

2006 Annual Report

September 1, 2005 to August 31, 2006



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

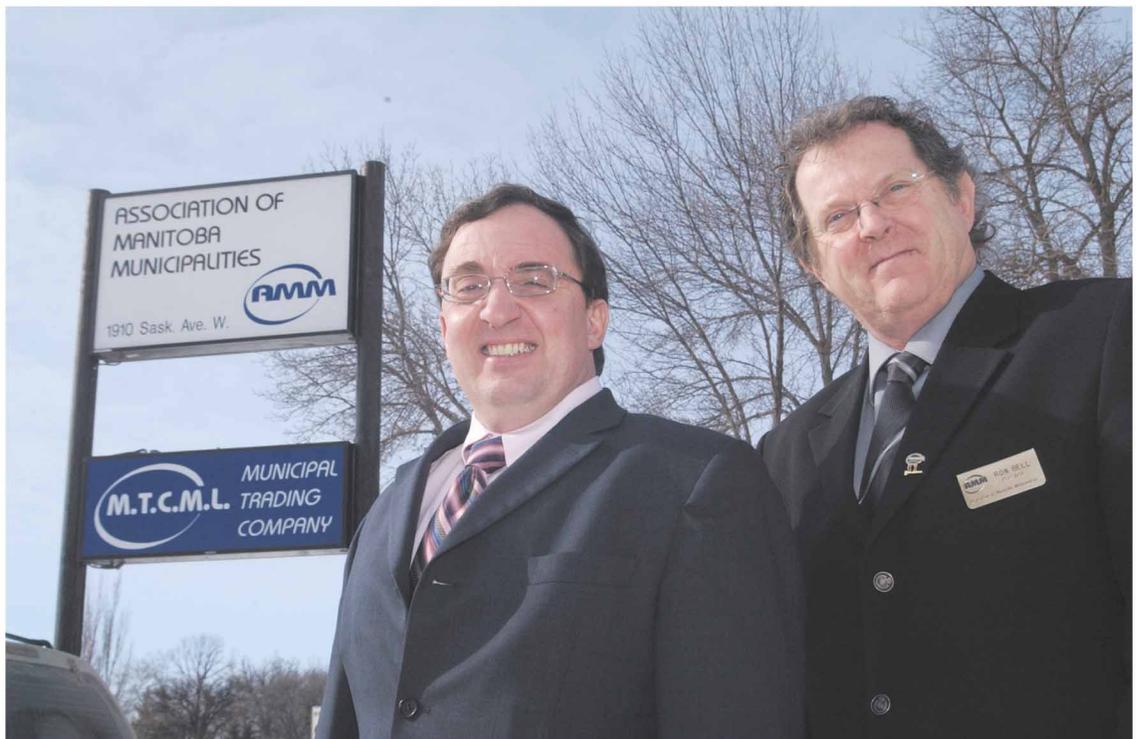
Albert
Alexander
Alonsa
Archie
Argyle
Armstrong
Arthur
Bifrost
Birtle
Blanshard
Brenda
Brokenhead
Cameron
Cartier

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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AMM Executive Director Joe Masi and AMM President Ron Bell
(Photo courtesy of Portage la Prairie Daily Graphic)

President's Message



On behalf of the Board of Directors of the Association of Manitoba Municipalities, I am pleased to present the 2005/2006 Annual Report. The past year, the eighth in AMM history, was exciting, productive and even groundbreaking in some cases.

One of the most significant events of the year for the AMM and our members took place on November 18, 2005. That is

the day that the Province of Manitoba and the Government of Canada signed the Canada-Manitoba Gas Tax Agreement, representing \$167.3 million in gas tax revenues to be invested in cities and communities across Manitoba over five years. All municipalities have now signed funding agreements and received their first payments.

While the share of federal gas tax revenues municipalities now receive is appreciated and needed, we recognize that municipalities are facing a much larger obstacle in the form of an ever increasing infrastructure deficit. Municipalities' main source of revenue is property taxes, yet municipal responsibilities span so much more than basic property services today that it is difficult to keep pace with the added demands. The result of this inequity is that municipalities cannot afford to maintain their rapidly deteriorating infrastructure.

The federal government has acknowledged that a fiscal imbalance exists in Canada between all three orders of government, and all three orders of government agree that the current financial arrangement is not sustainable. The current mismatch of revenues and responsibilities is not productive and the time has come for a change. More is needed than a simple one time transfer of surplus revenues, and all orders of government need to work toward the implementation of a sustainable plan to address the challenges facing Canadian communities.

By the same token, we have been advocating for a serious examination of the roles, responsibilities and resources of all orders of government here in Manitoba. There is little doubt that our communities need help, and with only eight cents

of every dollar going to municipal governments in Canada, greater revenue sources are needed. While appreciated, one-time grants and transfers are not enough to make a meaningful impact on the serious infrastructure issues facing our communities and do not allow community leaders to make long-term plans. Only through this examination will we be able to meet the needs and expectations of all Manitobans.

These developments with respect to infrastructure are the result of strong lobbying by the AMM and other organizations, and by you – municipal governments who face this deficit every day. Our lobbying efforts have had an additional key result – an increase in public awareness around the infrastructure deficit. In fact, recent media reports and polls strongly suggest that infrastructure renewal is now a top priority for the public. Hopefully, with public opinion driving the issue to the forefront of decision-making at both the Provincial and Federal levels, we will see increased financial resources make their way into municipal budgets.

An election year always means a changing of the guard at the AMM, and we have seen some board members depart to take on other challenges. I'd like to thank Garry Wasylowski, Rural Vice-President, and Lorne Boguski, Urban Vice-President, for their years of dedication to municipal government and the AMM. Lorne, Garry and I worked side-by-side for several years, and their knowledge of municipal issues will be greatly missed at our board table. I also bid farewell to Stan Ward, Karen Caldwell, Rick Martel and Jae Eadie. These board members logged many hours on behalf of the AMM and I wish them all the best in their future endeavors. Thanks also to the rest of the board for their continued dedication and contribution to the AMM. You are all true professionals whose work on behalf of our members is important and appreciated.

In closing, I must reserve my greatest thanks to you, the members of the AMM. While we have faced many trials, we have also gained much and I believe that over the past year we have most certainly achieved that most important milestone:

Executive Director's Message

strong and effective municipal government. We have much yet to do in addressing our infrastructure deficit, but working with the Federal and Provincial Governments over the coming year, we can make significant progress in addressing this key municipal issue.

I hope you enjoy this annual report and the accomplishments we have made together in 2005/2006.



Ron Bell, AMM President



I am pleased to provide the Executive Director's message for the eighth 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. MTCML sales increased this past year, and as a result the AMM was able to offer a rebate back to the membership for the fifth consecutive year. This year's rebate was \$500,000, bringing the total rebates back to the membership to \$1.75 million over the past five years. We sincerely thank all municipalities for their continued use of our trading company. It is clear our members understand the value they receive from the trading company, as illustrated in some of the members' comments on p. 27 of this report. We would also like to express our appreciation and thanks to our official suppliers. They offer our membership excellent products and services at discounted prices that are second to none.

In terms of our events, this past year the AMM was able to offer two first-rate and affordable professional development courses for elected officials. Our other events, including the Annual Convention and Municipal Officials Seminar & Trade Show, were also well attended and are further highlighted on pages 22 and 23.

On the communications side of the AMM, our magazine and bulletins continue to improve and keep our membership informed on various initiatives of the AMM. As well, visits to the AMM website at www.amm.mb.ca has doubled over the past two years. We attribute this increase to the website being easy to use, always up to date and offering a wealth of resources to our membership.

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 its 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 Dale Lyle 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.

Lastly, I would like to thank our membership for their continued advice, support and encouragement. You have welcomed our Association to your offices on municipal visits, provided us with valuable feedback on various 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.



Joe Masi, Executive Director

Board of Directors



AMM Board of Directors (L to R): Councillor Art Rempel, Eastern Urban Director; Councillor Richard Martel, Central Urban Director; Mayor Ron Bell, President; Mayor Stan Ward, Western Urban Director; Reeve William Danylchuk, Eastern Rural Director; Councillor Bert Lagimodiere, Northern Director; Reeve Garry Wasylowski, Rural Vice-President; Reeve Alice Bourgouin, Interlake Rural Director; Mayor Shirley Kalyniuk, Midwestern Urban Director; Reeve Robert Misko, Parklands Rural Director; Councillor Jae Eadie, City of Winnipeg Director; Mayor Randy Sigurdson, Interlake Urban Director; Mayor Lorne Boguski, Urban Vice-President; Reeve Roger Wilson, Midwestern Rural Director; Mayor Rene Maillard, Parklands Urban Director; Councillor Alan Ransom, Western Rural Director; Councillor Doug Dobrowolski, Central Rural Director; and Dale Lyle, MMAA President



AMM Social & Fiscal Issues Committee
Art Rempel, Doug Dobrowolski, Stan Ward, Robert Misko, Jae Eadie, Randy Sigurdson, and Rene Maillard



AMM Resource Management Committee
Bert Lagimodiere, William Danylchuk, Alice Bourgouin, Roger Wilson, Shirley Kalyniuk, Alan Ransom, and Richard Martel

Executive & Staff



AMM Executive (Back Row, L to R)

Mayor Lorne Boguski, Urban Vice-President
Reeve Garry Wasylowski, Rural Vice-President
Mayor Ron Bell, President

Front Row

Joe Masi, Executive Director



AMM Staff (Back Row L to R): Lynne Bereza, Communications Coordinator; Rachel Philippe, Senior Policy Analyst; Erika Rempel, Administrative Assistant, Policy & Communications; Donna Belbin, Events Coordinator; Patti De Baets, Finance Coordinator; and Julia Green, Administrative Assistant, Board & Administration

Front Row L to R: Joe Masi, Executive Director; Linda Hargest, Director of Administration & Marketing; and Tyler MacAfee, Director of Policy & Communications

External Committees

President Ron Bell

- Federation of Canadian Municipalities
- Provincial/Local Consultative Committee on Infrastructure
- Federal Gas Tax Oversight Committee
- Infrastructure Council of Manitoba
- Prairie Grain Roads Program Management Committee

Vice-President Garry Wasylowski

- Provincial/Local Consultative Committee on Infrastructure
- Planning Act Review
- Prairie Grain Roads Program Management Committee
- Lake Winnipeg Stewardship Board
- KAP Water Management Working Group

Vice-President Lorne Boguski

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

Councillor Doug Dobrowolski

- 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
- Manitoba Disaster Appeals Board
- Drainage Guidelines Committee
- Livestock Facilitated Community Consultation Program

Mayor Rene Maillard

- "Tools for Change" Working Group
- Medical First Response Advisory Committee
- Manitoba Disaster Appeal Board
- Biodiesel Committee

Mayor Randy Sigurdson

- Physician Resource Coordination Office Policy Committee

Councillor Rick Martel

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

Councillor Bert Lagimodiere

- MTS Buried Cable Committee
- Manitoba Airport Operators Committee
- Inter Utility Committee
- RCMP Human Resources Advisory Committee

Mayor Stan Ward

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

Reeve Robert Misko

- Planning Excellence Awards Judging Panel

Reeve Roger Wilson

- Conservation District Commission
- Conservation Agreements Board
- Manitoba Habitat Heritage Board

Councillor Art Rempel

- Community Investment Support Program
- "Tools for Change" Working Group
- Review of the Library Act

Mayor Shirley Kalynuik

- Sport Manitoba Committee
- MTS Buried Cable Committee

Reeve Alice Bourguin

- Manitoba Technical Erosion Committee

Reeve William Danylchuk

- Manitoba Public Insurance Vehicle Fire Advisory Committee
- MPIC Road Safety Coordination Committee

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:

Provincial Land Use Policy Review

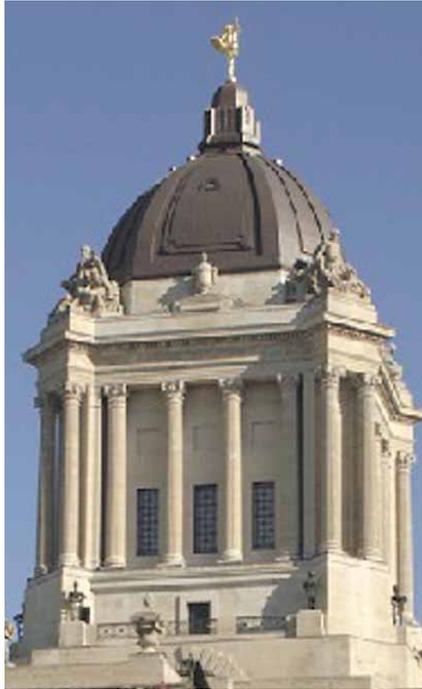
Submission to the Department of Intergovernmental Affairs & Trade—November 7, 2005

The Province updated the Provincial Land Use Policy (PLUP) prior to *The Planning Act* coming into force on January 1, 2006. Policy two guides agricultural development and the amendment focused on enhancing clarity in planning processes. The AMM raised two key concerns regarding this legislation.

First, the animal unit calculation should reflect differences based on species type and confinement period since year-round confinement and pasturing operations each have distinct manure management practices. If the PLUP does not account for these differences, municipalities should be authorized to make suitable adjustments.

Secondly, the amendments make producers responsible for soil surveys for new or expanded livestock operations where such information is not available. This will increase costs for many producers due to the widespread lack of detailed mapping in Manitoba. The Province is responsible for environmental concerns and the costs of assessing soil suitability should not be shifted to individual producers.

AMM continues to raise municipal concerns through the overall review of the Provincial Land Use Policies.



Bill 14: The Water Rights Amendment Act June 5, 2006

The AMM made a presentation to the Standing Committee on Legislative Affairs regarding Bill 14: The Water Rights Amendment Act.

Water protection is a central issue for municipal governments. Developing the legislative framework for the protection of Manitoba's water has involved enacting a number of bills and regulations designed to protect this valuable resource. A key

issue for the AMM has been the need to have adequate enforcement measures in place to ensure compliance with the new rules. The AMM expressed support for Bill 14 as it strengthens the enforcement process.

The AMM also noted that while municipalities, through local conservation districts, have begun developing water plans to manage their water, illegal drainage work does occur which affects even the best laid plans. The AMM suggested that while stronger enforcement measures are appreciated, additional resources should also be considered for the licensing process, as improving the process may reduce the amount of illegal work being done.

Bill 14 received Royal Assent on June 13, 2006.

Bill 15: The Emergency Measures Amendment Act *May 24, 2006*

Last May, the AMM made a presentation to the Standing Committee on Legislative Affairs around Bill 15: The Emergency Measures Amendment Act.

Overall, the AMM was pleased to see the Provincial Government introduce Bill 15, as it will allow municipalities to issue emergency prevention orders in advance of a disaster's onset. This means that municipalities will be able to take action ahead of time and prevent damages.

The AMM did express concern that there is no guarantee that necessary preventative work will be covered under the current Disaster Financial Assistance program. While the AMM is pleased that Bill 15 gives communities new tools to deal with disasters, without accompanying financial assistance many municipalities will still be unable to take any meaningful action.

Municipalities will benefit from Bill 15 and the ability to enact emergency preparedness orders. This will allow communities to take action to prevent damages when disasters are looming and to work to protect their communities.

Bill 15 received Royal Assent on June 13, 2006.

Bill 30: The Fires Prevention and Emergency Response Act *June 5, 2006*

The AMM presented to the Standing Committee on Bill 30: The Fires Prevention and Emergency Response Act.

This is an important piece of legislation for municipalities as it mandates increased responsibilities for local authorities, primarily increased inspections on public buildings. Municipalities understand the need to ensure

public buildings are safe, and they also understand the benefits to standardizing codes across the province.

Overall, Bill 30 clarifies the roles of both the Province and municipalities in these important areas. While this bill does mandate additional responsibilities for municipalities, the AMM is confident that by working closely with the department, Manitobans will benefit.

Bill 30 received Royal Assent on June 13, 2006.

Other bills passed during this session of interest to the AMM included:

- **Bill 7: The Architects and Engineers Scope of Practice Dispute Settlement Act** *Received Royal Assent November 30th, 2005*
- **Bill 13: The Conservation Districts Amendment Act** *Received Royal Assent June 13, 2006*
- **Bill 22: The Elections Reform Act** *Received Royal Assent June 13, 2006*

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

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:

Aboriginal & Northern Affairs

The AMM met with Minister Oscar Lathlin on September 11. Highlights included:

Delays in the treaty land entitlement (TLE) process are costly and greater incentives are required to ease the negotiation process. The TLE process in Saskatchewan offers valuable insight regarding appropriate incentives and systems to support the selection and conversion of land.

A review of the current TLE compensation structure should consider Saskatchewan's system in order to seek alternative ways of enhancing Manitoba's TLE process.

Projects to address the high cost of healthy food and promote local food production in northern communities are underway as part of the Northern Healthy Foods Initiative. However, there is a need to improve affordability of milk products. The mandate of the Manitoba Milk Prices Review Commission should be expanded to include northern communities.

Update: There are currently 6 TLEs in process and the Province will be working on them one by one. The proposed Bill 32 – The Real Property Amendment Act that was not passed last session will be reintroduced in the fall session.

Advanced Education & Training

The AMM met with Minister Diane McGifford on September 11. Highlights included:

September 1, 2006 marks the deadline for certification of water and wastewater operators. As of this date all new employees must be appropriately certified.

Courses for Level III and IV certification are only available by correspondence or by traveling out of province. Training opportunities should be available in Manitoba in order to facilitate compliance with new Provincial requirements.

With Manitoba's commitment to expanding wind energy capacity, there is an opportunity to train local people to build new facilities and perform regular maintenance. Much of this skilled labour is imported and the Province should promote the development of a local skilled labour force.

Update: The Province recognizes the need in both of these areas and is working to provide local training opportunities.

Agriculture, Food & Rural Initiatives

The AMM met with Minister Rosann Wowchuk on February 22. Highlights included:

Flooding in 2005 highlighted the need for enhanced disaster financial assistance in Manitoba. There is a need for disaster assistance to fund permanent preventive measures, rather than exclusively focusing on temporary, ad hoc initiatives.

Economic development is an important priority that requires a coordinated Provincial strategy. The Province must ensure that funding mechanisms are responsive to a range of local priorities and initiatives.

New legislation regarding land and water resource planning must be coordinated to ensure consistency across Provincial departments. Improved clarity and the enhanced use of scientific principles will increase the effectiveness of the legislation.

The new regulations must not depend on municipal governments for financing and the Province should ensure that resources are available to meet increased responsibilities.

All affected Provincial Departments, municipalities and agencies need to work together to develop a coordinated approach to effectively control weeds at the source. The Province should provide the resources to manage this important undertaking.

Update: AMM held an information session on economic development at the 2006 Municipal Officials Seminar to highlight the types of initiatives that occur throughout Manitoba.

Manitoba Conservation

The AMM met with Minister Stan Struthers on January 25. Highlights included:

Green Manitoba Eco Solutions (GMES) must obtain sufficient Provincial funding to maintain the 80:20 funding ratio. Permanent recycling programs for household hazardous waste and electronic waste must be established.

Training opportunities must be available within Manitoba for all water and wastewater operator levels to ensure that appropriate personnel can be hired locally.

The Province should allocate resources to coordinate the efforts of various Departments, municipalities and agencies to control weeds at the source.

The Province should review the taxation of park residences and impose taxation whereby municipalities are adequately compensated for services used by permanent park residents.

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

Update: GMES has put forward regulatory changes to improve tire recycling, with blue box, electronic waste and household hazardous waste to follow. The Province has committed to maintaining the 80:20 funding ratio under GMES and consulting with municipalities as new regulations are developed.

The chief place of residency fee increased by \$100 in the 2006 Budget. The Province is reviewing the fee system for provincial parks to ensure that it is responsive to the interests of all stakeholders.

Culture, Heritage & Tourism

The AMM met with Minister Eric Robinson on January 25. Highlights included:

The Province should promote recreation by enhancing funding for the Community Places Program, increasing funding to recreation commissions and advancing a tri-partite national recreation infrastructure program.

Public libraries require increased financial support and the Province should reduce the reliance on per capita funding mechanisms.

Further options for joining regional libraries should be considered, such as allowing the designation of parts of municipalities to regional library districts.

The Province should establish a trust fund for the ongoing maintenance of the Trans-Canada Trail in Manitoba.

Update: The Public Libraries Review Committee submitted its final report to Minister Robinson, recommending reviewing funding mechanisms and allowing the designation of parts of municipalities to regional library districts. As well, the Province allocated \$1 million to assist the Manitoba Recreational Trails Association with the construction of the Trans Canada Trail.

Education, Citizenship & Youth

The AMM met with Minister Peter Bjornson on February 15. Highlights included:

Property taxes are an inappropriate mechanism to raise funds for education. The Province has been moving in the right direction by eliminating the residential Education Support Levy (ESL) and providing a 60 per cent rebate for farmland. However, further movement is required since there has been no change to education taxation on commercial property and the Province still relies heavily on property taxation to fund education.

The Province has committed to further changes to education funding mechanisms and municipalities are anticipating these changes in the next Provincial Budget. A long-term plan is required to shift education funding away from property taxation.

Energy, Science & Technology

The AMM met with Minister David Chomiak on June 8. Highlights included:

The Province must engage in meaningful consultation with municipalities during the drafting of regulations and throughout the ongoing activities of Green Manitoba Eco Solutions.

Further investments in ethanol and biodiesel facilities are required across Manitoba to promote clean energy alternatives and local economic development.

Along with environmental benefits, wind energy also provides opportunities for economic benefits for Provincial and municipal governments. The Province should expand efforts to stimulate growth in Manitoba's wind energy sector.

Extension of cellular coverage should be addressed by governments working with private industry to meet the needs of Manitobans. The Province should adopt a more prominent role in the expansion of cellular service to remote areas.

Update: Wind energy projects will move forward as the Province releases a Request for Proposals for another 300 megawatts. New projects should begin in 2007-08.

In addition, biodiesel incentives have been enhanced as the Province will no longer collect the 11.5 cents per litre fuel tax on 100 per cent biodiesel.



Wind energy projects will move forward in 2007-08.

Family Services & Housing

The AMM met with Minister Christine Melnick on February 7. Highlights included:

There is a need for greater accessibility to affordable housing programs for all communities. Economic development and neighbourhood revitalization programs, such as the Neighbourhoods Alive! program, should be available in more communities, while maintaining the level of funding available to Winnipeg, Brandon, and Thompson.

Update: Several rural communities received funding for affordable housing projects under the Canada-Manitoba Affordable Housing Initiative (AHI) including Steinbach, Ste. Anne, Dauphin, Woodlands, Arborg, Morden and The Pas.

Health

The AMM met with Minister Tim Sale on January 31. Highlights included:

The effective delivery of health care services is paramount to community sustainability, but Regional Health Authorities (RHA) are falling short since they do not respond to local community needs. The Province should review the RHA structure in order to achieve greater accountability and transparency and to allow the election of RHA boards.

Greater resources must be allocated to ensure Manitobans have local access to physicians. The Province should address physician shortages by providing additional support for locally trained students, facilitating the recruitment of international medical graduates, and contributing to retention strategies to keep physicians in Manitoba.

As a public health concern, the Province should take a proactive stance on West Nile virus prevention and absorb all related surveillance and mosquito control costs.

The Province should fully fund the ambulance costs of inter-facility patient transfers across RHA boundaries.

The Province should work with municipalities to prepare for a pandemic influenza and to establish effective response mechanisms.

Update: 101 students started in the 2006-07 class at the University of Manitoba medical school, making this the largest class in 30 years.

Industry, Economic Development & Mines

The AMM met with Minister Jim Rondeau on February 15. Highlights included:

The Province should review the 4.4-cent per tonne aggregate mining fee in order to provide municipalities with sufficient funding to address

the infrastructure challenges created by mining operations.

Future leases for gravel pit operators should include a requirement to pay property taxes, since municipalities are inadequately compensated for the current use of municipal infrastructure by operators.

There are significant health and environmental risks associated with orphaned and abandoned mine sites and the Province must commit greater resources to the timely remediation of these hazardous locations.

Update: The AMM is represented on a committee to review the aggregate mining fees and make recommendations on enhancing this fee structure.

Justice

The AMM met with Minister Gord Mackintosh on February 7. Highlights included:

The Province should commit additional resources to police services throughout Manitoba to ensure that all communities have sufficient access to safety and crime prevention services.

Efforts to reduce youth crime should include lobbying for a federal review of *The Youth Criminal Justice Act* to deal more effectively with offenders and repeat offenders as well as to address the regional diversity of Manitoba's municipalities.

The Province should restrict the re-issuance of driver's licenses pending the payment of outstanding parking and traffic violation fines.

Manitoba Public Insurance Corporation

Manitoba Public Insurance Corporation should provide full compensation when municipal fire departments respond to motor vehicle accidents. Compensation mechanisms should also cover traffic control services performed by firefighters.

Update: Acting on the resolutions passed by the membership, the AMM has been working with the Province and those municipalities most directly impacted by unpaid parking violations to find a way to allow municipalities to hold driver's licenses until parking offences are paid. The Province has been willing to review this issue and we expect to have it resolved in the near future.

As of January 2006, MPIC compensation rates increased to \$600 per incident for basic calls and to \$800 per incident for complex calls.

Labour & Immigration

The AMM met with Minister Nancy Allan on February 15. Highlights included:

The Province should ensure that additional fire inspections are not downloaded to municipal fire departments.

Mutual aid districts require additional resources to provide appropriate training to all personnel.

All Manitobans should have access to 911 services, therefore the Province should adequately staff the Medical Transportation Coordination Centre and enact mandatory 911 legislation for all municipalities.

AMM also raised the issue of compensation for municipal fire departments responding to motor vehicle accidents and the inclusion of traffic control in the compensation rates.

Update: The Province passed Bill 30 – The Fires Prevention and Emergency Response Act .

Transportation

The AMM met with Minister Ron Lemieux on April 25. Highlights included:

Increased infrastructure investment is one of the greatest needs in Manitoba and the Province must commit to a long-term plan with sustained funding to address the increasing transportation infrastructure deficit.

The discontinuation of the Bridge Cooperative Program and the Manitoba Airport Capital Assistance Program had a profound impact on many small communities. The Province should reinstate both of these crucial programs.

The Province should establish a coordinated approach for municipalities and departments to control weed growth along Provincial roads and in ditches to minimize the spread of noxious weeds.

Update: The Province increased its investment in highways to \$257 million in the 2006 Budget.



Increased infrastructure investment is one of the greatest needs in Manitoba.

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

Policy & Lobbying

Intergovernmental Affairs and Trade

One of the most important provincial departments for municipalities is the Department of Intergovernmental Affairs and Trade. Because of this the AMM tries to meet on a more regular basis with the Minister to highlight key municipal issues. This year the AMM raised several key issues with Minister Scott Smith, including:

- *Federal New Deal for Municipalities*
- *New Accounting Standards for Municipalities*
- *The Municipal Agenda*
- *Changes to the Disaster Financial Assistance System*
- *Minister Meetings at AMM Convention*

The AMM will continue to keep a close relationship with this Department as it is imperative that the Minister of Intergovernmental Affairs and Trade has a keen understanding of both emerging and long-standing municipal issues.

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:

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

Finance

The AMM met with the Minister of Finance, Greg Selinger, on February 14th, to highlight some of the key priority areas for municipalities. These included water issues and the need for increased funding for policing, recycling, and disaster financial assistance.

Other issues discussed were health, recreation funding, and the Manitoba Airport Capital Assistance Program and Bridge Co-Operative Program.

Budget Day, March 6, 2006, saw the elimination of the education support levy (ESL), and an increase to the farmland tax rebate to 60%. There was also a commitment to further reductions in upcoming budgets.

The Building Manitoba Fund increased by 6% overall in Budget 2006.

The Building Manitoba Fund increased by 6% overall. The total increase of \$7.9M includes \$3.4M for rural Manitoba and \$4.5M for Winnipeg. \$1.7M of the rural increase was earmarked for a new Recreation Centre and Library Infrastructure Fund, with a further commitment of \$5.3M next year.

On water issues, while the drainage budget doubled from \$1.9M to \$3.8M, the AMM was disappointed that there was to be no increase in dedicated funding for the development of Integrated Water Management Plans (IWMPs).



A New Deal for Manitoba

On November 18th, 2005 the Province of Manitoba and the Government of Canada signed an agreement on the transfer of federal gas tax revenues under the New Deal for Cities and Communities. All municipalities have signed their funding agreements and received their first payments. A total of \$167.3 million will be invested in cities and communities across Manitoba over five years by the Government of Canada through its commitment to share gas tax revenues.

Municipalities may use their gas tax funds for environmentally-sustainable municipal infrastructure projects. Eligible project categories include roads and bridges, water and sewer facilities, solid-waste management, public transit, community energy systems and municipal capacity building. Decisions on how these funds are invested will be made locally in a way that responds to the infrastructure needs of each community and results in environmental benefits such as clearer air, cleaner water and reduced greenhouse gas emissions for all Manitobans.

The Province of Manitoba is administering the federal gas tax funds made available under these agreements on behalf of Canada including making payments to individual municipalities and communities.

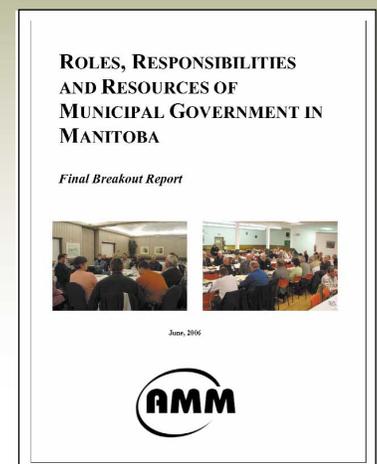
The Municipal Agenda

Manitoba's municipal governments continue to take on greater responsibilities. The AMM feels it is necessary that the roles, responsibilities and resources of municipal government be examined. Some options to support municipal governments in serving their communities effectively are reducing education tax from property and exempting municipal governments from the Provincial Sales Tax. Throughout the year, the AMM urged the Province to work with municipalities to seriously examine the roles, responsibilities and resources of municipal governments in Manitoba.

The AMM has taken a close look at this issue. In response to the AMM Board's strategic planning session, at this year's Mayors, Reeves and CAOs meetings the AMM sought feedback from the membership on key issues surrounding the roles, responsibilities and resources of municipal governments in Manitoba.

A report was compiled and was the focus of President Bell's presentation at the June District Meetings. The report found that there is a real need to take a serious, meaningful look of the roles, responsibilities and resources of municipal government in this province to maximize resources and ensure the best delivery of service while dealing with the growing infrastructure deficit.

This report also provided a starting point for all municipal associations from across Canada, including the AMM, to commission a major study looking at this very issue. This study will provide a detailed examination of the relationships between municipalities and their respective provincial governments across Canada. We anticipate the final report in April of 2007, and hope its findings further open the door to a realignment of fiscal responsibilities amongst governments.



Policy & Lobbying

Water – the very word sets off a fury of emotions for elected officials. While it is the ‘essence of life’, ‘nature’s hidden treasure’, ‘nature’s magician’ or any other catch phrase of the week, water is a critical issue for municipalities. Municipal officials are proud to be leaders in water conservation and protection efforts, but at the same time there is trepidation with some of the emerging regulations and growing expectations.

The AMM has spent much of the last year working on key municipal water issues and in April presented the Province with the AMM Water Issues Paper. Highlighting six principal issues, the paper provides a synopsis of the most pressing areas in need of attention and clarification.

The first issue highlighted is the need for meaningful stakeholder input into the development of the provincial water policy. There is no doubt that municipalities and conservation districts will be key partners in the implementation of any plan, so it is imperative that they are consulted throughout the process. The expectation is for meaningful consultation beyond simply sharing the plan with municipalities once it is developed internally.

The second issue is the need for a long-term plan that municipalities and CDs can work in conjunction with in order to meet mutually beneficial objectives. The success of the entire water management system rests on this plan, so it is critical that it is developed quickly in conjunction with municipalities and CDs.



Water – the very word sets off a fury of emotions for elected officials.

The third issue is the financial costs of water initiatives. Municipalities cannot be seen as the funding agencies for Provincial water objectives and it is essential that the financial implications of these policies be considered during development. Municipal budgets are stretched too thin, and no matter how effective a plan may be it will be useless unless it can be implemented.

The fourth issue is Integrated Watershed Management Plans (IWMP) and the need to address those groups that are not part of conservation districts, including crown lands, First Nations and non-participating municipalities. Watersheds are certainly the most logical basis for

water planning, however conservation districts are not based on watersheds so this discrepancy needs to be taken into consideration.

The final two issues highlighted in the paper is the need to update the antiquated Conservation Districts Act and the need for realistic timelines for the implementation of these requirements.

The AMM will continue to push for the resolution of these issues in order to ensure that municipalities have input into Manitoba’s water vision and that the end vision is reflective of the needs of municipalities and the realities they face.

The AMM looks forward to the Department’s formal response to the issues identified in the paper.

Policy & Lobbying

Lobby Days—April 11 & 12

On April 11 & 12, 2006, the AMM organized the 2nd annual Lobby Days at the Manitoba Legislature. This year, the AMM met with the NDP caucus as a group, and individually with Conservative and Liberal MLAs. Three topics were raised at each meeting: The Municipal Agenda, Education Tax, and Water Issues.

Municipal Agenda The AMM introduced this topic by explaining that as Manitoba's municipal governments continue to take on increasingly greater responsibilities, it is necessary that the roles, responsibilities and resources of municipal government be examined.

There was recognition of the challenges all municipal governments face. The need for funding to flow to municipalities to meet the huge infrastructure challenges was also well understood by all parties.

The need for funding to flow to municipalities to meet the huge infrastructure challenges was also well understood by all parties.

Education Tax The AMM explained that education taxation will remain a priority until the reliance on local property taxation to fund education is reduced. The AMM expressed appreciation for the



Hugh McFadyen, Leader of the Official Opposition, and AMM Central Rural Director Doug Dobrowolski

valuable first steps that the Provincial Government has taken to address this issue by reducing education taxes on certain classes of property. However, reductions in education tax should be available to all property owners.

The AMM also stressed that municipalities are committed to supporting high quality education and do not advocate an overall reduction in education spending.

The AMM continues to urge the Provincial Government to create a comprehensive five-year strategy to increase its share of funding for education, thereby reducing the current reliance on property taxes.

All parties agreed that education tax is still a major issue.

Water Issues Municipalities are supportive of water protection efforts, however there are a number of outstanding issues that need to be addressed. These issues were presented during Lobby Days and are also contained within a recent Water Issues Paper (see p. 18). The AMM urged the Province to address the issues raised to make Manitoba's water protection initiatives a success.



The Honourable Rosann Wowchuk with AMM Parklands Urban Director Rene Maillard

Special Events & Announcements



Back Row, L to R: Mayor Ron Bell, President, AMM; Ian Mackenzie, former Mayor, City of Portage la Prairie; Reeve Toby Trimble, RM of Portage la Prairie; Rick Locke, former CAO, RM of Portage la Prairie; Daryl Hrehirchuk, CAO, RM of Portage la Prairie; Dale Lyle, City Manager, City of Portage la Prairie. Front Row, L to R: Carlos Pinto, Executive Director, COMURES; Mayor Milagro Navas, President, COMURES; Micheline Caron, FCM; and Joe Masi, Executive Director, AMM

One of the highlights of the past year occurred when the AMM hosted a delegation from El Salvador. Mayor *Milagro Navas* and Executive Director *Carlos Pinto* arrived on June 24 and departed on July 2. COMURES, the municipal association representing communities throughout El Salvador, initially met AMM officials during a Federation of Canadian Municipalities (FCM) event last year, and were immediately interested in forming a relationship that would help to further develop their organization's lobbying abilities.

The FCM's *Micheline Caron* accompanied the group and acted as translator during their activities. (FCM sponsors international activities for its members with funding from the Canadian Agency for International Development.)

"...we are confronted with the same issues all over the world."

Mayor Milagro Navas, President, COMURES

During their visit, the delegation met with President Bell and senior staff of AMM to examine components of administration, finance, member relations, policy and communications. They also attended meetings with the City

and the RM of Portage la Prairie, and observed the AMM Administration and Resource Management Committee meetings. The group also met with the Minister, Deputy Minister and senior staff of Manitoba Intergovernmental Affairs & Trade.

"Our system in El Salvador is very different from yours," said President Navas, "but we are confronted with the same issues all over the world. Having the experience to hear about the practices of the AMM opens up new ways to do things—not necessarily to change but to renew. It's inspiring."

Special Events & Announcements

MRIF Project Update

Between 2005 and 2010, the Municipal Rural Infrastructure Fund (MRIF) will inject \$120 million into municipal infrastructure for Manitoba's urban, rural and northern communities. Eighty percent of MRIF will be allocated to rural and northern infrastructure projects in communities with a population under 250,000. As of March 31, 2006 34 projects totaling \$71 million have been announced.

Applications are assessed by the Rural/Northern Federal-Provincial-Local Consultative Committee (FPLCC) on Infrastructure. This is a six-member committee consisting of the President and two Vice-Presidents from the AMM, the President and a member of the Northern Association of Community Councils (NACC), and an official from Manitoba Aboriginal and Northern Affairs.

The most recent funding announcement took place in Niverville on March 24, 2006. The third and final round of approved MRIF projects for rural and northern communities is anticipated to be announced in late Fall 2006.



MRIF Funding Announcement, March 24, 2006, RM of Niverville Office

L to R: Reg Mead, President, Northern Association of Community Councils (NACC); The Honourable Vic Toews, Minister of Justice and Attorney General of Canada; Mayor Greg Fehr, Town of Niverville; The Honourable Ron Lemieux, Manitoba Minister of Infrastructure; Ron Bell, President, AMM

AMM Achieves Milestone

The AMM had the honour of receiving a Centennial Organization Award from the Manitoba Historical Society on April 23, 2006. The Honourable John Harvard, Lieutenant-Governor of Manitoba, presented the award to AMM Rural Vice-President Garry Wasylowski and AMM Executive Director Joe Masi.

The AMM believes that following the template laid out by the original Union of Manitoba Municipalities (UMM) and Manitoba Association of Urban Municipalities (MAUM), in which rural and urban municipalities work hand in hand for the betterment of all, has allowed us to reach this milestone.

The AMM has a long history of lobbying for the betterment of municipal governments in Manitoba, and we are delighted to receive this prestigious award from the Manitoba Historical Society.



Manitoba Historical Society 127th Anniversary Awards Ceremony, April 23, 2006, University of Manitoba

L to R: Joe Masi, Executive Director, AMM; The Honourable John Harvard, Lieutenant-Governor of Manitoba; and Garry Wasylowski, Rural Vice-President, AMM

The AMM annually hosts four main events for our members, as well as a series of high quality professional development sessions.

AMM Annual Convention

**Brandon Keystone Centre
November 21-24, 2005**

A grand total of 979 delegates attended the AMM's 7th Annual Convention, held at the Brandon Keystone Centre.



Delegates enjoyed three engaging keynote speakers in Kevin Burns, Peter de Jager, and Warren Macdonald. A selection of eight different workshop sessions were also offered on various topics. As well, several plenary sessions were offered, including a special "New Deal" session, giving delegates an opportunity to voice their opinions on the agreement and the AMM executive an opportunity to present a detailed account of the negotiation process.

Other plenary sessions offered to delegates included Pandemic Influenza Preparedness for Municipal Governments, and a Water & Wastewater Operator Certification Program Update.

Speakers at this year's convention included the Minister of Intergovernmental Affairs & Trade, Scott Smith; Leader of the Manitoba Liberal Party, Dr. Jon Gerrard; Representative from the Manitoba Official Opposition, Larry Maguire, MLA for Arthur-Virden; and Gloria Kovach, President of the Federation of Canadian Municipalities. Premier Gary Doer also presented his annual address to the delegates.

Resolutions Summary - 2005

Number of Resolutions	67
Number of Late Resolutions	4
Total Number of Resolutions	71
Number carried	63
Number defeated	5
Number withdrawn	3

This year's Ministerial Forum saw six ministers take part. The Honourable Scott Smith chaired the forum and was joined by Ron Lemieux (Transportation and Government Services), Steve Ashton (Water Stewardship), Tim Sale

(Health), Rosann Wowchuk (Agriculture, Food and Rural Initiatives), and Stan Struthers (Conservation).

Elections

AMM President Ron Bell was acclaimed for a second term as AMM President. Also acclaimed was Lorne Boguski, for a second term as Urban Vice-President. An election took place for the position of Rural Vice-President, with incumbent Garry Wasylowski defeating Doug Dobrowolski.

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

Held each year in Brandon's Keystone Centre, MOS provides AMM members the opportunity to participate in education and policy related workshop sessions. Over 800 municipal officials attended workshops on topics including *Canadian corrections, community problem-solving, pre-retirement planning, hiring a CAO, effective email, the future of municipalities, heritage, Manitoba's extended producer responsibility program, and tire stewardship.*

Plenary highlights included *How the New Deal Program Can Work For You*, and *A Rationale for the Delivery of Municipal Leisure Services.*

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

Mayors, Reeves & CAOs Meetings

March 13—24, 2006

The AMM annual Mayors, Reeves and CAOs meetings were held between March 13 and 24, 2006. These meetings allow the AMM executive to update members on AMM activities and to enhance communications with members.

A breakout discussion on *The Municipal Agenda* was an important part of the meetings this year. Born out of the AMM's annual strategic planning session in January, the AMM felt that the Mayors, Reeves and CAOs meetings were an excellent opportunity to gain valuable input from our members on the topic. A number of key questions were asked of participants and the results compiled into a report on *The Municipal Agenda*.

Hosts for the 2006 Mayors, Reeves & CAOs Meetings were the RM of Kelsey & Town of The Pas, RM of Ochre River, RM of Riverside, RM of Franklin, RM of Park, RM of Morris, and the City of Selkirk.

June District Meetings

June 12—21, 2006

June District Meetings are held in each of the AMM's seven districts. Resolutions passed at June District Meetings are brought forward to the AMM Annual Convention.

The 2006 meetings were hosted by the RM of Hanover, RM of Arthur & Town of Melita, RM of Dufferin & Town of Carman, RM of Miniota, City of Flin Flon, RM of Mossey River, and the Town of Teulon. Total attendance at this year's June District Meetings was 672 delegates.

**2006 June District Meetings****Municipal Visits**

Each year, the AMM travels extensively throughout Manitoba on municipal visits. During the visits, the AMM meets with local councils to discuss issues the AMM board is working on, and to hear from the councils regarding the issues facing these communities.

The AMM visited 67 municipalities in 2006.

AMM Education Program

This year, AMM members were offered two outstanding education sessions. In the first session, held in Brandon on March 1, 2006, well known law firm McCandless Trambley teamed with Roger Bouvier of Municipal Solutions to present a hands-on session to over 100 participants.

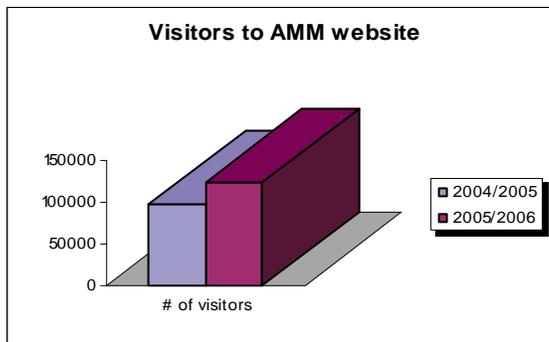
The second session, held in Winnipeg on May 4, 2006, featured George Cuff presenting "The Essential Elements of Local Government: How to Make it Work for Your Municipality" to 73 participants.

**Delegates line up to register for February's Municipal Officials Seminar (MOS)**

Communications with our membership is a key area for the AMM and last year saw a number of communications highlights.

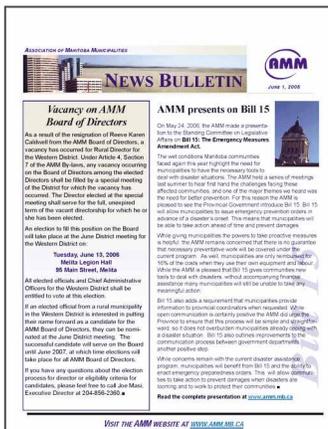
AMM Website—WWW.AMM.MB.CA

The AMM website continued to gain popularity as illustrated in the graph below. Monthly visits to the website increased by 25,000 visitors over the previous year. Monthly averages increased from 8,169 visitors per month in 2004/2005 to 10,298 visitors per month in 2005/2006.



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 21 bulletins were distributed via email 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 website. This figure includes 57 new subscribers for the reporting year.

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:



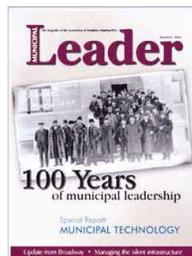
The Fall 2005 issue carried on with our series on Diversity in Municipal Politics with "Youth in Politics". Also featured was a profile on the Provincial Ombudsman in Manitoba, as well as a preview of the 7th Annual AMM Convention.



Winter 2006 previewed both the 2006 MOS and Trade Show and the AMM Education Program. It also featured "Visible Minorities in Municipal Government", part III in our Diversity series. A special heritage article was featured on the cover.



Spring, 2006 was an ambitious issue featuring the special report on Economic Development—Programs, success stories, bringing Hollywood to Manitoba—and more. Our Diversity series wrapped up this issue as well.



Summer, 2006 spanned "100 years of municipal leadership" with an article on the history of the AMM. It then jumped into the present (and future) with our feature report on Municipal Technology.

Media Relations

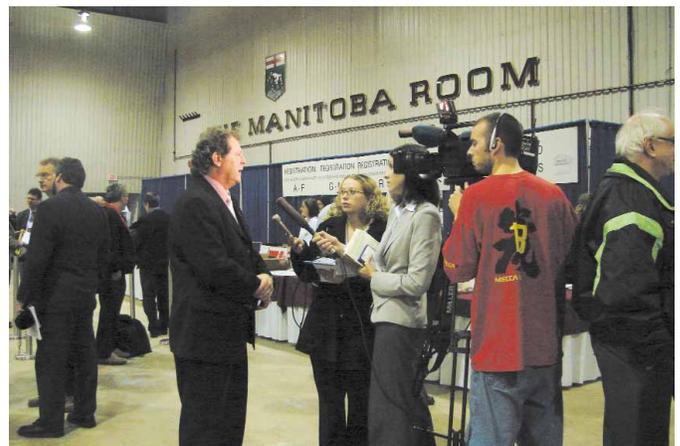
The AMM continually strives to enhance our relationship with local media. Last year, the AMM was mentioned in Manitoba media 336 times—a drop from the 400+ mentions in 2004/2005, but significant in the number of issues discussed. The AMM was mentioned in the context of 85 different media issues, up from 50 issues the previous year.

Some of the media interviews granted were a result of the 25 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 AMM enjoyed extensive media coverage of its primary annual event, the AMM Annual Convention, and as a key player in the New Deal negotiations, media stories on that topic included the AMM's perspective 81 times.

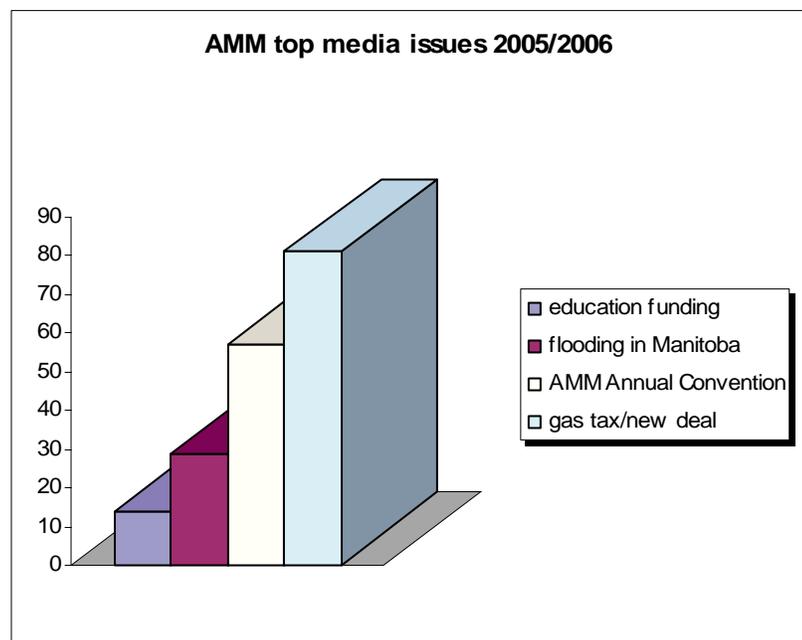
Media Stats—2005/2006

- Media mentions 336
- Issues discussed 85
- Releases/advisories issued 25



AMM President Ron Bell being interviewed at the AMM 7th Annual Convention.

AMM top media issues 2005/2006



As a key player in the New Deal negotiations, media stories on that topic included the AMM's perspective 81 times.

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 past year was another great success. Sales increased and the stable pool of official suppliers continued to change and grow.

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 year, the MTCML was able to rebate another \$500,000 to our members based on their MTCML sales, bringing the cumulative rebate over the past five years to \$1,750,000.

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 have shown long term commitment to the MTCML, creating a stable purchasing environment for the members of the AMM.

Corporate Members

Fourteen companies make up the Corporate Members list of the AMM. These members assist the buying group in providing many services and hosting various events throughout the year.



**MTCML Trade Show,
February, 2006**

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 Ltd.
Hayhurst Elias Dudek Inc.
Kal Tire
Lyreco
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
Ikon Office Solutions
Innovative Municipal Products
J.R. Cousin Consultants Ltd.
Manitoba Aboriginal and Northern Affairs
Manitoba Heavy Construction Association
Manitoba Hydro
Manitoba Mixed Concrete Association
Manitoba Pork Council
Mazergroup Construction Equipment
Westcon Equipment & Rentals

There are 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.

Fuel Supply Program

AMM entered into two new contracts with Imperial Oil and with two local Co-ops in August 2006 on behalf of all of our participating Members, for the supply of gasoline, diesel and lubricants. We have also entered into a contract with Fas Gas and Race Trac Gas for the supply of gasoline and diesel, at a very attractive discount from local pump prices, at their 450 locations throughout the three prairie provinces.



Our objective of starting this program in 1997 was to combat one-sided pricing advantages enjoyed by petroleum suppliers and to assist our Members in purchasing fuel at a lower cost while still supporting the local fuel dealers. At present, there are 77 AMM Members who currently 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 Fuel Supply Program of AMM generates substantial fuel savings for member municipalities, while at the same time supporting local fuel dealers. Prairie Fuel Advisors Inc. who act as our agent and who ensure all prices are consistent with the terms of the supply contracts, administers the program. Prairie Fuel is responsible for locating discrepancies and ensures our Members do not pay more than the contract terms specify.



HED Annual Report

All AMM members outside of Winnipeg participate in the AMM's property/casualty insurance program, administered by HED Insurance 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 \$4,000,000 annual self-insurance loss pool that keeps premiums much lower than if individual municipalities purchased their own coverage. Insurance is purchased from various insurer providers for coverage in excess of the \$4,000,000 annual loss pool amount, to provide complete protection. This allows the opportunity for significant refunds in low-claims years.

In addition the AMM makes available a "self-insured" Employee Benefits Program for employees and council members. This program offers flexible coverage options at very reasonable rates. Currently 130 municipalities participate in this program, and more join every year.

"With the Fuel Program, we save money and, thanks to the fixed prices, we are able to plan our fuel expenditures much better."

**Grant Thorsteinson, CAO
RM of Bifrost**

"Tires, fuel, office furniture, industrial supplies, signage, printing and, of course, insurance. We use the MTCML a lot."

**Gary Hanna, Administrator
LGD of Pinawa**

"I've been here 28 years. The Trading Company made sense to me then, and it makes sense to me now."

**Eric Plaetinck, CAO
RM of South Cypress**

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, 2006 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, 2006 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.

A handwritten signature in dark blue ink that reads "The Exchange".

chartered accountants LLP

Winnipeg, Manitoba
September 14, 2006

Financial Statement

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT BALANCE SHEET AS AT AUGUST 31, 2006

	<u>2006</u>	<u>2005</u>
ASSETS		
CURRENT		
Cash and short-term deposits	\$ 68,632	\$ -
Accounts receivable	257,057	279,932
Prepaid expenses	61,994	41,065
Due from Legal Fund	-	1,079
	<u>387,683</u>	<u>322,076</u>
SEGREGATED CASH AND DUE FROM GENERAL		
Legal Fund, note 6	49,181	50,000
Employee Benefits Reserve, note 7	100,000	87,386
Building Reserve, note 8	206,910	152,674
Communications Reserve - due from General Account, note 9	20,000	-
	<u>376,091</u>	<u>290,060</u>
PROPERTY AND EQUIPMENT, notes 2 and 3	<u>427,997</u>	<u>453,012</u>
	<u>\$ 1,191,771</u>	<u>\$ 1,065,148</u>
LIABILITIES		
CURRENT		
Bank overdraft	\$ -	\$ 15,146
Accounts payable and accrued liabilities	84,048	78,693
Due to Employee Benefits Reserve	8,078	10,000
Prepaid revenue	332,701	321,115
Due to Communications Reserve	20,000	-
	<u>444,827</u>	<u>424,954</u>
LEGAL FUND, note 6	49,181	50,000
EMPLOYEE BENEFITS RESERVE, note 7	100,000	87,386
BUILDING RESERVE, note 8	206,910	152,674
COMMUNICATIONS RESERVE, note 9	20,000	-
	<u>376,091</u>	<u>290,060</u>
NET ASSETS		
UNRESTRICTED	(57,144)	(102,878)
INVESTED IN CAPITAL ASSETS	<u>427,997</u>	<u>453,012</u>
	<u>370,853</u>	<u>350,134</u>
APPROVED ON BEHALF OF THE BOARD:	<u>\$ 1,191,771</u>	<u>\$ 1,065,148</u>
 Director		
 Director		

Financial Statement

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT STATEMENT OF INCOME YEAR ENDED AUGUST 31, 2006

	<u>2006</u>	<u>2005</u>
REVENUE		
Membership dues	\$ 297,488	\$ 295,811
Associate membership	6,450	585
Convention	278,756	283,531
Rental revenue	36,000	36,000
Merx revenue	1,160	1,440
Education	41,929	38,650
Miscellaneous	1,083	1,299
Trade show	44,175	45,965
Seminar revenue	76,100	75,900
Interest earned	2,703	3,589
Corporate membership	7,000	4,833
Magazine	11,697	8,162
Advertising - bulletin	1,250	955
Gain on disposal of property and equipment	-	6,519
	<u>805,791</u>	<u>803,239</u>
EXPENSES		
Functions, page 13	289,361	344,908
Executive, page 13	354,866	382,135
Other, page 13	322,697	309,733
Staffing, page 14	598,148	581,985
	1,565,072	1,618,761
Administration dividend, Trading Account	<u>(180,000)</u>	<u>(180,000)</u>
	<u>1,385,072</u>	<u>1,438,761</u>
OPERATING LOSS	579,281	635,522
OTHER INCOME		
Dividend, Trading Account	<u>600,000</u>	<u>550,000</u>
NET INCOME (LOSS)	<u>\$ 20,719</u>	<u>\$ (85,522)</u>

Financial Statement

ASSOCIATION OF MANITOBA MUNICIPALITIES

TRADING ACCOUNT BALANCE SHEET AS AT AUGUST 31, 2006

	<u>2006</u>	<u>2005</u>
ASSETS		
CURRENT		
Cash	\$ 1,730,226	\$ 1,517,387
Accounts receivable	1,553,919	1,525,348
Inventory, note 2	<u>26,973</u>	<u>27,620</u>
	<u>3,311,118</u>	<u>3,070,355</u>
SEGREGATED CASH AND DUE FROM TRADING		
Self-insurance loss pool, note 4	7,549,520	6,940,559
Public Sector Accounting Reserve - due from Trading Account	37,500	-
AMM 10th Anniversary Reserve - due from Trading Account	<u>25,000</u>	<u>-</u>
	<u>7,612,020</u>	<u>6,940,559</u>
	<u>\$10,923,138</u>	<u>\$10,010,914</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,671,277	\$ 1,594,105
Due to Public Sector Accounting Reserve	37,500	-
Due to AMM 10th Anniversary Reserve	<u>25,000</u>	<u>-</u>
	<u>1,733,777</u>	<u>1,594,105</u>
SELF-INSURANCE LOSS POOL, note 4	7,549,520	6,940,559
PUBLIC SECTOR ACCOUNTING RESERVE, note 10	37,500	-
AMM 10TH ANNIVERSARY RESERVE, note 11	<u>25,000</u>	<u>-</u>
	<u>7,612,020</u>	<u>6,940,559</u>
	9,345,797	8,534,664
NET ASSETS		
UNRESTRICTED	<u>1,577,341</u>	<u>1,476,250</u>
	<u>\$10,923,138</u>	<u>\$10,010,914</u>

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

Financial Statement

ASSOCIATION OF MANITOBA MUNICIPALITIES

TRADING ACCOUNT STATEMENT OF INCOME YEAR ENDED AUGUST 31, 2006

	<u>2006</u>	<u>2005</u>
SALES	\$11,556,313	\$ 9,054,671
COST OF SALES	<u>11,326,171</u>	<u>8,862,482</u>
GROSS PROFIT (2006 - 2.0%, 2005 - 2.1%)	230,142	192,189
INSURANCE ADMINISTRATION FEES	564,870	527,640
INTEREST	<u>654,711</u>	<u>454,040</u>
	<u>1,449,723</u>	<u>1,173,869</u>
EXPENSES		
Administration dividend, General Account	180,000	180,000
Advertising and promotion	9,079	7,500
Allocation to AMM 10th Anniversary Reserve	25,000	-
Allocation to Public Sector Accounting Reserve	37,500	-
Miscellaneous	(6,620)	(2,592)
Interest and bank charges	67	-
Membership rebate	499,625	350,217
Write-down of inventory	<u>3,978</u>	<u>(3)</u>
	<u>748,629</u>	<u>535,122</u>
OPERATING INCOME	701,094	638,747
OTHER EXPENSE		
Dividend, General Account	<u>(600,000)</u>	<u>(550,000)</u>
NET INCOME	<u>\$ 101,094</u>	<u>\$ 88,747</u>

ASSOCIATION OF MANITOBA MUNICIPALITIES

STATEMENT OF NET ASSETS YEAR ENDED AUGUST 31, 2006

	Invested in <u>Capital Assets</u>	<u>Unrestricted</u>	Total <u>2006</u>	Total <u>2005</u>
<u>General Account</u>				
BALANCE, beginning of year	\$ 453,012	\$ (102,878)	\$ 350,134	\$ 435,656
Net income (loss)	(38,072)	58,791	20,719	(85,522)
Investment in capital assets	<u>13,057</u>	<u>(13,057)</u>	<u>-</u>	<u>-</u>
BALANCE, end of year	<u>\$ 427,997</u>	<u>\$ (57,144)</u>	<u>\$ 370,853</u>	<u>\$ 350,134</u>
<u>Trading Account</u>				
BALANCE, beginning of year	\$ -	\$ 1,476,247	\$ 1,476,247	\$ 1,387,503
Net income	<u>-</u>	<u>101,094</u>	<u>101,094</u>	<u>88,747</u>
BALANCE, end of year	<u>\$ -</u>	<u>\$ 1,577,341</u>	<u>\$ 1,577,341</u>	<u>\$ 1,476,250</u>

Financial Statement

ASSOCIATION OF MANITOBA MUNICIPALITIES

COMBINED STATEMENT OF CASH FLOWS YEAR ENDED AUGUST 31, 2006

	<u>2006</u>	<u>2005</u>
CASH PROVIDED BY (USED IN):		
OPERATIONS		
Net income, Trading Account	\$ 101,094	\$ 88,744
Net income (loss), General Account	20,719	(85,522)
Add: non-cash charges		
Depreciation	38,072	43,843
Allocation to Reserves	140,578	60,000
Less: Gain on disposal of property and equipment	<u>-</u>	<u>(6,519)</u>
	300,463	100,546
Change in non-cash working capital balances	<u>9,211</u>	<u>(131,399)</u>
Cash flows from operations	<u>309,674</u>	<u>(30,853)</u>
INVESTMENTS		
Purchase of property and equipment	(13,057)	(64,038)
Proceeds on disposal of property and equipment	<u>-</u>	<u>13,500</u>
	<u>(13,057)</u>	<u>(50,538)</u>
INCREASE (DECREASE) IN CASH	296,617	(81,391)
CASH, beginning of year	<u>1,502,241</u>	<u>1,583,632</u>
CASH, end of year	<u>\$ 1,798,858</u>	<u>\$ 1,502,241</u>
REPRESENTED BY:		
General Account	\$ 68,632	\$ (15,146)
Trading Account	<u>1,730,226</u>	<u>1,517,387</u>
	<u>\$ 1,798,858</u>	<u>\$ 1,502,241</u>
SUPPLEMENTAL DISCLOSURE:		
Interest received	<u>\$ 657,414</u>	<u>\$ 457,629</u>

Financial Statement

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2006

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, 2006

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>	<u>2006 Net Book Value</u>	<u>2005 Net Book Value</u>
Land	\$ 90,000	\$ -	\$ 90,000	\$ 90,000
Building	372,557	83,200	289,357	298,671
Office equipment	118,312	101,191	17,121	17,530
Sign	9,128	7,319	1,809	2,722
Computer hardware	235,077	223,072	12,005	17,531
Computer software	39,149	39,149	-	-
Vehicle	35,411	17,706	17,705	26,558
Photocopier	<u>17,905</u>	<u>17,905</u>	<u>-</u>	<u>-</u>
	<u>\$ 917,539</u>	<u>\$ 489,542</u>	<u>\$ 427,997</u>	<u>\$ 453,012</u>

Financial Statement

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2006

4. SELF-INSURANCE LOSS POOL

	2004/2005 And Prior Pool	2005/2006 Pool	2006 Total	2005 Total
Balance, beginning of year	\$ 6,940,559	\$ -	\$ 6,940,559	\$ 6,645,458
Current year loss pool additions	<u>-</u>	<u>4,036,435</u>	<u>4,036,435</u>	<u>3,520,013</u>
	6,940,559	4,036,435	10,976,994	10,165,471
Insurance claims paid	1,954,835	1,472,639	3,427,474	2,288,664
Amounts rebated	-	-	-	918,816
Other costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,432</u>
Balance, end of year	<u>\$ 4,985,724</u>	<u>\$ 2,563,796</u>	<u>\$ 7,549,520</u>	<u>\$ 6,940,559</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 (2005 - \$500,000) per claim of certain types of claims, up to a maximum of \$4,100,000 (2005 - \$4,100,000) in aggregate for the year.

	2006	2005
The segregated cash is recorded at cost as:		
Bank	\$ 22,230	\$ 34,091
Great West Life - Loss Pool Fund (market value \$8,339,734, 2005 - \$7,226,475)	<u>7,527,290</u>	<u>6,906,468</u>
	<u>\$ 7,549,520</u>	<u>\$ 6,940,559</u>

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:

2007	36,000
2008	27,000

Financial Statement

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2006

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.

9. COMMUNICATIONS RESERVE

This reserve has been established to fund future media campaigns aimed at increasing awareness of topics deemed important to the Association of Manitoba Municipalities.

10. PUBLIC SECTOR ACCOUNTING RESERVE, note 10

This reserve has been established to fund the cost of consulting fees required to determine the needs, costs and procedures for municipalities to be compliant with the Public Sector Accounting Board's required reporting standards.

11. AMM 10TH ANNIVERSARY RESERVE, note 11

This reserve has been established to fund the festivities surrounding the Association of Manitoba Municipalities' 10th Anniversary celebration in 2008. The Board will determine the specific expenditures in 2008.

12. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash and short-term deposits, accounts receivable, self-insurance loss pool and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Financial Statement

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT SCHEDULE OF EXPENSES YEAR ENDED AUGUST 31, 2006

	<u>2006</u>	<u>2005</u>
FUNCTIONS		
Municipal seminar	\$ 35,330	\$ 33,157
Trade show	22,587	21,128
Resolutions committee	2,603	2,589
Education	26,417	31,401
Convention	<u>202,424</u>	<u>256,633</u>
	<u>\$ 289,361</u>	<u>\$ 344,908</u>
EXECUTIVE		
Board - stipend	\$ 44,004	\$ 44,838
Board - sundry	2,020	2,267
Meeting expenses	<u>308,842</u>	<u>335,030</u>
	<u>\$ 354,866</u>	<u>\$ 382,135</u>
OTHER		
Association fees	\$ 2,972	\$ 2,949
Audit fees	9,490	10,713
Bank charges	25	108
Building repairs and maintenance	36,271	17,257
Building Reserve	50,000	50,000
Communications Reserve	20,000	-
Depreciation	38,072	43,843
Donations and gifts	4,723	4,989
Insurance	4,214	3,998
Legal	12,981	15,723
Office	57,555	59,685
Postage	21,945	23,326
Printing and stationery	8,332	8,966
Promotional materials	2,315	15,048
Property taxes	27,722	26,180
Telephone	20,079	20,487
Vehicle expenses	<u>6,001</u>	<u>6,461</u>
	<u>\$ 322,697</u>	<u>\$ 309,733</u>

Financial Statement

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT SCHEDULE OF EXPENSES YEAR ENDED AUGUST 31, 2006

	<u>2006</u>	<u>2005</u>
STAFFING		
Management expenses	\$ 23,690	\$ 20,475
Staff expenses	18,075	16,323
Salaries	474,544	467,724
Employee benefits	65,622	63,004
Workers compensation	598	498
Employee benefits reserve	8,078	10,000
Staff training and recruitment	<u>7,541</u>	<u>3,961</u>
	<u>\$ 598,148</u>	<u>\$ 581,985</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**



