



ASSOCIATION OF
MANITOBA
MUNICIPALITIES

**Meeting with the Honourable Ralph Eichler
Minister of Economic Development and Training**

2020

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Introduction

- The Association of Manitoba Municipalities (AMM) appreciates the opportunity to meet with Minister Ralph Eichler and representatives of Manitoba Economic Development and Training.
- The AMM encourages the Province of Manitoba to consider municipal concerns as well as the effects of funding decisions on local communities throughout the budget process.
- The *Speech from the Throne* (November 2019) highlighted the provincial government's commitment to work closely with municipal partners to provide efficient, cost-effective local government, in response to the AMM calling for a 'Partners in Growth' Memorandum of Understanding during the provincial election campaign. The AMM looks forward to working with the Province of Manitoba to strengthen provincial-municipal growth and partnership opportunities through a balanced discussion of both revenues and expenditures.
- This document outlines the AMM's position and recommendations on several important municipal issues relevant to the Economic Development and Training portfolio.

Priority Issues

1) Support for Economic Development

The AMM recommends the government:

- ❖ ***Consult with the AMM on the development of a provincial economic development strategy;***
- ❖ ***Fully implement all the recommendations of the Rural Economic Development Strategy report, including providing ‘single-window’ services to rural Manitoba; and***
- ❖ ***Continue to consult with northern communities and the AMM on the implementation of the Look North initiative.***

- The AMM has repeatedly urged the provincial government to proactively develop and implement a comprehensive, province-wide economic development strategy.
- In 2016, the Rural Economic Development Strategy’s Committee released a *Discussion Paper* reflecting extensive consultations with individuals across Manitoba with expertise in economic development, regional partnerships, rural policy and business.
- The Steering Committee’s final Rural Economic Development Strategy Report was formally endorsed by the AMM, Manitoba Chambers of Commerce, Community Futures Manitoba and the Economic Developers Association of Manitoba (EDAM).
- The AMM strongly urges the Province to implement all recommendations made in the 2016 report, including providing ‘single-window’ services to rural Manitoba.
- The cross-departmental web of services is confusing for both municipal officials and entrepreneurs and undermines economic growth and solutions to business problems.
- High-quality and accessible training with provincial accreditation for economic development practitioners is not only in high demand but also essential for fostering business growth and stimulating economic activity in rural communities.
- The AMM supports the launch of Manitoba’s Economic Growth Action Plan and welcomes the \$10-million investment for a new Economic Development Office (EDO).

- Additionally, the AMM appreciates the opportunity to lead the process of establishing a new rural economic development organization. A new EDO based in Brandon dedicated to economic development in rural Manitoba is both timely and critical to foster competitiveness and facilitate rural economic growth.
- It is recommended that the Province actively collaborate with the rural economic development agency to finalize the office's mandate and begin operations – including hiring staff to ensure the new office is up and running quickly.
- Through a Team Manitoba approach, we strongly encourage that the Province maximize partnerships and improve alignment with the AMM to ensure that the development of an economic development strategy is responsive to municipal needs.
- Additionally, the AMM supports the Look North initiative and reiterates its call for the Province to implement a northern economic development strategy in consultation with local communities and northern stakeholders.

2) Cannabis Taxation Revenue-Sharing

The AMM recommends the government:

- ❖ ***Ensure municipalities receive all tools and resources necessary to address increased municipal administration and policing costs; and***
- ❖ ***Co-develop a fair revenue-sharing model that respects municipal authority.***
 - According to the Federation of Canadian Municipalities (FCM), municipal administration and local policing costs linked to the legalization of cannabis will total \$3-4.75 million per 500,000 residents.
 - To offset these costs, a Probe Research poll suggests 59 per cent of Manitobans believe that municipalities should receive one-half or all the revenue from the sale of cannabis.
 - The AMM understands that the Province of Manitoba is not a signatory of the Coordinated Cannabis Taxation Agreement (CCTA), and therefore does not receive the provincial share of the federal cannabis excise tax.
 - However, Manitoba Liquor and Lotteries (MBLL) applies an excise tax placeholder equivalent to the federal rate of \$0.75 per gram that is paid by licensed producers as well as a markup on non-medical cannabis of 9 per cent.
 - Manitoba also collects a cannabis retailer Social Responsibility Fee of 6 per cent on the annual revenues from the sale of non-medical cannabis by all provincially-licensed cannabis retailers. The fee was effective on January 1, 2019 and will first be payable by June 30, 2020.
 - As costs should not be downloaded to municipalities, the AMM strongly urges both the provincial and federal governments to explore funding mechanisms to address increased costs incurred by municipalities due to cannabis legalization.
 - It is imperative that municipalities be included as meaningful participants in revenue-sharing conversations while a revenue-sharing model must be co-developed that respects municipal authority.

3) Essential Cell Service and Broadband Internet Connectivity

The AMM recommends the government:

- ❖ *Consult with the AMM and municipalities during the development of a provincial broadband strategy in partnership with Manitoba Central Services;*
- ❖ *Facilitate partnerships with cell carriers and Internet providers to explore options to expand cellular coverage and broadband Internet connectivity; and*
- ❖ *Work with municipalities to develop solutions to ensure public safety and protect local communities through reliable communications technology.*

- As Manitobans currently experience the second-slowest Internet speeds in Canada, the digital divide between many Manitoba communities remains a major challenge as broadband services and cellular network coverage remain sparse in many areas, which hinders economic development and undermines public safety.
- Sustained network infrastructure upgrades are critical for improved public safety, increasing competitiveness of businesses, and maximizing job opportunities locally.
- The AMM welcomes the provincial government’s commitment to develop a broadband strategy to expand coverage, and therefore we urge the Province to consult with our organization and municipalities to ensure this new initiative is responsive to municipal needs and concerns.
- The AMM also urges the Province to continue to pursue partnerships with municipalities and the private sector while considering ways to provide additional financial assistance for rural telecommunications infrastructure projects.
- Partnerships with the private sector and increased provincial and federal investments in Manitoba’s digital economy that support network infrastructure will be key to future productivity growth and economic development.

4) Manitoba Mineral Development Fund (MMDF)

The AMM recommends the government:

❖ ***Ensure the newly-created Manitoba Mineral Development Fund (MMDF) is responsive to the needs of municipalities.***

- In October 2019, the Province committed \$20-million and an additional annual infusion of up to six per cent of revenues to be provided under *The Mining Tax Act* to establish the new Manitoba Mineral Development Fund (MMDF).
- The AMM understands that the MMDF formally replaced the Mining Community Reserve Fund (MCRF) and its framework which posed significant challenges to municipalities.
- The AMM has consistently underscored the importance of building strong partnerships in the North and strongly believes that northern economic development must be led by northern Manitobans.
- As mineral development has been identified as a key opportunity for the long-term economic prosperity of Manitoba, the AMM would appreciate an update on the status of the MMDF's implementation and plan moving forward.
- It is essential that this newly-created fund be responsive to the needs of municipalities, including a clear understanding of how the fund can be potentially accessed.

5) Increasing Immigration to Manitoba

The AMM recommends the government:

❖ *Continue to consult with the AMM on the development of an Immigration Strategy.*

- As immigration remains a key pillar of economic development, the Province must reaffirm its commitment and take immediate steps to further attract, settle, and retain new Manitobans to strengthen and grow local communities.
- Many communities in Manitoba are pursuing immigration as part of their growth strategy, and many immigrants are settling in regions outside of Winnipeg.
- According to recent Statistics Canada projections, it is anticipated that Manitoba will expect to see a spike in immigration over the coming years.
- Although the Manitoba Provincial Nominee Program (MPNP) has proven useful to responding to local economic and community needs, gaps in providing settlement services, language training and credential recognition remain.
- This is especially problematic in rural areas, as many communities endure labour shortages of doctors and other healthcare practitioners.
- It is critical that the Province help expedite the recognition of foreign credentials so individuals trained abroad can effectively utilize their knowledge and skills to better enter Manitoba's workforce and grow the economy.
- With an increase in immigration, local communities endure greater demands for more affordable housing, and thus additional resettlement and support measures must be coordinated with other provincial departments and the federal government.
- The AMM would appreciate an update on the status of this strategy and continues to encourage the Province to consult with the AMM during the development of an improved Manitoba Immigration Strategy.
- Additionally, the AMM looks forward to learning more about the provincial plan to develop a Skills, Talent and Knowledge Strategy to help inform skills needed to bolster immigration.

Appendix – AMM Active Resolutions

AMM Resolution #05-2019

Topic: Cannabis Taxation Revenue-Sharing

Sponsor(s): City of Thompson (Northern District), City of Flin Flon (Northern District)

Department(s): Manitoba Economic Development and Training; Manitoba Finance; Manitoba Municipal Relations

WHEREAS the Government of Canada enacted The Cannabis Act in 2018, making the regulated sale of cannabis legal across the country; and

WHEREAS the Government of Canada agreed to share 75% of cannabis excise tax with the provinces, with the intention that 25% of the excise tax is to be provided for municipalities;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to provide full disclosure of the revenues and expenses related to cannabis sales to every municipality in the province; and

FURTHER BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to provide municipalities with a 25% share of net revenues generated through collection of cannabis excise taxes as intended by the Government of Canada.

AMM Resolution #41-2019

Topic: Essential Cell Service *Standing Policy

Sponsor(s): Mossey River Municipality (Parkland District)

Department(s): Manitoba Economic Development and Training

WHEREAS Bell MTS has cancelled the CDMA service; and

WHEREAS this has caused a decrease in service to Mossey River Municipality and its surrounding communities; and

WHEREAS the loss of this cell service has caused a communication barrier to our fire department as the only reasonable way to contact them is via cell phone;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba for improved cell service across the province and make it an essential service.

AMM Resolution #35-2017

Topic: Strategy to Increase Physical and Electronic Connectivity

Sponsor(s): City of Thompson (Northern District)

Department(s): Manitoba Economic Development and Training; Manitoba Infrastructure

WHEREAS the Province of Manitoba is currently reviewing and establishing strategies to increase economic opportunities throughout the province; and

WHEREAS the AMM has passed resolutions in recent years regarding the need to increase electronic connectivity in all areas of the province; and

WHEREAS the provision of all-weather road access in all areas of the province is a basic need and the Province of Manitoba needs to live up to its socio-economic responsibility for all Manitobans; and

WHEREAS the provision of physical and electronic access are paramount to creating and enhancing economic development opportunities in the province; and

WHEREAS the Province of Manitoba needs to develop a long-term strategy that will address these issues so that all Manitobans have the opportunity to grow the economy;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to develop a long-term strategy that increases physical and electronic connectivity to enable economic development opportunities in all areas of the province.

AMM Resolution #38-2015

Topic: Improve Cellular Reception Services *Standing Policy

Sponsor(s): RM of Taché (Eastern District), Rossburn Municipality (Midwestern District)

Department(s): Manitoba Economic Development and Training; Innovation, Science and Economic Development Canada

WHEREAS cellular phone service has become an essential service to the general population and is extremely important in emergency situations;

AND WHEREAS cellular reception in rural areas has often been reported to be erratic and inadequate;

AND WHEREAS municipalities have communicated this concern to major service providers on numerous opportunities;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to improve cellular service across Manitoba.

AMM Resolution #21-2014

Topic: Cellular Service Considered an Essential Service

Sponsor(s): RM of Piney (Eastern District)

Department(s): Manitoba Economic Development and Training; CRTC

WHEREAS the Canadian Radio-television and Telecommunications Commission (CRTC) has deemed various telecommunications means as essential services;

AND WHEREAS more and more people are relying on alternative communication methods as basic communication means and often cell phones replace conventional land lines for voice communication;

AND WHEREAS society has determined that cell service is essential for emergencies, economic development and overall public benefit;

AND WHEREAS the CRTC has the ability to deem which telecommunication services are essential and mandate that service providers establish a network system that benefits all Canadians;

THEREFORE BE IT RESOLVED THAT the AMM lobby CRTC to deem cellular service as an essential service for all Canadians and begin the implementation process of providing cellular coverage for all Canadians.

AMM Resolution #50-2012 *Standing Policy

Topic: High Speed Internet and Cell Service for Rural Manitoba

Sponsor(s): RM of Lawrence (Parkland District)

Department(s): Manitoba Economic Development and Training; Innovation, Science and Economic Development Canada

WHEREAS all major urban centres in the Province of Manitoba have had affordable high-speed internet and cell service for the past decade;

AND WHEREAS the Government of Canada recently spoke on the importance of having the proper technology and having options available to rural residents and businesses for affordable technology such as high speed internet and cell service;

AND WHEREAS many rural areas have no access to affordable high speed internet and in many cases do not even have basic cell service;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba and Government of Canada for affordable technology options for high speed internet and cell service in rural Manitoba.

AMM Resolution #42-2010

Topic: Support for Resource Based Communities

Sponsor(s): City of Thompson (Northern District)

Department(s): Manitoba Economic Development and Training; Manitoba Agriculture and Resource Development; Innovation, Science and Economic Development Canada

WHEREAS Vale Canada announced on November 17, 2010 the decommissioning of the Thompson smelting and refining operations in 2015, with an anticipated job loss of 650 people;

AND WHEREAS resource based industry and employment contribute to the economic strength of the Province of Manitoba and Canada, and generate significant revenue on an annual basis;

AND WHEREAS the reduction of resource based industry and employment in rural and northern Manitoba will have a negative ripple effect and consequence for all communities in Manitoba;

AND WHEREAS multiple stakeholders have come together to seek solutions and meet with senior levels of government to address the situation;

THEREFORE BE IT RESOLVED THAT the AMM lobby the provincial and federal governments to support and protect resource based industries and jobs in rural and northern Manitoba.