bill 33, The Planning Act, a crucial piece of legislation for municipalities.

While Bill 33 incorporates many of the key issues municipalities had raised with the Province, the AMM did raise a number of concerns during their presentation. One of the biggest issues the AMM stressed is to have the Provincial Government available and accountable for the environmental decisions it makes. The AMM made it clear to the Province that when technical questions arise, it is more appropriate for Department of Conservation staff to

respond since it is an explanation of Provincial environmental regulations that is required. The Provincial Government must be accountable for its environmental regulations and ensure the transparency of the process by attending public hearings, just as municipal councils are present to defend their decisions.

With the exception of the key issues noted during the AMM's presentation, the AMM is generally supportive of Bill 33 and looks forward to many of the improvements to long-term planning that will be achieved by this legislation. (*Bill 33 received Royal Assent on June 16, 2005*).

Bill 29: The Municipal Councils and School Boards Elections Act —

June 6, 2005

The AMM, along with the Manitoba Municipal Administrators Association (MMAA), the City of Winnipeg and others, participated on a review committee that explored alternatives to the current, antiquated Act. Bill 29 is the result of the work of this committee. The new Bill brings the Act into the 21st century and allows municipalities greater flexibility in administering elections. The language in the Bill is easier to understand and will make the election process easier and less cumbersome for municipalities. (*Bill 29 received Royal Assent on June 16, 2005*).

Other bills passed during this session of interest to the AMM included Bill 8: The Manitoba Council on Aging Act, Bill 35: The Capital Region Partnership Act, Bill 37: The Municipal Assessment Amendment Act, and Bill 44: The Budget Implementation and Tax Statutes Amendment Act 2005 — of particular interest to municipalities as it creates the new Building Manitoba Fund.



POLICY & LOBBYING

Lobbying Highlights

As part of the AMM's yearly lobbying process, the AMM meets with individual cabinet ministers to bring forward important municipal issues pertaining to each provincial department. At each meeting, the AMM discusses areas of key concern involving municipalities and that minister's departmental portfolio. Following are some of the concerns that the AMM highlighted during this year's ministerial meetings:

Advanced Education & Training

The AMM met with Minister Diane McGifford on March 30. The AMM highlighted the need for local courses for level 3 and 4 training for water and wastewater operators, as well as the need for a higher intake of students to Manitoba's medical school.

The policy papers developed for each meeting are available on the AMM web site at www.amm.mb.ca

Conservation

The AMM raised the issue of household hazardous waste and electronic waste with Minister Stan Struthers on January 26, along with the need to clean up contaminated sites. The AMM also indicated support for the new Efficiency Manitoba agency and urged the Province to ensure that those efficiency and waste reduction programs that are working continue to have the resources needed to operate effectively.

The Manitoba Municipal Efficiency Program (MMEP) was developed to support municipal governments as they reduce operating and maintenance costs by identifying and implementing energy and water efficiency measures in their facilities. The AMM urged the Province to contribute financially to the MMEP to assist municipalities to move forward with the implementation of the recommendations.

UPDATE: The Province has since committed funding to the MMEP and the project is now underway.

Agriculture, Food and Rural Initiatives

The AMM raised the issue of long-term options for deadstock disposal with Minister Rosann Wowchuk on April 20th and options were discussed including composting, incineration, and rendering for such things as bio-diesel. The expansion of renewable energy sources was also highlighted as a method of diversifying Manitoba's rural economy.

The AMM urged the Province to continue to work with the Federal Government to provide assistance to those impacted by the current agricultural crisis and to help ease the burden on all Manitoba communities. The AMM also urged the Provincial Government to increase support for the Rural Economic Development Initiative (REDI). Finally, the AMM discussed concerns that there is a need for Provincial Government representation at public hearings for environmental regulation and land use regulation to respond to inquiries.

UPDATE: In July, the City/RM of Dauphin received Federal/Provincial/Municipal funding for an industrial wastewater treatment facility, part of the necessary infrastructure for the operation of the Rancher's Choice Beef Co-operative. On July 15, the U.S. border reopened to live Canadian cattle.

Culture, Heritage & Tourism

The AMM met with Minister Eric Robinson on February 24 to encourage the Province to increase funding to recreation commissions and participate in a tri-partite national recreational infrastructure program. The Community Places Program is another key resource and the AMM asked the Province for greater funding for this program.



POLICY & LOBBYING

Lobbying Highlights

The AMM also raised the need for a review of The Public Libraries Act. Municipalities want to ensure that citizens can access up-to-date and technological information services through libraries, regardless of where they reside. Therefore, the AMM also urged the Province to allow for the designation of parts of municipalities to regional library districts.

UPDATE: The AMM will be participating in the Public Libraries Review Committee, and working with the Province to demonstrate the municipal challenges of providing library services.

Education, Citizenship & Youth

Removing education taxes from all classes of property has been the AMM's top priority this year. A meeting with Minister Peter Bjornson on March 24 discussed the urgent need to resolve this issue. Property owners are supporting a substantial portion of education services in Manitoba, resulting in a highly inequitable system. The AMM was expecting to see further reductions in the Province's 2005 Budget, however this did not materialize. The rebate on farmland is also a concern since it is overly administrative and can be cancelled at any time. Since the Province has more resources than municipalities, it should reduce the education tax burden on property owners through a five-year strategic plan.

Family Services & Housing

The AMM met with Minister Christine Melnick on March 30 to raise the issue of province-wide access to affordable housing. The Province should increase attention to the affordable housing needs of more communities, which could be achieved through the expansion of the Neighbourhoods Alive! Program. The AMM is concerned that this funding currently flows only to Winnipeg, Brandon and Thompson, and additional funding would allow program benefits to be appreciated in other communities. Municipalities are prepared to work with other orders of government on housing issues, however, housing is a federal and provincial responsibility and funding should come primarily from these sources.

UPDATE: There has been an increase in housing assistance funding for several communities. Arborg, Dauphin, Morden and Woodlands all received funds for key affordable housing projects.

Health

At a meeting with Minister Tim Sale on February 24, the AMM suggested that Regional Health Authority (RHA) boards should be elected and that a review of the RHA structure is required to achieve greater accountability and transparency. The Province must also undertake a targeted plan to attract and retain physicians and ensure that the entry process for international physicians is efficient and expedient.

The Province can also ensure local access to physicians by making medical training more accessible to Manitoba students. The Province must also take on additional fiscal responsibility for key aspects of health care, by covering the costs of the additional health services associated with West Nile virus, including surveillance and mosquito control. Manitobans are also facing additional costs when they are transported outside the local RHA to access specialized medical services. Concessions must be made for rural and remote areas that do not have local access to specialized services.

Healthy Living & Seniors

The AMM met with Minister Theresa Oswald on June 29 to raise the need for increased funding allocations for recreational programs. The final report of the Healthy Kids, Healthy Futures Task Force includes five recommendations that support improved funding for recreational facilities. The Province should act on this commitment to healthy life-styles, and allocate additional funding to recreational infrastructure.

As Minister Oswald is also the Minister responsible for Seniors, the AMM raised the need to provide programming and housing tailored to the specific needs of an aging population. The Province should increase the resources available to seniors independent living programs and seniors housing initiatives.

POLICY & LOBBYING

Lobbying Highlights

Industry, Economic Development and Mines

The AMM met with Minister Jim Rondeau on January 18 to highlight the importance of supporting Manitoba's mining industry through programs such as the Mineral Exploration Assistance Program and the Manitoba Prospectors Assistance Program, and also the need to clean-up the numerous contaminated sites across Manitoba. The Province needs to commit to the Petroleum Site Remediation Initiative (PSRI) to facilitate the clean-up of abandoned petroleum tanks.

The AMM also raised the importance of continuing investments in increasing Manitoba's slaughter capacity, such as in the Rancher's Choice slaughter facility, and developing a long-term strategy.

Justice

On February 21, the AMM met with Minister Gord Mackintosh to raise concerns with the increasing cost of police services. Municipal budgets cannot cover the increasing RCMP salaries along with the additional costs of police services. The Province should commit additional funding to police services to ensure access to effective safety and crime prevention services.

The AMM also raised concerns with municipal by-law enforcement. Municipalities should gain the authority to hire contractors to enforce municipal by-laws. The

Province is working with municipalities to address alternative by-law enforcement and the AMM is supportive of this process.

A further issue is the task of providing court security and transporting prisoners to and from court. An alternative to RCMP escorts is for Manitoba Sheriff Services to perform this duty in all municipalities. This would concentrate RCMP resources on other municipal priorities and the Province should support this change.

UPDATE: The RCMP released the 'D'- Direction Report, which articulates a plan for strategic changes to policing in Manitoba. Implementation should be complete in the spring of 2006 and the AMM will be tracking the effectiveness of RCMP service adjustments.

Manitoba Public Insurance Corporation

As Minister Mackintosh is also charged with the administration of The Manitoba Public Insurance Corporation Act, the AMM raised the issue of inadequate compensation rates for municipal fire departments responding to vehicle fires and accidents. The Province must establish a fair rate of compensation so that municipal fire departments do not absorb the costs of responding to road emergencies. The AMM also urged the Province to re-establish the appeals committee and ensure openness and accountability for compensation claims.

UPDATE: The appeals committee has since met to discuss claims.

Labour & Immigration

Minister Nancy Allan met with the AMM on February 7 to discuss several longstanding issues. The AMM raised the need for the Province to absorb the costs associated with water bombers when required by municipalities. As well, the AMM highlighted two major issues with The Workers Compensation Act and its treatment of volunteer firefighters. Further concerns included the need for MPIC policies to recognize the Province's expectation that municipal fire departments provide traffic control. This additional role should be



The Province agreed to cover water bomber costs for municipalities.



POLICY & LOBBYING

Lobbying Highlights

incorporated into MPIC compensation rates for responding to motor vehicle accidents. Additionally, there is concern for fires on Crown lands since revenue generated by the Crown land cannot cover the municipal costs associated with firefighting.

UPDATE: The Province agreed to cover water bomber costs for municipalities. The review of The Workers Compensation Act was also completed. Provincial legislation now allows workers to obtain additional insurance to cover the remaining 10 per cent of net income, without a reduction in Workers Compensation benefits. The legislation also recognizes that volunteer firefighters often respond to the same number of incidents as their full-time counterparts and appropriate changes to provisions for collateral benefits and occupational diseases are now in place.

Transportation and Government Services

The AMM met with Minister Ron Lemieux on January 26 to discuss transportation-related concerns. Of importance was the need to produce the final Vision 2020 report and for the Province to take action once the plan is in place. The AMM also raised the importance of reinstating the Manitoba Airport Capital Assistance Program (MACAP). The cancellation of the Bridge Co-operative Program is another concern that was raised.

The AMM discussed the need to adequately address Manitoba's increasing transportation infrastructure deficit, estimated at \$3.4 billion. A related concern is that funding that has been allocated to this Department for highway construction and repair is being returned to general revenues at the end of each year if it is unused. The AMM proposed that this money should be used in the year allocated or held over to the following construction season. The final concern discussed was the need for sufficient funding for highway repairs in urban centers.

UPDATE: The Vision 2020 Report has been released and the AMM recently highlighted our concerns with the Report to the Province.

Water Stewardship

Minister Steve Ashton met with the AMM on the 25th of January to discuss water-related issues. Concerns with the Water Protection Act legislation were highlighted, notably the lack of specificity in how the legislated ideas and requirements will be implemented and the financial underpinnings of these changes. The AMM pressed the issue of not downloading the financial responsibilities to municipalities.

The AMM also raised the need for increased funding for Manitoba's growing number of conservation districts, and the need to increase funding and staffing to address drainage issues. Drainage is a key component of the Manitoba Water Strategy. As was demonstrated across the province last summer, an inefficient drainage system can have devastating impacts.

As was demonstrated across the province last summer, an inefficient drainage system can have devastating impacts.

The AMM also raised concerns with the certification of water and waste water plant operators. The deadline of September, 2006 for certification has been an issue as the Province does not have the staff or programming in place to train and certify operators. Additionally, the AMM raised the concern with the costs for the course fees and the additional examination fee.

The final issue raised was with the Drinking Water Safety regulations, and the AMM stressed that costs and responsibilities should not be downloaded to municipalities.

UPDATE: Since this meeting, the Water Protection Act has been passed and the regulation concerning the Water Quality Management Zones has been proposed.

POLICY & LOBBYING

OTHER DEPARTMENTS

Intergovernmental Affairs & Trade

The AMM traditionally has had a close working relationship with the Department of Intergovernmental Affairs and meets with the Minister of Intergovernmental Affairs and Trade on a regular basis. This year saw a new Minister in that portfolio, Scott Smith, and the AMM had the opportunity to meet with him on a couple of occasions to raise several important municipal issues including:

- 1 The Removal of Education Tax From Property
- 2 Federal New Deal for Municipalities
- 3 Planning Act
- 4 The new Building Manitoba Fund
- 5 Transfer Payments to municipalities
- 6 Neighbourhoods Alive! Program

With Scott Smith also being the Minister responsible for emergency measures, the AMM has had the opportunity to raise Disaster Financial Assistance Funding, and general issues with him.

Finance

On January 26, 2005 the AMM presented its annual budget submission to Minister of Finance Greg Selinger. The AMM focussed on its major issues during the meeting, including the need to remove education funding from property, water related issues, and the cancellation of several important programs such as the Manitoba Airport Capital Assistance Program and the Bridge Co-operative Program.

UPDATE: On Budget Day 2005, the AMM was disappointed that there were no further reductions in education taxes on property beyond those already announced. The AMM was also disappointed that there was no increase in funding for the Community Places Program, or for environmental enforcement officers for new planning and water legislation.

The AMM was pleased, however, to see a \$2.5 million increase to Water Stewardship initiatives, a \$6.8 million increase for the REDI grant program, an additional \$16 million in the highways capital budget, increased library grants, a commitment to more medical school spaces and 40 new police officers.

The AMM often meets with various other groups and organizations to discuss areas of shared concern. Some of the organizations the AMM met with last year include:



*Manitoba Hydro President Bob Brennan
with AMM President Ron Bell*

- Manitoba Hydro
- Manitoba Telecom Services
- RCMP
- Winnipeg Chamber of Commerce
- Southern Chiefs Organization
- Keystone Agricultural Producers
- Manitoba Fire Chiefs
- Manitoba Association of School Trustees
- Manitoba Conservation Districts Association



POLICY & LOBBYING

Two major issues were raised at each provincial minister meeting this year — land use and water resource planning and education funding. A third issue, a Federal New Deal for municipalities, was a main focus of the AMM's federal lobbying for 2004/05.

Land use and water resource planning

Planning issues were at the forefront over the past year with an extensive review of *The Planning Act* and ongoing work on new water legislation for Manitoba. Land use and water resource planning are very important for municipalities since each has wide-ranging impacts on the way municipalities function and the development that occurs within their boundaries. Both types of planning ensure that municipalities are implementing a long-term approach and considering the impacts of current actions on the future of their communities.

After the Provincial Government decided not to proceed with Bill 40 in November of 2004, there was a renewed focus on the Planning Law Review. The Technical Advisory Committee reconvened in December 2004 to continue the review of *The Planning Act*. Through representation on this committee, the AMM sought to ensure that significant authority remained at the local level and that municipal councils maintained the final say on land use planning decisions. When Bill 33: *The Planning Act* was introduced in April of 2005, the AMM was satisfied with many aspects of the legislation, including the retention of the conditional use process for livestock operations. The key outstanding issue is that the Provincial Government must establish a presence at public hearings to discuss pertinent environmental regulations.

At the same time, the Provincial Government was working on a highly interconnected piece of legislation: *The Water Protection Act*. Much of the existing concern for this legislation is due to the lack of detail regarding how it will be implemented. A movement toward watershed based planning represents a significant change and this will certainly impact municipalities. However, the extent of this impact remains unclear. The regulations are just beginning to be developed with the

A movement towards watershed-based planning represents a significant change and this will certainly impact municipalities.

establishment of Water Quality Management Zones and the AMM intends to continue actively participating in the consultation process to raise municipal concerns. Although there is widespread support for protecting Manitoba's water supply, the manner in which this is accomplished could have a substantial impact on municipal resources.

Along with several active resolutions on both water and land use planning, the AMM decided to initiate further discussion on these issues at the 2005 Mayors, Reeves and CAOs meetings. Throughout these sessions, municipalities consistently raised the need for Provincial Government representation at public hearings and the need to clarify aspects of *The Water Protection Act*.

Based on this feedback, the AMM will continue to push for greater representation from Department of Conservation staff at public hearings to discuss environmental regulations. In addition, as regulations for *The Water Protection Act* are refined, the AMM will work to clarify what will be expected of municipalities.

Education Funding from Property

Education funding remained the number one concern for municipalities in 2005, as the current model of taxation is not sustainable and a new taxation model is needed. The AMM was pleased to see the Province recognize the importance of this issue with the 33% reduction in farmland property taxes in 2004, a further reduction to 50% in 2005, and a \$30 million reduction in the Education Special Levy (ESL). However,

POLICY & LOBBYING

Lobbying Highlights

further action is required since municipal property taxes should be used to fund strictly municipal services, and a complete removal of education funding from all property classes is needed.

The AMM strongly supports the need for high quality education in all areas of the Province, yet maintains that other sources of Provincial revenue are more appropriate than property taxation to fund education. While every citizen should contribute to education funding, this does not occur under the current regressive system of property taxation.

The AMM believes relief is needed on all property classes, as at present, there is an unfair reliance on property owners to fund an education system that contributes so much to the prosperity of Manitoba. The AMM will continue to urge the Provincial Government to create a 5-year plan that results in the total removal of education tax from all classes of property.

A New Deal for Municipalities

The AMM was pleased with the Federal Government's February, 2005 announcement outlining the details of the New Deal funding for municipalities.

The focus for the remainder of the AMM's fiscal year was working with the Provincial Government and other stakeholders to finalize a New Deal agreement for Manitoba. AMM's priority was to get the \$167.3 million allotted for Manitoba out to communities in the most efficient manner possible over the next five years. The AMM has always advocated a per capita method of distribution, which would see all Manitoba municipalities share equally in the funding based on population.

Since the announcement, the majority of Canadian provinces have signed agreements to get their share of the funding flowing. At time of printing, Manitoba had not yet signed an agreement.

As the issue of education tax on property continued to gain momentum for AMM members, the need to communicate that issue to Manitoba citizens also increased. To that end, the AMM Board of Directors drafted a letter explaining the education tax issue. AMM encouraged member municipalities to send this letter to their citizens, either on its own or in their 2005 tax bill. The goal was to inform and educate Manitobans about the issue, as well as suggest ways they too can lobby the Provincial Government to work toward a solution.

Along with the letter, the AMM prepared a template to help members illustrate the percentage of education tax their residents are paying on their property tax bill. AMM explained that showing the tax breakdown visually in this way is likely to be more easily understood by residents and will help them to better understand the significance of the education tax portion of their tax bill.

Many AMM members used these materials to communicate the education tax issue to their residents. To increase the reach of this message even further, the AMM also ran the letter as an advertisement in the Brandon Sun (July 15/05) and, with support from the City of Winnipeg, in the Winnipeg Free Press (July 16/05).

Ticketer proclaims needs of disabled



Education Taxation on Property: An Issue for Everyone

Dear Citizen:
We write to you today to draw your attention to an issue that affects every property owner in the Province of Manitoba - education funding. For several years, the Association of Manitoba Municipalities (AMM), acting on a resolution brought forward by the City of Winnipeg, has urged the Provincial Government to remove the education tax from property. There has been some positive action from the Provincial Government, but more is needed. We have asked for a Provincial five-year plan to address this issue. Why are we so concerned with the overburdening of property tax to fund education? Because:

1. The current system of charging tax on property for education is unfair and unsustainable.
2. Property taxation should be collected only for municipal services, and
3. Education has no relationship with property ownership.

As you review your 2005 property tax bill, you will note the portion of your property taxes that go to fund education. While municipalities must collect education taxes, they have no decision-making power on setting the rates. This decision is made by the province and by your local school division.

The AMM is not advocating for a reduction in the quality of education in Manitoba, quite the opposite. We would like to see the education system improved. High quality education is essential to all members of society and for the benefit of the province as a whole. On this principle the Province of Manitoba must assume greater responsibility for funding education through sources other than taxes on property. Relying on property taxes to fund an ever-increasing percentage of education is unfair.

If you agree that it is time to remove the education tax off all property and to change the current system to one that is fair and equitable to all citizens, then we encourage you to take action. Make your opinion known by contacting your local MLA and writing to the Minister of Education, The Honourable Fred Swenson at 104 Legislative Building, 450 Broadway, Winnipeg, Manitoba, R4C 1V6. The AMM will continue to petition the Provincial Government to change the current system of funding education and implement a system that is fair to everyone. Your support in these efforts is greatly appreciated.

Sincerely,
Association of Manitoba Municipalities (AMM)



Volunteers

The AMM is seeking volunteers to help with the education tax issue. If you are interested in helping, please contact the AMM at 450 Broadway, Winnipeg, MB R4C 1V6. Phone: (204) 944-1111. Email: ammm@ammm.mb.ca

AMM Education Tax Ad,
Winnipeg Free Press — July 16, 2005

POLICY & LOBBYING

Lobby Days — April 19 & 20, 2005

The AMM has a mutually respectful relationship with government and is in a unique position to have the opportunity to meet with each Provincial Cabinet Minister individually each year as well as the Premier and the entire Cabinet. Not only are top departmental issues raised at each meeting, but general issues also, such as the need to remove education funding from property. While the AMM is confident that the Provincial Cabinet is aware of top municipal issues, government is more than just Cabinet and this is why the AMM undertook a new initiative this year — Lobby Days. Following an initiative developed by the Federation of Canadian Municipalities, the AMM set up meetings with the ‘backbench’ Members of the Manitoba Legislative Assembly to raise three top municipal issues. The issues were *the need to remove education funding from property, water and land use planning, and the New Deal for municipalities.*

During Lobby Days the AMM met with every Conservative and Liberal MLA individually and with both the NDP Rural and Northern Caucus and Winnipeg Caucus. The AMM was pleased to hear that many on Broadway agreed that education funding needs to be removed from property, as this has been a top issue for the AMM for several years. There is no doubt that everyone in the Legislature now knows the AMM’s position on this issue.

“...many on Broadway agreed that education funding needs to be removed from property.”

It was also important to provide a municipal perspective to the MLAs on the issues surrounding planning in Manitoba. With revisions to the Planning Act introduced this legislative session, and the Water Protection Act still under debate at the time of the meetings, it was crucial for MLAs to understand the implications this legislation will have on municipalities and the need to ensure responsibilities, especially financial responsibilities, are not downloaded to municipalities.

The AMM also took the opportunity to clarify our position on the Federal New Deal and the need to get the funding out to municipalities quickly. The AMM was pleased to hear near unanimous support for a per capita distribution formula for Manitoba’s share of the New Deal for municipalities.

There is no doubt that Lobby Days was a success. The AMM will not only be looking at ways to improve the process for next year, but also for other new and innovative ways to ensure the municipal agenda is known by all in government.

Lobbying Highlights



Members of the AMM Board of Directors talk with Stuart Murray, Leader of the Official Opposition



AMM Board of Directors meet with the NDP caucus during 2005 Lobby Days

POLICY & LOBBYING

Flood Damage Meetings — August 12-22, 2005

In late summer, 2005, the AMM made the decision to hold a series of regional meetings across the province to help gauge the extent of the damages from this year's extraordinary spring and summer flooding. These wet conditions have had a very real and serious impact on many communities in the province and the AMM felt it was necessary to hear first hand from community leaders what is needed to help.

There are a number of permanent provincial and federal programs in place to deal with wet conditions, and the AMM wanted to hear how well these were working and if gaps existed between what these programs are willing to cover and what is really needed this year.

The meetings were held in five different areas of the province, all of which were greatly impacted by the wet conditions:

Aug. 12, 2005 — Hamiota

Aug. 12, 2005 — Deloraine

Aug. 18, 2005 — Lockport

Aug. 22, 2005 — Elie

Aug. 22, 2005 — Letellier

The AMM also held a conference call with the Council from the RM of Kelsey in Northern Manitoba, to hear the concerns in that region.



*AMM Regional Flood Meeting,
Hamiota, Manitoba*



*Head table at the Elie Regional Flood Meeting.
L. to R.: Joe Masi, AMM; Ron Bell, AMM; David Rolfe, KAP;
Garry Wasylowski, AMM; Doug Dobrowolski, AMM;
and Rick Martel, AMM.*

Feedback was obtained during the meetings on several specific topics: Agriculture, Disaster Financial Assistance (DFA), Department of Fisheries and Oceans (DFO), and Water Related Issues.

The AMM prepared a report upon completion of the meetings, entitled "Report on Flooding and Wet Conditions in Manitoba." This report included recommendations and was forwarded to both the Provincial and Federal Governments. It is available on the AMM web site at:

WWW.AMM.MB.CA

The AMM thanks Keystone Agricultural Producers (KAP) and several local MLAs for finding the time in this difficult year to attend each of these meetings to hear about the needs of Manitobans.

MEMBER SERVICES

The AMM hosts four main events for our members each year, as well as series of high quality professional development opportunities.

AMM Annual Convention Winnipeg Convention Centre — November 22 to 25, 2004

Motivate.
Motivate.
Inspire.
Inspire.
Lead.
Lead.

The 6th Annual Convention of the AMM saw delegates enjoy a series of round table discussions, workshops, plenary sessions, and guest speakers.

Three keynote speakers were featured: Bob Gray, George Cuff, and Alvin Law. Delegates also had the opportunity to attend workshops on various issues of interest to municipalities, including *the status of Lake Winnipeg, the review of the RCMP Policing Model in Manitoba, an overview of the Manitoba Floodway Expansion Authority, an introduction to the new Crown Corporation Travel Manitoba, the need for healthy communities, Manitoba's Ground Search and Rescue system, and effective local government leadership.*

Speakers for this year's Convention included the Minister of Intergovernmental Affairs & Trade, Scott Smith, Leader of the Manitoba Official Opposition, Stuart Murray, President of the Federation of Canadian Municipalities, Ann MacLean, Leader of the Manitoba Liberal Party, Dr. Jon Gerrard, and The Honourable Reg Alcock, MP Winnipeg South. The AMM also offered two plenary sessions focussing on the *Federal New Deal* and *Education Funding*.



Intergovernmental Affairs & Trade Minister Scott Smith chaired the 2004 Ministerial Forum.

Resolutions Summary

Number of Resolutions	60
Number of Late Resolutions	2
Total Number of Resolutions	62
Number carried	56
Number defeated	5
Number withdrawn	1

Intergovernmental Affairs & Trade Minister Scott Smith chaired the 2004 Ministerial Forum. He was joined by Premier Gary Doer and Ministers Oswald, McGifford, Mackintosh, Chomiak, Bjornson, Struthers, Robinson, Lemieux, Wowchuk, Ashton, Rondeau, and Sale. Questions fielded by the Ministers were focused on health, transportation, water, education funding and policing issues.

Election results — AMM 2004 Annual Convention:

President — Ron Bell, Mayor, Town of Birtle
Vice President, Rural — Garry Wasylowski, Reeve, RM of Armstrong
Vice-President, Urban — Lorne Boguski, Mayor, Town of Roblin

Municipal Officials Seminar (MOS) and Trade Show February 28 and March 1, 2005

This event, held each year in Brandon's Keystone Centre, provides members with an opportunity to participate in education and policy related workshop sessions. Over 800 municipal officials attended workshops on topics such as *creating healthy communities, promoting older Manitobans, school division budgets, immigration and community planning, and RCMP resources*. As well, plenary sessions were offered on *property tax in Canada, the Canada-Manitoba Infrastructure Program, and the Planning Act*.

In conjunction with MOS, the MTCML holds its largest trade show event of the year. This one-day trade show is held the first day of MOS and included over 100 booths.

MEMBER SERVICES

Mayors, Reeves and CAOs Meetings

March 14 to 23, 2005

Held over a two-week period in each of the AMM's seven districts, these meetings are used to enhance communication between the AMM and its members. This year, a primary issue discussed was land use and water resource planning.

The 2005 Mayors, Reeves and CAO's Meetings took place in Alonsa, Treherne, Virden, St. Lazare, Grand Rapids, Teulon, and La Broquerie.

June District Meetings

June 13 to 23, 2005

Also held in each of the AMM's seven districts, June District Meetings offer members educational workshops and presentations on current policy issues. Resolutions passed at June Districts are brought forward to the AMM Annual Convention. Every second year each district also has the opportunity to elect its Director on the AMM Board. As this past year was an election year, four new directors were elected.

This year's June District Meetings saw 162 of 199 municipalities represented. They were held in The Pas, Roblin, Gladstone, Whitemouth, Fraserwood, Winkler, and Glenboro.



2005 Mayors, Reeves and CAOs Meetings

AMM Education Program

AMM members were offered several high quality professional development sessions this year. October's "Whose on First Base?" and March's "Decision-Making for Councils and Boards" were held in Portage la Prairie and both had attendance of over 100 people. May's "Communicating When Strangling Isn't an Option" was held in Winnipeg and was also well-attended by over 100 municipal officials.

Outgoing AMM Directors

The AMM said farewell to four directors during June District Meetings this year, including:

- Steve Lupky, Councillor, Town of Arborg — Interlake Urban Director
- Harold Foster, Reeve, RM of Bifrost — Interlake Rural Director
- George Harbottle, Reeve, RM of Alexander — Eastern Rural Director
- Albert Nabe, Reeve, RM of Shell River — Parklands Rural Director



This year's June District Meetings saw 162 of 199 municipalities represented.

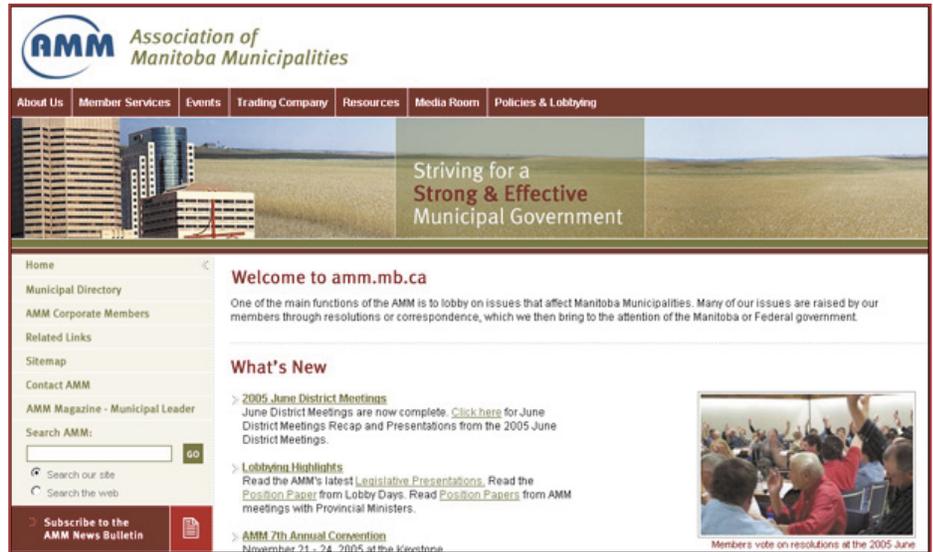
MEMBER SERVICES

Communications was once again a high priority for the AMM Board and staff this year, with some new initiatives developed to complement our existing communication materials.

Re-design of AMM Web site

The AMM web site continues to gain popularity as illustrated in the graph below. Monthly visits to the web site increased by 35% over the previous year, from an average of 4,600 visitors per month in 2003/2004 to an average of 7,100 visitors per month in 2004/2005.

Due to this increase in usage, combined with the desire to remain fresh and relevant to our members, the AMM undertook a comprehensive redesign process. This redesign resulted in a sleek, professional web site that offers a winning combination of existing and new elements in an easy-to-navigate format. Some of the new features added include a media room, a classified ads

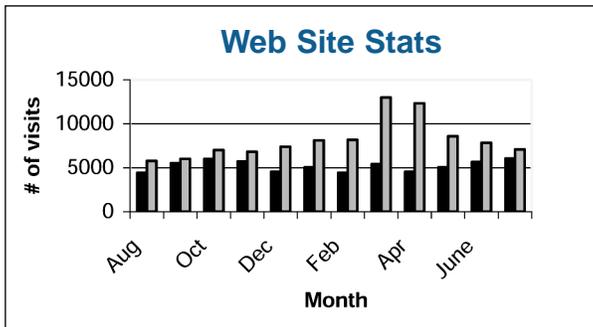


page, an expanded *Trading Company* section, an *events calendar*, and an *interactive registration form* for AMM education sessions. Further improvements took place in several existing sections, including the Board of Directors area, in the Active Resolutions page, and in the Municipal Leader Magazines section.

Bi-Weekly News Bulletin

The AMM's bi-weekly news bulletin is a popular and efficient way to deliver timely information on AMM issues. A total of 22 bulletins were distributed last year, to almost 350 AMM members, MLAs, Cabinet Ministers, and fraternal organizations.

An additional 250 bulletins are sent to recipients who subscribe using a form posted on the AMM web site. This figure includes 54 new subscribers for the reporting year.



WWW.AMM.MB.CA

Communications

MEMBER SERVICES

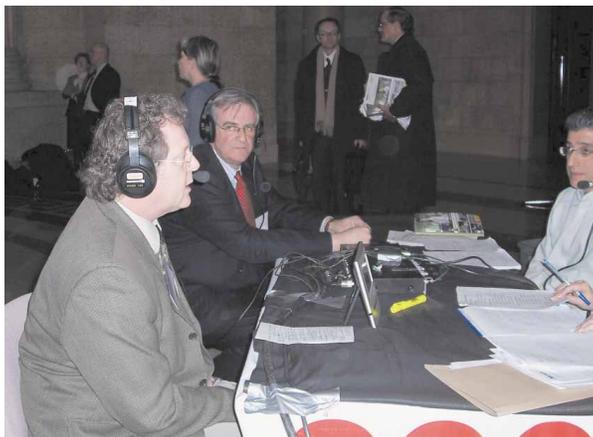
Media Relations

The AMM continually strives to enhance our relationship with local media. Last year, the AMM was mentioned in Manitoba media over 400 times, an increase of 25% over the previous year. Top issues discussed with the media were:

- Gas tax distribution/new deal funding
- Education taxation on property
- Flood damage
- The Planning Act
- The Water Protection Act

AMM President Ron Bell was quoted in the media well over 100 times last year. Some of the media interviews granted were a result of the 20+ news releases and media advisories distributed throughout the year, while others were a product of increased awareness of the AMM and our lobbying efforts. The re-design and distribution of an updated media kit assisted in this increased awareness.

The AMM also enjoyed extensive media coverage of its major events, as well as before and after the release of the provincial and federal budgets.



AMM President Ron Bell is interviewed by CBC on Budget Day 2005.

Media Stats—2004/2005

● Media mentions	402
● Issues discussed	50
● Interviews w/President Bell	151
● Releases/advisories issued	21
● Media kits distributed	83
● % of hits – Winnipeg	21%
● % of hits – Rural Manitoba	79%

The Municipal Leader

The AMM's quarterly magazine, with a distribution of 1,600, continued to focus on a wide range of timely issues. In addition to a number of regular features each issue has some special reports and articles:



Fall 2004 offered a special feature entitled "Water in Manitoba". It recapped the 2nd session of the Manitoba Legislature and offered a preview of the 6th Annual AMM Convention.



Winter 2005 included a Convention review, a preview of the Municipal Officials Seminar & Trade Show, an update on education funding, and introduced readers to the AMM executive.



Spring 2005 featured a special report on "Transportation", as well as the first annual Municipal Innovation Award winner and Provincial Budget 2005. A recap of the 2005 MOS & Trade Show was also included.



Summer 2005 introduced a brand new series—Diversity in Municipal Politics. This issue focussed on women in politics. AMM's first annual Lobby Days were also given extensive coverage.



MEMBER SERVICES

The Municipalities Trading Company of Manitoba Ltd. (MTCML) allows AMM members to purchase products and services at lower prices through the power of bulk buying. This year was another great success. Sales remained consistent and the stable pool of official suppliers continued to change and grow. The products sales have consistently remained between 6.5 and 7.4 million dollars for the last 4 years.

The MTCML provides a major source of revenue for the AMM and allows the AMM membership dues to remain one of the lowest in Canada. This past year, the MTCML was able to rebate another \$350,000 to our members based on their MTCML sales, bringing the cumulative rebate over the past four years to \$1,250,000.

MTCML Official Suppliers

Official Suppliers are very important to the success of the MTCML. These suppliers offer hundreds of products and services that municipalities use. The Trading Company has individual contracts with each of these suppliers that ensure the best possible pricing for the purchasing members. In return, suppliers have direct contact with Manitoba's municipal market and can be a part of regular marketing opportunities through the AMM (mailings, Convention, trade shows, etc.) Each of our suppliers has shown long term commitment to the MTCML, creating a stable purchasing environment for the members of the AMM.

Corporate Members

At present fourteen companies make up the Corporate Members list of the AMM, five of these new for 2004/2005. These members assist the buying group in providing many services and hosting various events throughout the year.



Major Programs

There are also two major buying programs offered by the Trading Company. These programs are owned by the AMM membership, managed by the AMM and each administered by a company that has expertise in the program area.

Petroleum Products Buying Group (PPBG)

AMM has entered into contracts with both Imperial Oil and Petro Canada, on behalf of all of our participating Members, for the supply of gasoline, diesel and lubricants. Our objective is to combat one-sided pricing advantages enjoyed by petroleum suppliers and to assist our Members to purchase fuel at a lower cost while still supporting the local fuel dealers. Currently there are 77 AMM Members who purchase over 6,000,000 litres of fuel each year and about 130 other municipalities in Saskatchewan and Alberta who purchase an additional 29,000,000 litres of fuel annually.

The concept of AMM purchasing large volumes of fuel on behalf of our Members and the careful analysis of industry pricing means fuel savings for member municipalities in all three provinces. At the same time, local fuel dealers are supported. The program is administered by Prairie Fuel Advisors Inc., who also act as our purchasing agent.

The only cost for joining the PPBG is 1.2¢ per litre for the fuel purchased and 10¢ per litre for lubricants. A municipality may withdraw from the PPBG at any time, and there is no cost to withdraw.

*Last year, the MTCML was able to rebate **\$350,000** to our members based on their MTCML sales, bringing the total rebate over the past four years to **\$1,250,000**.*

M.T.C.M.L.

MEMBER SERVICES

Insurance

All AMM members outside of Winnipeg participate in the insurance program, administered by Hayhurst Elias Dudek on behalf of the AMM. Coverage includes property/road machinery and equipment; crime (loss of money); comprehensive general liability; errors and omissions liability; environmental impairment (pollution) liability; fire vehicle insurance; plus accident insurance for Councils, fire departments, ambulance services, and other 'volunteers'.

A major part of the program is the \$3,500,000 annual self-insurance loss pool that keeps premiums much lower than if individual municipalities purchased their own coverage. Insurance is purchased from various providers for coverage in excess of the \$3,500,000 annual loss pool amount, to provide complete protection. This allows the opportunity for significant refunds in low-claims years.

Last year, the AMM was able to offer an average 5% reduction in our insurance rates. As well, as a result of excellent risk management by municipalities, the AMM was able to refund \$918,000 to municipalities out of the insurance loss pool.



MTCML Official Suppliers

*Acklands Grainger Inc.
Airmaster Sales
Armtec
Bridgestone Canada Inc.
CD Awards
Darwen Road Technologies Ltd.
Denray Tire
Dust Free Road Maintenance
Fort Distributors Ltd.
Grand & Toy
Guardian Traffic Services Manitoba Ltd.
Hayhurst Elias Dudek Inc.
Kal Tire
MTS
Michelin
Norquay Printers Ltd.
PCO Orkin Swat Team
Prairie Fuel Advisors Inc.
Shippam & Associates Inc.
Souris Rock Shop
Tirecraft
Westcon Equipment & Rentals
Westman Steel Industries*

AMM Corporate Members

*Borland Construction
Cochrane Engineering
Guertin Equipment
Hayhurst Elias Dudek
Innovative Municipal Products Inc.
Manitoba Aboriginal and Northern Affairs
Manitoba Heavy Construction Association
Manitoba Hydro
Manitoba Mixed Concrete Association
Manitoba Pork Council
Mazer Group Construction Equipment
Robert Watson, Attorney
Strong-Coley & Associates
Westcon Equipment & Rentals Ltd.*



Official Suppliers have shown long-term commitment to the MTCML.

M.T.C.M.L.



FINANCIAL STATEMENT



THE EXCHANGE

chartered accountants LLP

AUDITORS' REPORT

To the Members of
Association of Manitoba Municipalities

We have audited the balance sheets of the Association of Manitoba Municipalities, General and Trading Account as at August 31, 2005 and the statements of income, General Account and Trading Account, statement of net assets, and combined statement of cash flows for the year then ended. These statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association of Manitoba Municipalities as at August 31, 2005 and the results of its operations and changes in its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

chartered accountants LLP

Winnipeg, Manitoba
September 19, 2005

100-123 Bannatyne Ave., Winnipeg, Manitoba R3B 0R3
Telephone: (204)943-4584 Fax: (204) 957-5195
E-mail: info@exg.ca Web site: www.exg.ca



FINANCIAL STATEMENT

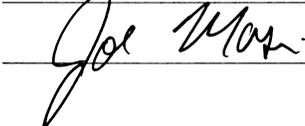
ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT BALANCE SHEET AS AT AUGUST 31, 2005

	<u>2005</u>	<u>2004</u>
ASSETS		
CURRENT		
Cash and short-term deposits	\$ -	\$ 57,896
Accounts receivable	279,932	273,233
Prepaid expenses	41,065	59,930
Due from Legal Fund	<u>1,079</u>	<u>-</u>
	<u>322,076</u>	<u>391,059</u>
SEGREGATED CASH		
Legal Fund, note 6	50,000	50,000
Employee benefits reserve, note 7	87,386	100,000
Building reserve, note 8	<u>152,674</u>	<u>100,806</u>
	<u>290,060</u>	<u>250,806</u>
PROPERTY AND EQUIPMENT, notes 2 and 3	<u>453,012</u>	<u>439,799</u>
	<u>\$ 1,065,148</u>	<u>\$ 1,081,664</u>
LIABILITIES		
CURRENT		
Bank overdraft	\$ 15,146	\$ -
Accounts payable and accrued liabilities	78,693	79,706
Due to employee benefits reserve	10,000	4,915
Prepaid revenue	<u>321,115</u>	<u>310,581</u>
	<u>424,954</u>	<u>395,202</u>
LEGAL FUND, note 6	50,000	50,000
EMPLOYEE BENEFITS RESERVE, note 7	87,386	100,000
BUILDING RESERVE, note 8	<u>152,674</u>	<u>100,806</u>
	<u>290,060</u>	<u>250,806</u>
NET ASSETS		
UNRESTRICTED	(102,878)	(4,143)
INVESTED IN CAPITAL ASSETS	<u>453,012</u>	<u>439,799</u>
	<u>350,134</u>	<u>435,656</u>
	<u>\$ 1,065,148</u>	<u>\$ 1,081,664</u>

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director



FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT STATEMENT OF INCOME YEAR ENDED AUGUST 31, 2005

	<u>2005</u>	<u>2004</u>
REVENUE		
Membership dues	\$ 295,811	\$ 294,264
Associate membership	585	1,000
Convention	283,531	258,765
Rental revenue	36,000	36,000
Merx revenue	1,440	1,600
Education	38,650	42,600
Miscellaneous	1,299	9,486
Trade show	45,965	42,185
Seminar revenue	75,900	68,200
Interest earned	3,589	3,419
Corporate membership	4,833	4,000
Pre-conference seminar	-	8,800
Magazine	8,162	7,119
Advertising - bulletin	955	800
Gain on disposal of property and equipment	6,519	-
	<u>803,239</u>	<u>778,238</u>
EXPENSES		
Functions, page 12	344,908	250,578
Executive, page 12	382,135	346,306
Other, page 12	309,733	308,551
Staffing, page 13	581,985	538,809
	1,618,761	1,444,244
Administration dividend, Trading Account	<u>(180,000)</u>	<u>(180,000)</u>
	<u>1,438,761</u>	<u>1,264,244</u>
OPERATING LOSS	635,522	486,006
OTHER INCOME		
Dividend, Trading Account	<u>550,000</u>	<u>400,000</u>
NET LOSS	<u>\$ (85,522)</u>	<u>\$ (86,006)</u>



FINANCIAL STATEMENT

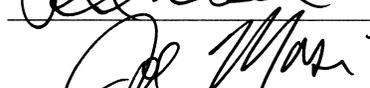
ASSOCIATION OF MANITOBA MUNICIPALITIES

TRADING ACCOUNT BALANCE SHEET AS AT AUGUST 31, 2005

	<u>2005</u>	<u>2004</u>
ASSETS		
CURRENT		
Cash	\$ 1,517,387	\$ 1,525,736
Accounts receivable	1,525,348	852,443
Inventory, note 2	<u>27,620</u>	<u>29,357</u>
	3,070,355	2,407,536
SEGREGATED CASH		
Self-insurance loss pool, note 4	<u>6,940,559</u>	<u>6,645,458</u>
	<u>\$10,010,914</u>	<u>\$ 9,052,994</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,594,108	\$ 1,020,033
SELF-INSURANCE LOSS POOL, note 4	<u>6,940,559</u>	<u>6,645,458</u>
	<u>8,534,667</u>	<u>7,665,491</u>
NET ASSETS		
UNRESTRICTED	<u>1,476,247</u>	<u>1,387,503</u>
	<u>\$10,010,914</u>	<u>\$ 9,052,994</u>

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director



FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

TRADING ACCOUNT STATEMENT OF INCOME YEAR ENDED AUGUST 31, 2005

	<u>2005</u>	<u>2004</u>
SALES	\$ 9,054,671	\$ 6,826,432
COST OF SALES	<u>8,862,482</u>	<u>6,670,006</u>
GROSS PROFIT (2005 - 2.1%, 2004 - 2.3%)	192,189	156,426
INSURANCE ADMINISTRATION FEES	527,640	546,688
INTEREST	<u>454,040</u>	<u>425,772</u>
	<u>1,173,869</u>	<u>1,128,886</u>
EXPENSES		
Administration dividend, General Account	180,000	180,000
Advertising and promotion	7,500	5,833
Miscellaneous	(2,592)	(3,032)
Interest and bank charges	-	2
Membership rebate	350,217	349,436
Write-down of inventory	<u>-</u>	<u>60</u>
	<u>535,125</u>	<u>532,299</u>
OPERATING INCOME	638,744	596,587
OTHER EXPENSE		
Dividend, General Account	<u>(550,000)</u>	<u>(400,000)</u>
NET INCOME	<u>\$ 88,744</u>	<u>\$ 196,587</u>



FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

STATEMENT OF NET ASSETS YEAR ENDED AUGUST 31, 2005

	Invested in Capital Assets	Unrestricted	Total 2005	Total 2004
<u>General Account</u>				
BALANCE, beginning of year	\$ 439,799	\$ (4,143)	\$ 435,656	\$ 521,662
Net income (loss)	(37,324)	(48,198)	(85,522)	(86,006)
Investment in capital assets	<u>50,537</u>	<u>(50,537)</u>	<u>-</u>	<u>-</u>
BALANCE, end of year	<u>\$ 453,012</u>	<u>\$ (102,878)</u>	<u>\$ 350,134</u>	<u>\$ 435,656</u>
 <u>Trading Account</u>				
BALANCE, beginning of year	\$ -	\$ 1,387,503	\$ 1,387,503	\$ 1,190,916
Net income	<u>-</u>	<u>88,744</u>	<u>88,744</u>	<u>196,587</u>
BALANCE, end of year	<u>\$ -</u>	<u>\$ 1,476,247</u>	<u>\$ 1,476,247</u>	<u>\$ 1,387,503</u>



FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

COMBINED STATEMENT OF CASH FLOWS YEAR ENDED AUGUST 31, 2005

	<u>2005</u>	<u>2004</u>
CASH PROVIDED BY (USED IN):		
OPERATIONS		
Net income, Trading Account	\$ 88,744	\$ 196,587
Net loss, General Account	(85,522)	(86,006)
Add: non-cash charges		
Depreciation	43,843	47,492
Less: Gain on disposal of property and equipment	<u>(6,519)</u>	<u>-</u>
	40,546	158,073
Increase in non-cash working capital balances	<u>(71,399)</u>	<u>11,013</u>
Cash flows from operations	<u>(30,853)</u>	<u>169,086</u>
INVESTMENTS		
Purchase of property and equipment	(64,038)	(27,445)
Proceeds on disposal of property and equipment	<u>13,500</u>	<u>-</u>
	<u>(50,538)</u>	<u>(27,445)</u>
INCREASE (DECREASE) IN CASH	(81,391)	141,641
CASH, beginning of year	<u>1,583,632</u>	<u>1,441,991</u>
CASH, end of year	<u>\$ 1,502,241</u>	<u>\$ 1,583,632</u>
REPRESENTED BY:		
General Account	\$ (15,146)	\$ 57,896
Trading Account	<u>1,517,387</u>	<u>1,525,736</u>
	<u>\$ 1,502,241</u>	<u>\$ 1,583,632</u>
SUPPLEMENTAL DISCLOSURE:		
Interest received	<u>\$ 457,629</u>	<u>\$ 429,191</u>



FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2005

1. NATURE OF ORGANIZATION

The Association was established to provide lobbying activities, professional development seminars and to aid in the development of policies that are of importance to its member municipalities in the Province of Manitoba. As well, the Association operates, through the Municipalities Trading Company of Manitoba Ltd. (MTCML), a program which offers member municipalities group discounts on various products and services. The Association is exempt from income tax on its earnings under Section 149 of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Fund Accounting

The Association accounts for its operations in two funds as follows:

General Account

This fund includes transactions relating to the day-to-day operations of the Association.

Trading Account

This fund includes transactions relating to the day-to-day operations of the wholly-owned subsidiary, the Municipalities Trading Company of Manitoba Ltd.

(b) Inventory

Inventory is valued at the lower of specific cost and net realizable value.



FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2005

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Property And Equipment

Property and equipment are stated at cost less applicable government grants. Depreciation is recorded on the straight-line basis using the following annual rates:

Building	-	2.5%
Office equipment	-	10%
Sign	-	10%
Computer hardware	-	30%
Computer software	-	100%
Vehicle	-	25%
Photocopier	-	20%

3. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Depreciation</u>	2005 <u>Net Book Value</u>	2004 <u>Net Book Value</u>
Land	\$ 90,000	\$ -	\$ 90,000	\$ 90,000
Building	372,557	73,886	298,671	302,439
Office equipment	114,586	97,056	17,530	19,141
Sign	9,128	6,406	2,722	3,635
Computer hardware	228,547	211,016	17,531	16,984
Computer software	36,347	36,347	-	-
Vehicle	35,411	8,853	26,558	6,981
Photocopier	<u>17,905</u>	<u>17,905</u>	<u>-</u>	<u>619</u>
	<u>\$ 904,481</u>	<u>\$ 451,469</u>	<u>\$ 453,012</u>	<u>\$ 439,799</u>



FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2005

4. SELF-INSURANCE LOSS POOL

	2003/2004 And Prior Pool	2004/2005 Pool	2005 Total	2004 Total
Balance, beginning of year	\$ 6,645,458	\$ -	\$ 6,645,458	\$ 5,845,380
Current year loss pool additions	<u>-</u>	<u>3,520,013</u>	<u>3,520,013</u>	<u>3,529,296</u>
	6,645,458	3,520,013	10,165,471	9,374,676
Insurance claims paid	1,357,611	931,053	2,288,664	1,729,218
Amounts rebated	918,816	-	918,816	1,000,000
Other costs	<u>17,432</u>	<u>-</u>	<u>17,432</u>	<u>-</u>
Balance, end of year	<u>\$ 4,351,599</u>	<u>\$ 2,588,960</u>	<u>\$ 6,940,559</u>	<u>\$ 6,645,458</u>

The "self-insurance loss pool" is operated by the Association of Manitoba Municipalities. The pool is funded annually by proportionate contributions from participating municipalities.

This joint loss pool is responsible for paying the first \$500,000 (2004 - \$500,000) per claim of certain types of claims, up to a maximum of \$4,100,000 (2004 - \$4,100,000) in aggregate for the year.

	<u>2005</u>	<u>2004</u>
The segregated cash is recorded at cost as:		
Bank	\$ 34,091	\$ 37,423
Great West Life - Loss Pool Fund (market value \$7,226,475, 2004 - \$6,656,047)	<u>6,906,468</u>	<u>6,608,035</u>
	<u>\$ 6,940,559</u>	<u>\$ 6,645,458</u>



FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2005

5. OPERATING LEASE COMMITMENT

The Association of Manitoba Municipalities generates revenue by leasing a portion of its building to an unrelated company. The lease expires May 1, 2008.

The Association will receive the following lease revenue in the years ended August 31:

2006	36,000
2007	36,000
2008	27,000

6. LEGAL FUND

During 1999, a Legal Fund was established to fund various matters that require the services of a lawyer, including preparation of by-laws, research and responding to any proposed legislative changes or lobbying on issues important to municipalities in Manitoba.

The Legal Fund will be funded, to a maximum of \$50,000, by retaining the excess premiums under the Municipal Insurance Programs that were previously rebated to municipalities each year.

7. EMPLOYEE BENEFITS RESERVE

This reserve was originally established to fund a human resource position and was augmented by the transfer of the general reserve in MAUM at December 31, 1998. Since that time, it has been used to fund superannuation, and the reserve is not to exceed \$100,000.

8. BUILDING RESERVE

This reserve has been established to fund major repairs, renovations, and expansion of the building.



FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT SCHEDULE OF EXPENSES YEAR ENDED AUGUST 31, 2005

	<u>2005</u>	<u>2004</u>
FUNCTIONS		
Municipal seminar	\$ 33,157	\$ 27,308
Trade show	21,128	22,986
Resolutions committee	2,589	3,485
Pre-conference seminar	-	1,000
Education	31,401	20,021
Convention	<u>256,633</u>	<u>175,778</u>
	<u>\$ 344,908</u>	<u>\$ 250,578</u>
EXECUTIVE		
Board - stipend	\$ 44,838	\$ 33,186
Board - sundry	2,267	3,349
Meeting expenses	<u>335,030</u>	<u>309,771</u>
	<u>\$ 382,135</u>	<u>\$ 346,306</u>
OTHER		
Association fees	\$ 2,949	\$ 3,039
Audit fees	10,713	11,875
Bank charges	108	45
Building repairs and maintenance	17,257	19,670
Building reserve	50,000	50,000
Depreciation	43,843	47,492
Donations and gifts	4,989	4,309
Insurance	3,998	2,926
Legal	15,723	7,880
Office	59,685	65,777
Postage	23,326	24,000
Printing and stationary	8,966	13,956
Promotional materials	15,048	8,828
Property taxes	26,180	25,806
Telephone	20,487	19,425
Vehicle expenses	<u>6,461</u>	<u>3,523</u>
	<u>\$ 309,733</u>	<u>\$ 308,551</u>



FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT SCHEDULE OF EXPENSES YEAR ENDED AUGUST 31, 2005

	<u>2005</u>	<u>2004</u>
STAFFING		
Management expenses	\$ 20,475	\$ 10,445
Staff expenses	16,323	13,356
Salaries	467,724	441,160
Employee benefits	63,004	63,367
Workers compensation	498	566
Employee benefits reserve	10,000	4,915
Staff training and recruitment	<u>3,961</u>	<u>5,000</u>
	<u>\$ 581,985</u>	<u>\$ 538,809</u>

MISSION STATEMENT

*THE ASSOCIATION OF MANITOBA MUNICIPALITIES
IDENTIFIES AND ADDRESSES THE NEEDS AND
CONCERNS OF ITS MEMBERS IN ORDER
TO ACHIEVE STRONG AND EFFECTIVE
MUNICIPAL GOVERNMENT.*

