



Annual Report 2016

September 1, 2015 to August 31, 2016



www.amm.mb.ca

Cover photo: Inglis Grain Elevators National Historic Site

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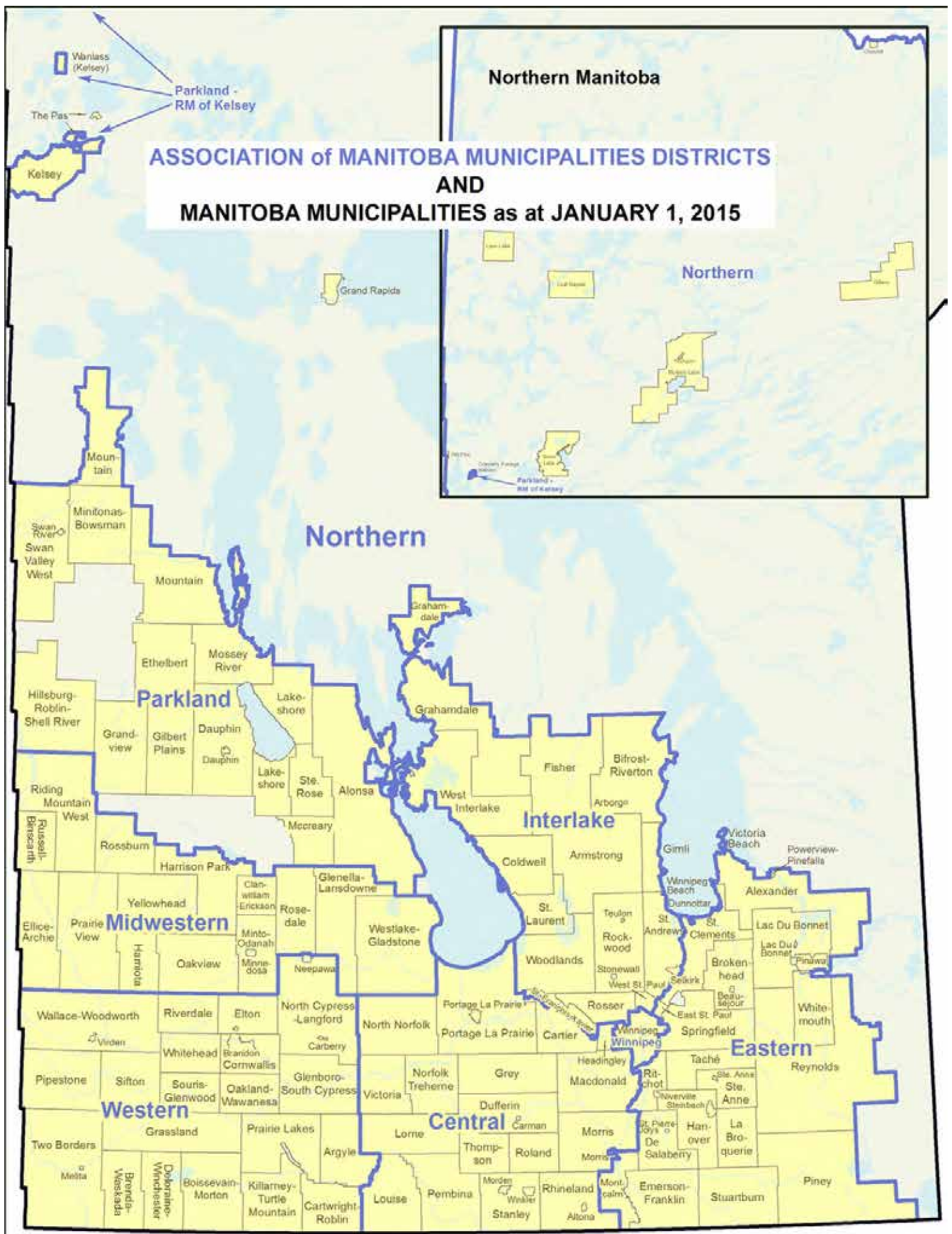
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AMM MEMBERS

Alexander, RM
Alonsa, RM
Altona, Town
Arborg, Town
Argyle, RM
Armstrong, RM
Beausejour, Town
Bifrost-Riverton, Municipality
Boissevain-Morton, Municipality
Brandon, City
Brenda-Waskada, Municipality
Brokenhead, RM
Carberry, Town
Carman, Town
Cartier, RM
Cartwright-Roblin, Municipality
Churchill, Town
Clanwilliam-Erickson, Municipality
Coldwell, RM
Cornwallis, RM
Dauphin, City
Dauphin, RM
De Salaberry, RM
Deloraine-Winchester, Municipality
Dufferin, RM
Dunnottar, Village
East St. Paul, RM
Ellice-Archie, RM
Elton, RM
Emerson-Franklin, Municipality
Ethelbert, Municipality
Fisher, RM
Flin Flon, City
Gilbert Plains, Municipality
Gillam, Town
Gimli, RM
Glenboro-South Cypress, Municipality
Glenella-Lansdowne, Municipality
Grahamdale, RM
Grand Rapids, Town
Grandview, Municipality
Grassland, Municipality
Grey, RM
Hamiota, Municipality
Hanover, RM

Harrison Park, Municipality
Headingley, RM
Kelsey, RM
Killarney-Turtle Mountain, Municipality
La Broquerie, RM
Lac du Bonnet, RM
Lac du Bonnet, Town
Lakeshore, RM
Leaf Rapids, Town
Lorne, Municipality
Louise, Municipality
Lynn Lake, Town
Macdonald, RM
McCreary, Municipality
Melita, Town
Minitonas-Bowsman, Municipality
Minnedosa, Town
Minto-Odanah, RM
Montcalm, RM
Morden, City
Morris, RM
Morris, Town
Mossey River, Municipality
Mountain, RM
Mystery Lake, LGD
Neepawa, Town
Niverville, Town
Norfolk Treherne, Municipality
North Cypress-Langford, Municipality
North Norfolk, Municipality
Oakland-Wawanesa, Municipality
Oakview, RM
Pembina, Municipality
Pinawa, LGD
Piney, RM
Pipestone, RM
Portage la Prairie, RM
Portage la Prairie, City
Powerview-Pine Falls, Town
Prairie Lakes, RM
Prairie View, Municipality
Reynolds, RM
Rhineland, Municipality
Riding Mountain West, RM
Ritchot, RM

Riverdale, Municipality
Roblin, Municipality
Rockwood, RM
Roland, RM
Rosedale, RM
Rossburn, Municipality
Rosser, RM
Russell-Binscarth, Municipality
Selkirk, City
Sifton, RM
Snow Lake, Town
Souris-Glenwood, Municipality
Springfield, RM
St. Andrews, RM
St. Clements, RM
St. François Xavier, RM
St. Laurent, RM
St. Pierre-Jolys, Village
Ste. Anne, RM
Ste. Anne, Town
Ste. Rose, Municipality
Stanley, RM
Steinbach, City
Stonewall, Town
Stuartburn, RM
Swan River, Town
Swan Valley West, Municipality
Taché, RM
Teulon, Town
The Pas, Town
Thompson, City
Thompson, RM
Two Borders, Municipality
Victoria, RM
Victoria Beach, RM
Virden, Town
Wallace-Woodworth, RM
West Interlake, RM
West St. Paul, RM
Westlake-Gladstone, Municipality
Whitehead, RM
Whitemouth, RM
Winkler, City
Winnipeg, City
Winnipeg Beach, Town
Woodlands, RM
Yellowhead, RM

PRESIDENT'S MESSAGE

MAYOR CHRIS GOERTZEN



On behalf of the Board of Directors of the Association of Manitoba Municipalities (AMM), it is my pleasure to submit the 2016 Annual Report. It was an exciting year full of change, along with some promising developments which we have shared throughout this document.

First and foremost was the decision to undertake a bold, comprehensive six-week campaign leading up to April's provincial election. The "Fair Share – Fair Say" campaign earned the AMM a great deal of attention and by kicking it off with the first Leaders' Debate of the election, we fully engaged our members, the media, the political parties, and the public in the conversation.

While all three major parties made key commitments to municipalities thanks to the Fair Share – Fair Say campaign, it was the Progressive Conservatives who formed government. By appointing Eileen Clarke, a former elected official and AMM Vice-President, to the role of Minister of Indigenous and Municipal Relations, Premier Brian Pallister demonstrated a clear interest in working with the AMM. Consultation with our members during our own June District meetings followed, and out of that consultation a new single-window application process for cost-shared infrastructure funding was born.

Another significant milestone was the signing of the new federal-provincial infrastructure agreement, which includes a new four-year, \$2 billion Clean Water and Wastewater Fund and \$3.4 billion over three years to upgrade and improve public transit systems. Manitoba's share of these two funds is roughly \$178 million, and 27 new projects have been announced to date.

Manitoba is the only jurisdiction with municipal representatives at the table during the project selection process. This is "fair say" in action.

Manitoba was one of the first provinces in Canada to sign the joint agreement, and is also the only jurisdiction with municipal representatives at the table during the project selection process. This is "fair say" in action.

I am also pleased to note that we have had numerous opportunities to meet with the new Cabinet and individual ministers since the election. The details of these meetings are included in this report, as is a review of our Lobby Day which included meetings with the Official Opposition NDP and the Manitoba Liberal Party. It is my firm belief that engaging in conversation with elected officials representing all parties is the key to building positive relationships and making headway on the issues that matter, and I look forward to continuing these conversations in the coming year.

As July marked my one-year anniversary as President of the AMM, I would like to extend my sincere thank you to each and every individual and group that I have had the opportunity to engage with over the past year, including the Board of Directors and staff of the AMM. It has been a true learning experience, during which I have gained knowledge, insight and, I am happy to say, some great friends.



EXECUTIVE DIRECTOR'S MESSAGE

JOE MASI



I am pleased to provide the Executive Director's message for the 2016 Annual Report of the AMM. We have had a successful and exciting year and that is in large part due to our strong membership.

For instance, the Municipalities Trading Company of Manitoba Limited (MTCML) enjoyed a profitable year, with sales of approximately \$29 million. Due to the continued participation of our members and discount pricing from MTCML Official Suppliers, the MTCML was able to rebate \$750,000 to our members based on their sales. This brings the cumulative rebate over the past 15 years to \$9.75 million.

Our 2015 Annual Convention drew media from all corners of the province to cover the AMM Leaders' Debate, and our members truly enjoyed a "front row seat". It certainly added an extra element of excitement to our flagship event. It was also gratifying to know that despite having fewer members, our attendance at the convention saw an astounding 855 delegates take part. Our other events drew similarly high numbers of attendees. Mayors, Reeves and CAOs meetings were once again held on one day preceding the Municipal Officials Seminar in Brandon, which drew 555 delegates. June District Meetings were also well-attended and our hosts did an outstanding job as always.

In terms of communications, our website continues to be a one-stop shop for our members to post jobs and classified ads, register for AMM events, and keep up with AMM news. Our social media presence continued to grow, the Municipal Leader magazine received plenty of excellent reader feedback, and our bi-weekly news bulletin continued to gain subscribers.

It was also gratifying to know that despite having fewer numbers, our attendance at the convention saw an astounding 855 delegates take part.

It also goes without saying that the programs and services we offer our members would simply not be possible without the excellent efforts of our staff. They truly go above and beyond to ensure our member benefits are of the highest quality, and for my part, I could not do my job without their support.

I would also like to recognize the partnership we enjoy with the Manitoba Municipal Administrators' Association. Daryl Hrehirchuk's term as MMAA President came to an end this year and we thank him for his service, while incoming President Heather Ewasiuk has blended in seamlessly at our board table. We also appreciate the efforts of Executive Director Mel Nott and all of the MMAA's members throughout the year.

In closing, thank you again to our members for their continued advice, support, and encouragement throughout this and every year. Our successes are your successes, so here is to another successful year in 2017.

Joe Masi

ABOUT the AMM



ASSOC
MA

Board of Directors

The AMM is divided into seven districts. Two Directors represent each of the following districts: Parkland, Interlake, Midwestern, Central, Western, Eastern and Northern. The City of Winnipeg is represented by one Director.

AMM Directors are elected every second year during June District Meetings.



Reeve Trevor King
Interlake District



Mayor Randy Sigurdson
Interlake District



Mayor Gavin Van der Linde
Eastern District



Reeve Brad Saluk
Eastern District



Mayor Neil Christoffersen
Central District



Mayor Martin Harder
Central District



Reeve Marvin Kovachik
Parkland District



Councillor Jack Bremner
Parkland District



Councillor Roger Wilson
Midwestern District



Councillor Merv Starzyk
Midwestern District



Mayor Stuart Olmstead
Western District



Reeve Rick Plaisier
Western District



Councillor Karen MacKinnon
Northern District



Councillor Duncan Wong
Northern District



Councillor Jeff Browaty
City of Winnipeg



CAO Heather Ewasiuk
Manitoba Municipal
Administrators Association

EXECUTIVE

Every two years at the annual convention, members elect a president and two vice-presidents who serve as the association's executive.

The Executive Director serves as ex-officio on the executive.

L to R:

Reeve Ralph Groening, Vice-President

Mayor Chris Goertzen, President

Mayor Melvin Klassen, Vice-President

Joe Masi, Executive Director



STAFF



Joe Masi
Executive Director



Linda Hargest
Director of Administration
and Marketing



Denys Volkov
Director of Advocacy and
Communications



Nick Krawetz
Senior Policy Analyst



Lynne Bereza
Communications
Coordinator



Donna Belbin
Events Coordinator

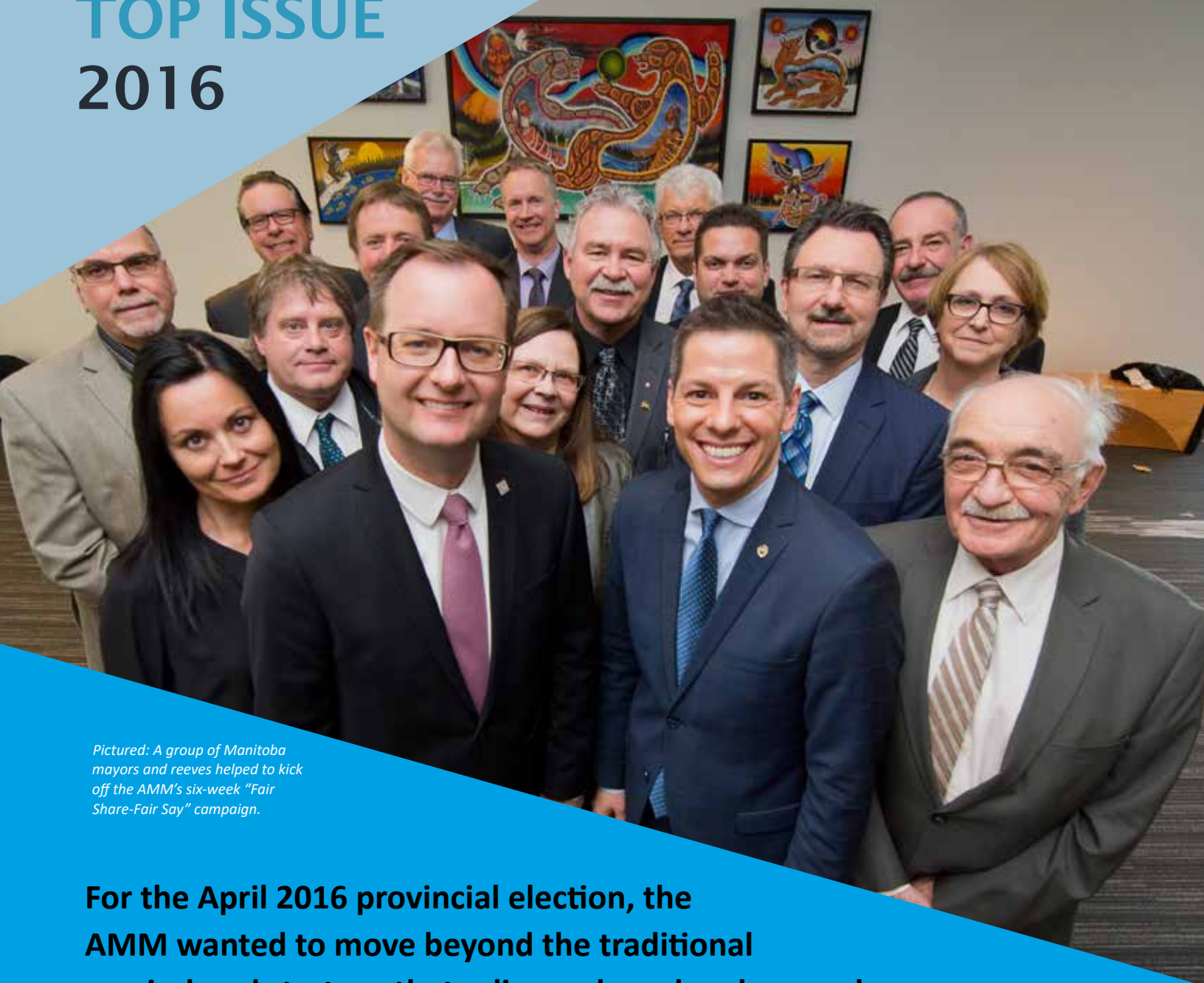


Julia Green
Executive Assistant



Patti de Baets
Finance Coordinator

TOP ISSUE 2016



Pictured: A group of Manitoba mayors and reeves helped to kick off the AMM's six-week "Fair Share-Fair Say" campaign.

For the April 2016 provincial election, the AMM wanted to move beyond the traditional cap-in-hand strategy that relies on broad and general messaging.

This time we focused on specific "asks" and partnered with the Mayor of Winnipeg, Brian Bowman, to front a much bolder campaign.

Setting the stage for the campaign was our Leaders' Debate during the 2015 Annual Convention.

The Honourable Greg Selinger, Premier of Manitoba, Brian Pallister, MLA for Fort Whyte and Leader of the Official Opposition, and Rana Bokhari, Leader of the Liberal Party of Manitoba participated in the Leaders' Debate, the first of all debates prior to the 2016 Manitoba Provincial Election.

This helped us position ourselves as a leader on the infrastructure issue and drive home the point that it would be front and centre during Election 2016.

FAIR SHARE. FAIR SAY.

FOR MANITOBA MUNICIPALITIES

Campaign Launch

The AMM's Fair Share - Fair Say Campaign kicked off on February 26, 2016 at Winnipeg's City Hall. There a group of mayors and reeves joined President Chris Goertzen, Mayor Brian Bowman, and Mayor Rick Chrest to launch a six-week multi-media campaign that invited Manitobans to join all 137 municipalities in speaking with one voice when it comes to advocating for improved infrastructure.

But the campaign really began back in November 2015 with the AMM Leaders' Debate at the AMM Annual Convention. As the first official debate of the election it drew a great deal of media attention. This helped the AMM position itself as a leader on the infrastructure issue and drive home the point that it would be front and centre during Election 2016.

Our next step was to speak with Manitobans through a province-wide survey conducted by NRG Research. The results were clear: fully 85% of Manitobans agreed that, based on the infrastructure load carried by municipalities, local Councils deserve both a FAIR SHARE of infrastructure dollars and a FAIR SAY in how they are spent.

Campaign Goal

The overall goal of the campaign was to engage Manitoba's political parties in the discussion about the need for a new infrastructure funding model and a new partnership with Manitoba municipalities.

Campaign Themes

We based the campaign on two specific themes:

- The unfairness of a system that collects all of its tax revenue from residents living in Manitoba municipalities, yet gives back just 8 cents of every tax dollar to local governments who are responsible for building and maintaining 60% of the province's infrastructure.
- The unfairness of provincial and federal governments spending 92% of the money without bothering to ask local governments, who know their communities best, about local priorities.



Pictured, top, l to r: Liberal Leader Rana Bokhari, Leader of the Official Opposition Brian Pallister, and Premier Greg Selinger during the AMM Leaders' Debate.

Centre: Mayor Brian Bowman (L), President Chris Goertzen (at podium) and Mayor Rick Chrest launch the campaign from Winnipeg's City Hall.

Fair Share. Fair Say.

FOR MANITOBA MUNICIPALITIES



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85% of Manitobans Agree

Local Councils deserve their **FAIR SHARE** of infrastructure tax dollars and a **FAIR SAY** in how they're spent.

That's because they're responsible for 60% of the infrastructure work but receive just 8 cents of every tax dollar to get the job done.

CAMPAIGN STRATEGY

A series of specific examples of the most pressing needs were identified and converted into radio and print ads focusing on the wide variety of infrastructure needs in municipalities – not only streets and roads, but recreation infrastructure, water and sewer infrastructure, bridge infrastructure, and the fact that many municipalities are being forced to use infrastructure dollars for doctor recruitment and retention.

A television ad featuring President Chris Goertzen was also developed, and social media played a key role in pushing these ads and our overall campaign messages out to the public.



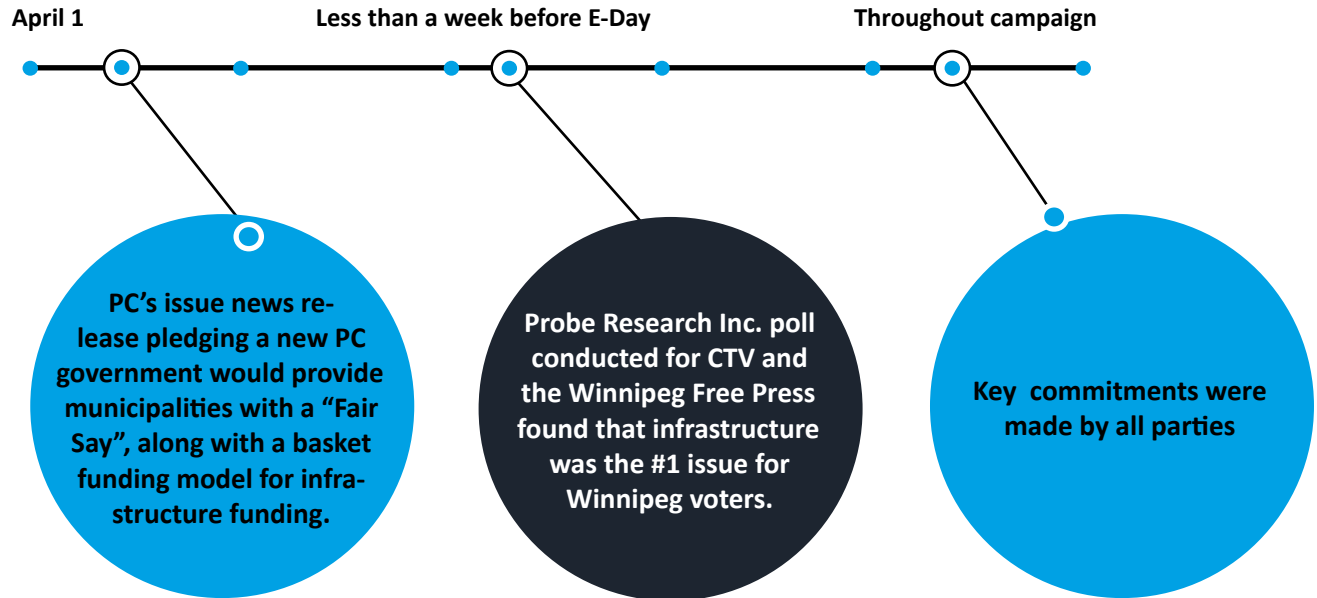
Twitter Strategy

Throughout the campaign, the AMM tweeted the weekly radio/print ads to its 1,000+ Twitter followers multiple times per day.

Each Tweet tagged Winnipeg Mayor Brian Bowman who re-tweeted to his 25,000 followers each time.

- Result: AMM Tweets more than tripled - from 32,000 impressions in February to 103,000 in March.
- The AMM Twitter Feed also doubled the number of profile visits (1,000 to 2,000) during same time period.

Prior to election day (April 19) several key developments occurred.



CAMPAIGN RESULTS



FAIR SHARE. FAIR SAY. FOR MANITOBA MUNICIPALITIES

"Our goal was to engage Manitobans and our provincial parties in a conversation about the need for municipalities to receive a fair share of infrastructure dollars and a fair say in how they're spent. Clearly the message resonated with both.

Though we still have work to do on a few fronts, we are pleased that commitments to infrastructure have been made, based on suggestions put forward by the AMM.

We have already begun working with Manitoba's new Progressive Conservative government."

*President Chris Goertzen
April 12, 2016*

Pictured: Premier Brian Pallister and President Chris Goertzen.

LOBBYING HIGHLIGHTS

PROVINCIAL



Pictured L to R: Mayor Rick Chrest, President Chris Goertzen, and Minister of Indigenous and Municipal Relations, The Honourable Eileen Clarke announcing the new single-window program.

Given the change in the provincial government following Manitoba's 41st general election, the AMM awaited the tabling of Budget 2016 with great interest.

The AMM's Executive and staff have consistently and proactively urged the Province of Manitoba to consider several recommendations on a number of important municipal issues.

In accordance with past years, the AMM requested and held annual meetings with individual Cabinet Ministers to discuss priority municipal issues relevant to each respective portfolio. The summaries of those meetings are on the following pages.

The AMM also held frequent meetings with the Department of Indigenous and Municipal Relations officials and Minister Eileen Clarke.

LOBBYING HIGHLIGHTS

PROVINCIAL

June 2

Department of Infrastructure Meeting with the Honourable Blaine Pedersen

As the Minister began the meeting by confirming the budget of the restructured department maintains the same levels of funding for initiatives outlined in the AMM position paper, President Goertzen underscored the AMM's commitment to be a partner in reducing red tape to speed up infrastructure projects and help municipalities more efficiently access infrastructure grant funding. The Minister also assured the AMM Executive that he would proactively consult on matters related to municipalities with the AMM.

President Goertzen reminded the Minister about the government's commitment to provide municipalities a "Fair Say" on infrastructure funding decisions with a new basket funding approach to more effectively respond to local infrastructure priorities as well as to invest no less than \$1 billion annually in strategic infrastructure. The AMM also urged the Minister to support municipalities by requesting the federal government to reverse changes to the Disaster Financial Assistance Arrangements (DFAA) cost-sharing formula that came into effect in February 2015. Lastly, President Goertzen highlighted the importance of investing in flood prevention and mitigation infrastructure, particularly in flood-prone areas. The Minister committed to following through on the election promise to move ahead with the construction of the Lake Manitoba and Lake St. Martin Outlet Channels Project as soon as possible.

"This includes less red tape, consultations to hear your ideas on how a new strategic infrastructure investment approach should work, and our commitment to ensure all municipalities have a "fair say" on how infrastructure funds are invested in their communities."

*The Honourable Eileen Clarke
Minister of Indigenous and Municipal Relations*

New Single Window Application Process

On August 4, 2016 the Province of Manitoba began accepting applications through a single-window application intake for cost-shared infrastructure funding for four different grant programs—the Municipal Road and Bridge Program, the New Building Canada Fund – Small Communities Fund, the Clean Water and Wastewater Fund, and the Public Transit Infrastructure Fund.

"Making it easier for municipalities to access cost-shared infrastructure funding is an important first step, and our government will continue to listen," said the Honourable Eileen Clarke, Minister of Indigenous and Municipal Relations. "This includes less red tape, consultations to hear your ideas on how a new strategic infrastructure investment approach should work, and our commitment to ensure all municipalities have a 'fair say' on how infrastructure funds are invested in their communities."

Mayor Rick Chrest, City of Brandon and President Chris Goertzen joined Minister Clarke for the announcement.





Minister of Sustainable Development, The Honourable Cathy Cox meeting with the AMM Executive.

June 6 **Department of Sustainable Development** **Meeting with the Honourable Cathy Cox**

While the AMM has always supported waste minimization and environmental sustainability goals, our organization strongly voiced its opposition to the originally proposed Waste Management Facilities Regulation as it would have negatively affected municipalities. Thankfully, AMM and departmental staff jointly reviewed the proposed regulation, resulting in the continuation of the existing landfill classification scheme, no mandatory closure of facilities, increased license thresholds, and a streamlined permitting process. In addition, certification for landfill operators will be phased in over a three-year period, which includes an exemption option for Class 3 operators. Funding from Green Manitoba to support the certification process has also been secured.

Furthermore, President Goertzen reiterated the AMM's concerns with the cosmetic pesticide ban as it negatively affects weed control services in local communities due to significant cost implications and effectiveness concerns. As such, the Minister agreed to conduct a comprehensive review of the Non-Essential Pesticide Use Regulation. Minister Cox also agreed to review the Dutch elm disease management program, which is causing significant financial and administrative burdens for municipalities throughout Manitoba, and committed to develop a new provincial climate change plan in consultation with the AMM.

July 4 **Department of Families** **Meeting with the Honourable Scott Fielding**

The AMM fully supports improved accessibility for Manitobans and believes universal access to public buildings is an important part of ensuring people with disabilities have full opportunity for participation in the life and development of local communities. However, the development and implementation of accessibility standards requires consultation and partnerships with municipalities as well as funding support from the Province of Manitoba. President Goertzen strongly urged the Minister to recognize the need for accompanying provincial funding and called for a partnership with attached financial support instead of municipalities shouldering these priorities alone.

In addition, the AMM urged the Province of Manitoba to increase the number of childcare spaces as well as its investment in the stock of affordable and seniors' housing across Manitoba, as a strong housing system is essential to community and economic growth. The Minister stated he was consulting with the federal government on how to increase the stock of affordable and seniors' housing in Manitoba and also committed to consult with the AMM. The Minister further expressed he wants to see flexibility built into the federal housing program for Manitoba. Both sides agreed to review recommendations of the Housing Rental Roundtable Report, which the previous government received from community stakeholders, including the AMM.

LOBBYING HIGHLIGHTS

PROVINCIAL

July 11

Department of Health, Seniors and Active Living Meeting with the Honourable Kevin Goertzen

In Manitoba, escorting individuals under the auspices of The Mental Health Act not only reduces police service coverage and response times, particularly in small rural communities, but it can also contribute substantially to overtime costs and competing demands on police resources while frustrating officers. The AMM expressed its appreciation to Minister Goertzen for re-introducing The Mental Health Amendment Act in the first legislative session following the election. As a result of this legislation, a “qualified person” other than a police officer is permitted to assume custody of and supervise an individual who is awaiting a mental health assessment. The AMM believes this change should significantly reduce policing costs and help ensure police service coverage in local communities.

The AMM also expressed its appreciation to serve on the Rural Physician Recruitment Advisory Committee, as health practitioner shortages throughout the province are negatively affecting many local communities. The Minister indicated he is looking at different ways to address the issue of doctor shortages and is anxiously awaiting the Advisory Committee’s recommendations. Other issues such as community capital contributions for health facilities, palliative care, and municipal representation on Regional Health Authority boards were discussed.

L to R: Vice-President Ralph Groening; Minister of Education and Training, The Honourable Ian Wishart; President Chris Goertzen; and Vice-President Mel Klassen.



July 11

Department of Sport, Culture and Heritage Meeting with the Honourable Rochelle Squires

President Goertzen began the meeting by highlighting the need to increase provincial funding to the Rural Library Operating Grant Program, as the provincial contribution rate to the program has remained constant since 2004 despite the evolution of libraries as community hubs and their important role in fostering community relations and partnerships. The AMM also urged Minister Squires to allow all library cards issued in Manitoba to be valid at any library that receives provincial funding in order to improve access and increase efficiencies. The Minister indicated she would like to consult on these issues as part of the government’s newly-announced Arts and Culture Review.

As provincial tourism reports consistently confirm that visits to museum and historic sites are the most frequent activities visitors choose or look forward to in planning their trip to Manitoba, Vice-Presidents Groening and Klassen outlined the importance of community museums and their economic impact in local communities. Increased investments in local community museums are urgently needed to help promote tourism across Manitoba, and since the tourism file now falls under the jurisdiction of Minister Cullen, the AMM encouraged closer collaboration between the two Ministers and departments on this issue.

August 2

Department of Agriculture Meeting with the Honourable Ralph Eichler

Naturally, the spread of noxious weeds is an area of shared concern between municipalities and the Province of Manitoba. The AMM thanked the Minister and departmental staff for consulting and sharing the common goal of reviewing and modernizing The Noxious Weeds Act. It is essential the government continue to consult with the AMM when reviewing tier classifications of noxious weeds as well as support the Department of Infrastructure to maximize roadside maintenance budgets to ensure control of weed growth along provincial infrastructure.

Vice-President Groening requested a funding increase to rural veterinary boards to improve staff retention and help cover increasing operating and capital costs. He stressed consultation with the AMM is vital when implementing the recommendations by the Rural Veterinary Task Force. Vice-President Klassen also outlined the need to rescind the \$5,000 cap on the Farmland School Tax Rebate while modernizing education funding.

Minister of Growth, Enterprise and Trade, The Honourable Cliff Cullen and President Chris Goertzen.

August 29

Department of Crown Services

Meeting with the Honourable Ron Schuler

Vice-President Groening began by asking Minister Schuler to enhance and develop new energy-saving programs that decrease operating costs for community-owned public recreation facilities. In addition, the AMM also requested to be consulted on Manitoba Hydro's Demand Side Management (DSM) plan.

The Minister committed to including the AMM on the list of stakeholders to be consulted on the DSM plan, and noted that the program for energy-saving initiatives for recreation centres developed by the AMM and Manitoba Hydro would be transferred to the new DSM entity when it is announced. Moreover, Minister Schuler outlined multiple steps the Province of Manitoba is taking to review the BiPole III Transmission Project, while Vice-President Klassen urged continued consultations regarding the impact of Manitoba Hydro District Office closures in local communities. In some cases, response times have been affected for emergency customer service calls during power outages due to these office closures.

September 6

Department of Growth, Enterprise and Trade

Meeting with the Honourable Cliff Cullen

With 37% of Manitoba's population and more than 12,000 businesses, rural Manitoba is vital to the provincial economy. That is why the AMM has repeatedly urged the provincial government to proactively develop and implement a comprehensive, province-wide economic development strategy. President Goertzen and Executive Director Joe Masi strongly encouraged the Minister to fully implement all the recommendations of the Rural Economic Development Strategy report, including providing "single-window" services to rural Manitoba.

President Goertzen asked Minister Cullen to help facilitate and develop partnerships with other orders of government and the private sector to improve communication networks in rural, remote and northern communities. Reliable cell service and Internet access directly impacts the safety of the general public and the effectiveness of emergency responders, particularly in times of crisis or disaster situations.

Vice-President Klassen also called for the government to develop both a short and long-term plan in partnership with affected northern communities with regard to the many challenges they are facing. Meanwhile, Vice-President Groening appealed for increased investments in Manitoba's tourism sector and greater support for local museums. The Minister outlined his commitment to improve tourism in Manitoba as the government increased funding for tourism and made the Tourism Development Fund available for communities.



September 12

Department of Education and Training

Meeting with the Honourable Ian Wishart

The current education funding model in Manitoba is both antiquated and inadequate, particularly given the ever-increasing demands on municipalities. New sustainable long-term funding to reduce school division reliance on property taxes is urgently needed. Therefore the AMM asked the Minister to establish a multi-stakeholder Task Force to comprehensively review and modernize Manitoba's education funding model.

In addition, Vice-President Klassen requested Minister Wishart to ensure municipalities are included as eligible applicants under the auspices of the Canada-Manitoba Job Grant, as employers are eligible to apply for up to \$10,000 for each individual employee or prospective employee to assist with direct training costs. Regrettably, municipalities are currently excluded from this agreement. The Minister stated he would review the request on how to include municipalities on the list of eligible applicants and thanked the AMM for providing a submission regarding the government's labour market consultations.

LOBBYING HIGHLIGHTS

PROVINCIAL

The AMM encourages the Province of Manitoba to consider municipal concerns as well as the effect of funding decisions on communities throughout the budget process.

L to R: Vice-President Mel Klassen, President Chris Goertzen, Minister of Justice, The Honourable Heather Stefanson and Vice-President Ralph Groening.

September 30

Department of Justice

Meeting with the Honourable Heather Stefanson

Community safety and crime prevention are among the top priorities of Manitoba communities, while the costs of fighting crime are rising and increasingly becoming unsustainable. Without predictable long-term funding and a re-distribution of roles and responsibilities, municipal budgets will continue to be severely strained while depriving other essential services and programs. The AMM Executive encouraged cooperation among all orders of government, and urged Minister Stefanson to increase support for community policing services in order to effectively address the current unsustainable path and burdens facing local communities.

The AMM also thanked the Province of Manitoba for continuing to provide materials and guiding documents regarding the implementation of The Municipal By-law Enforcement Act. As the Act aims to simplify the process for issuing penalty notices and allows for local screening officers to hear by-law disputes, the AMM believes it will help municipalities enforce by-laws more effectively. However, the AMM Executive requested the department to help cover training costs for municipal staff and assist municipalities with adjudication costs.

The AMM Executive and staff continue to hold frequent meetings with the Department of Indigenous and Municipal Relations officials and Minister Clarke. In every meeting with provincial government officials, the AMM encourages the Province of Manitoba to consider municipal concerns as well as the effect of funding decisions on communities throughout the budget process.



LOBBY DAY

Although traditionally held in the spring, the AMM Board of Directors hosted its Lobby Day event and met with the caucuses of all three parties in the Manitoba Legislature on October 4-5, 2016 due to the election. The main purpose of these meetings is to ensure all parties are aware of the AMM and its mandate as well as to educate the parties on the main issues affecting Manitoba municipalities.

Lobby Day kicked off with a meeting with the NDP Caucus led by interim leader Flor Marcelino. President Goertzen expressed the AMM's appreciation to the Caucus and former Premier Selinger for working together with our organization to strengthen and grow local communities. In particular, President Goertzen highlighted several joint initiatives and partnerships over the years such as the local consultative meeting that includes the AMM that reviews applications for the Building Canada Small Communities Fund. To date the AMM remains the only municipal association in Canada to sit at the table with provincial and federal counterparts while protecting and promoting Manitoba municipal priorities. On behalf of the Caucus, MLA Rob Altemeyer recognized the importance of having an effective relationship with the AMM and underscored the NDP's commitment to building on past successes to benefit all Manitobans.

Next, the AMM met with the Progressive Conservative Party and its 40-member Caucus. This meeting provided a chance for AMM Board members to meet and interact with several Cabinet Ministers and newly-elected MLAs. Minister of Indigenous and Municipal Relations Eileen Clarke delivered a passionate speech about her previous municipal experience and fondly reminisced about her tenure as AMM Vice-President. She also discussed her intention to help foster communication and build stronger links between First Nation communities and municipalities. Meanwhile President Goertzen thanked the Minister and the PC Caucus for committing to provide municipalities a "Fair Say" with a new basket funding approach to more effectively respond to local infrastructure priorities. President Goertzen also reaffirmed the AMM's readiness to partner with the new provincial government to help municipalities more efficiently access infrastructure grant funding.

The following day the Liberal Party of Manitoba Caucus visited the AMM Board of Directors meeting as a delegation, which provided an opportunity to hold a more intimate discussion focused on various public policies relevant to municipalities. For instance, Liberal MLA Judy Klassen highlighted the myriad challenges facing northern communities while the AMM Board asked targeted questions on infrastructure, alternate revenues and disaster financial assistance.

Overall the Lobby Day event was very productive, especially given its timing before the AMM Annual Convention. The AMM will continue to build on these old and new relationships with MLAs and actively encourage political parties to address and resolve municipal concerns on behalf of its membership.

Top: L to R, PC MLA for Lac du Bonnet Wayne Ewasko; MMAA President Heather Ewasiuk; Minister of Indigenous and Municipal Relations Eileen Clarke; and Eastern District Director Brad Saluk.

Centre: Interlake District Director Randy Sigurdson with NDP MLA for The Pas Amanda Lathlin.

Bottom, L to R: President Chris Goertzen; Liberal MLAs Judy Klassen (Kewatinook), Cindy Lamoureux (Burrows) and Dr. Jon Gerrard (River Heights); and Vice-Presidents Ralph Groening and Mel Klassen.



LOBBYING HIGHLIGHTS

FEDERAL



Seated: The Hon. Eileen Clarke, Minister of Indigenous and Municipal Relations, and the Hon. Mary Ann Mihychuk, Minister of Employment, Workforce Development and Labour. Standing, l to r: Mayor Bruce Henley, RM of West St. Paul; Doug Eyolfson, MP for Charleswood-St. James-Assiniboia-Headingley; Ron Schuler, MLA for St. Paul; Terry Duguid, MP for Winnipeg South; President Chris Goertzen.

Budget 2016 and Government of Canada-Province of Manitoba Bilateral Agreement (for Clean Water and Wastewater Fund and Public Transit Infrastructure Fund)

In regards to federal funding for municipal infrastructure, the federal government has committed to Phase One infrastructure investments totaling roughly \$11.9 billion, including \$3.4 billion over three years to upgrade and improve public transit systems. Manitoba will receive approximately \$83 million over this time period for public transit infrastructure initiatives.

Budget 2016 also proposes to invest \$5 billion over five years for investments in water, wastewater and green infrastructure projects. Out of these funds, a four-year \$2 billion Clean Water and Wastewater Fund has been established for immediate improvements to water distribution and treatment infrastructure. Manitoba's share will total roughly \$95 million.

To get projects moving quickly, the federal government will fund up to 50% of total eligible costs for projects funded under the new Public Transit Infrastructure Fund and Clean Water and Wastewater Fund. On July 25, 2016 the Government of Canada and Province of Manitoba announced they reached an agreement in accordance with the federal government's plan to invest in infrastructure across the country.

Budget 2016 also allocates \$3.4 billion over five years for social infrastructure, including affordable housing as well as cultural and recreational infrastructure. In regards to flood mitigation, \$248 million has been proposed for the Lake Manitoba and Lake St. Martin Outlet Channels Project. Access to more reliable broadband should also be improved in rural and remote communities through a new, \$500 M program over five years to extend and enhance high-speed broadband coverage.

“Municipalities have called for a ‘fair say’ on how infrastructure dollars are invested, while stressing the importance of clean and safe drinking water as well as efficient wastewater treatment for Manitobans.

Our association is pleased to be at the table as a partner working alongside the federal and provincial governments in selecting municipal infrastructure projects that benefit our communities.”

President Chris Goertzen

New Federal-Provincial Infrastructure Agreement

On July 25 President Chris Goertzen was in the RM of West St. Paul to witness the signing of an agreement for more than \$178 million in federal infrastructure funding available under two new federal programs – the Public Transit Fund and the Canadian Water and Wastewater Fund. The agreement is part of Phase 1 of the 10-year Investing in Canada plan.

Also announced was the approval of an initial list of 27 projects under the two new funding programs, representing \$101,975,000 in federal funding alone. Together with provincial and municipal contributions, more than \$205 million in combined funding is available to Manitoba municipalities to support these public transit, water and wastewater projects.

Manitoba was one of the first provinces in Canada to sign the joint agreement, and is also the only jurisdiction with municipal representatives involved in the project selection process.



LOBBYING HIGHLIGHTS

FEDERAL

The AMM believes it is **vital** that **federal investments** benefit all **Canadians**, and particularly those that live in **rural, remote or northern communities**.



Photo by Rose Kuzina

The federal government will continue to make available approximately \$3 billion each year in dedicated funding for municipal infrastructure projects through the Gas Tax Fund and the incremental Goods and Services Tax Rebate for municipalities. This infusion of federal dollars presents Manitoba communities with a tremendous opportunity to optimize spending, innovate and demonstrate long-term value for Manitobans. Capacity limitations, however, will need to be addressed through strengthened engagement, coordination and consultation between stakeholders. Yet our federal counterparts are realizing municipal priorities are Canadian priorities, and the AMM was pleased to see our priorities figure prominently in the federal budget.

Looking ahead, the federal government is currently preparing to unveil Phase 2 of its \$60 billion infrastructure investment plan. The AMM has reiterated the Federation of Canadian Municipalities (FCM's) call for full contributions from all three partners and will continue to make the case to both the federal and provincial governments. This includes a 50% federal contribution and a full one-third provincial contribution to capital costs. The AMM believes it is vital that federal investments benefit all Canadians, and particularly those who live in rural, remote or northern communities.

Meeting with the Manitoba Liberal MP Caucus

As a follow-up to the AMM's federal pre-budget submission, the AMM met with the Manitoba Liberal MP Caucus on March 30, 2016 to discuss municipal priorities first-hand and express the need for further support for infrastructure, disaster financial assistance, community policing, affordable housing, and wireless and Internet broadband connectivity.

President Goertzen encouraged the Caucus to advocate for increased federal support for local communities dealing with aging municipal infrastructure, as improving local roads, bridges, public transit and water systems is one of the best ways to create jobs and generate economic growth. Since the Building Canada Fund is also available to the Province of Manitoba for provincial infrastructure projects, President Goertzen emphasized the importance of ensuring municipalities receive a fair share of application-based funding.

Given that Manitoba is the second largest recipient of Disaster Financial Assistance funding, President Goertzen alerted the Caucus to federal changes that came into effect in February 2015 to the DFA cost-sharing formula that have essentially eliminated funding for smaller disaster events. The AMM clearly articulated these changes represent a download of federal responsibilities to the provincial government, which may eventually be downloaded to municipalities. President Goertzen urged the Caucus members to immediately review and ultimately reverse these changes in order to not jeopardize the safety of all Manitobans in the event of a disaster or extreme weather event.

CITIES CAUCUS

The AMM Cities Caucus is made up of all of Manitoba's ten cities, including the City of Winnipeg, and is an excellent forum to allow municipal officials from each city to network and share information. The AMM introduced the Cities Caucus in 2013, and since then it has provided opportunities for representatives from each city in Manitoba to share ideas about how to tackle common concerns and key priorities.

The Cities Caucus elects a member every two years to chair the meetings, and for the past year Mayor Rick Chrest, City of Brandon, has served in this role. The strength of the Cities Caucus is that it not only provides a forum for Manitoba's cities, it is also another potential avenue to support the AMM's lobbying activities on key priorities that affect all municipalities. For instance, issues that have a significant impact on Manitoba's urban centres such as the infrastructure deficit and the need for alternate sources of revenue are also challenges for Manitoba's rural municipalities.

Over the past year the Cities Caucus met during the AMM Annual Convention in November, during the Municipal Officials Seminar in April, and in the City of Thompson in September.

Topics discussed by Caucus members in November included the amount of PST municipalities pay each year, policing costs and services, mandatory accessibility plans currently being proposed by the Province, and the 2016 Provincial Election.

In April Caucus members agreed the most critical priority continues to be infrastructure and the need for a Fair Share of infrastructure funding and a Fair Say in how it is spent. The Caucus reviewed the AMM's 6-week campaign and was pleased with the overall reaction to it by the parties and the public.

Another topic on the agenda was policing, a recurring issue for Manitoba cities. Both RCMP labour relations and changes to the Mental Health Act were on the agenda.

The Cities Caucus meeting in the City of Thompson in September was the first time Caucus members have gathered in northern Manitoba. After reviewing common issues (including municipal policing contracts and new regulations for water and wastewater plants) and touring Thompson, the group agreed the sustainability and viability of the north is essential for all cities throughout the province.

Finally, the Cities Caucus discussed the top priorities to focus on for the upcoming year: infrastructure, policing and alternate revenue sources.

Pictured, L to R: Mayor Eric Irwin, City of Dauphin; CAO Garry Ceppetelli, City of Thompson; City Manager Barb Dyck, City of Winkler; Mayor Ken Wiebe, City of Morden; Councillor Kelly Cook, City of Selkirk; Mayor Larry Johansson, City of Selkirk; CAO Duane Nicol, City of Selkirk; Mayor Dennis Fenske, City of Thompson; CAO Brad Collett, City of Dauphin; President Chris Goertzen, AMM; Mayor Martin Harder, City of Winkler; Councillor Jac Siemens, City of Steinbach; Mayor Rick Chrest, City of Brandon (Chair); Councillor Jeff Browaty, City of Winnipeg; Mayor Irvine Ferris, City of Portage la Prairie.



LEGISLATIVE UPDATE



*President Chris Goertzen presenting on Bill 3:
The Mental Health Amendment Act.*

Given the change in both the federal and provincial governments, the AMM has remained focused on ensuring municipal priorities align with the priorities of Manitobans and Canadians alike.

As such, over the past year the AMM provided numerous submissions on legislation and regulations that impact municipalities as well as providing presentations to various committees on behalf of its membership.

Provincial:

Bill 5: The Surface Water Management Act

AMM members overwhelmingly support improvements to water quality in Manitoba's lakes and waterways. However, effective watershed management and retention of wetland benefits demand financial support from the Province of Manitoba so that any new processes can be properly implemented and fully observed in practice.

As Conservation Districts are still feeling the effects of provincial budget cuts in 2013, the AMM reiterated its appeal for increased provincial funding to support the implementation of water management plans due to the important and cost-effective watershed management initiatives they undertake. The AMM also stressed that Bill 5 should not result in any new responsibilities for Conservation Districts, since regulations should be accompanied with provincial funding. Dialogue with the AMM and municipalities is crucial throughout the legislative process and development of any subsequent regulations that affect water management in Manitoba.

Bill 3: The Mental Health Amendment Act

Given the complex links between mental health and the criminal justice system, police responses to mental health issues continue to be a topic of significant discussion both within Manitoba and across Canada. In Manitoba, escorting individuals under the auspices of The Mental Health Act not only reduces police service coverage and response times, particularly in small rural communities, but it can also contribute substantially to over-time costs and competing demands on police resources while frustrating officers.

On June 28, 2016 AMM President Chris Goertzen appeared before the provincial legislative committee to speak in support of Bill 3: The Mental Health Amendment Act, which enables a "qualified person" other than a police officer to assume custody of and supervise an individual who is awaiting a mental health assessment. The AMM believes this change should significantly reduce policing costs and help ensure police service coverage in local communities. Moreover, the AMM urged the Province of Manitoba to proactively consult with municipalities when establishing the corresponding training program for "qualified persons" to ensure effective implementation of this change in local communities.

Other Provincial Submissions:

Cosmetic Use of Pesticides Consultation 2016

On behalf of its membership, the AMM was pleased to see the new provincial government commit to and immediately undertake a complete review of the Non-Essential Pesticide Use Regulation. The AMM has long advocated for changes to the cos-

metic pesticide ban, as it negatively affects weed control services in local communities due to significant cost implications and effectiveness concerns.

Under the ban, multiple applications of products and additional municipal staff time are required, costing municipalities tens of thousands of dollars while complying with these regulations and attempting to achieve comparable weed control outcomes. For example, the City of Steinbach has estimated the costs associated with its weed control program have risen more than tenfold while using alternative products. Estimates from other AMM members similarly indicate municipalities spend 15 times more to maintain their current weed control programs with alternative products such as Fiesta. In effect, local Councils are forced to decide whether to increase their weed control budgets or cease weed control activities all together in certain areas of their municipality due to the financial constraints caused by this regulation.

In addition, the AMM reaffirmed its confidence in current federal regulations regarding the approval of pesticides, as the review process undertaken by Health Canada's regulatory agency is rigorous and encompasses public safety review mechanisms. Banning cosmetic pesticides approved by federal government agencies not only reduces the ability of municipalities to effectively manage weed control programs, but also results in unnecessary financial constraints on municipal budgets.

As the AMM is committed to public safety, an alternative to a complete cosmetic pesticide ban is to limit the use of cosmetic pesticides to licensed applicators to ensure these types of products are applied properly. However, the regulation's cost implications for municipalities must be urgently and appropriately addressed through practical and affordable solutions.

Consultations on Labour Market Transfer Agreements

On August 11, 2016 the AMM was pleased to attend a roundtable hosted by the Department of Education and Training as part of consultations on labour market transfer agreements. In connection with AMM Resolution #30-2015, staff voiced concerns with the current Canada-Manitoba Job Grant, which provides employers grants of up to \$10,000 for each individual employee or prospective employee to assist with direct training costs. However, Manitoba municipalities are excluded as eligible recipients despite their need to enhance training for their employees that help build strong and safer local communities. In order to include municipalities as eligible applicants under this program, the AMM understands amendments to the agreement can only occur with the mutual consent of both the federal and provincial governments.

Legislative Update

These changes represent a **download** of federal **responsibilities** to the provincial government, which may eventually result in the **major downloading** of financial costs onto **municipalities** in the near future.

In light of the additional \$50 million federal investment in support of labour market programming, the AMM also believes these new funds could be utilized to help attract and retain economic development professionals and increase employment in rural communities. Greater support for economic development practitioners was a top priority identified by Manitoba's Rural Economic Development Steering Committee co-chaired by the AMM. This would not only help grow local communities but also promote greater access to employment and skills training programs.

Lastly, as the Department of Sustainable Development is moving ahead with regulatory changes that require mandatory training and certification for waste facility operators across Manitoba, the AMM requested that provincial and municipal governments should have access to federal funding to assist with the training and certification costs for waste facility operators. While the AMM continues to be involved with the Water and Wastewater Certification program in partnership with the Province of Manitoba, greater access to federal funding could further enhance this program that trains operators who ensure clean drinking water and wastewater systems for Manitobans.

End-of-Life Electronics Stewardship Program Plan Renewal 2017-2021

In regard to the End-of-Life Electronics Stewardship Program Plan Renewal 2017-2021, the AMM acknowledged the Electronic Products Recycling Association's (EPRA) success in collecting over 9,500 metric tonnes of waste electronics and diverting these products from Manitoba landfills. The AMM commended the EPRA for delivering its program in an environmentally sound and economically efficient manner as well as for ensuring public transparency for its financial and environmental reporting. The AMM also appreciates the opportunity to participate on the EPRA Manitoba Local Advisory Committee.

As an adequate, appropriate and convenient EPRA collection network is essential for serving Manitoba residents, the AMM agreed that e-waste drop-off locations should be strategically located to maximize accessibility and service coverage. The AMM also welcomed the EPRA's commitment to partner with other stewardship programs to collect and remove materials in remote and northern Manitoba communities.

Federal:

Parliamentary Standing Committee on Finance – Budget 2017 Consultations

On October 6 Vice-President Ralph Groening testified to the Parliamentary Standing Committee on Finance as part of federal pre-budget consultations in advance of Budget 2017. In his testimony, Vice-President Groening focused on two priority issues—infrastructure funding and changes to the cost-sharing formula for disaster financial assistance—as well as other important issues to Manitoba municipalities such as community policing, housing, and wireless communications and broadband Internet connectivity.

In regard to infrastructure, Vice-President Groening highlighted the AMM being the only municipal association in Canada working alongside federal and provincial partners to help select projects financed under the Building Canada Fund. However, with 80% of infrastructure funding in Budget 2016 still to be allocated, there are many opportunities for even stronger partnerships. As such, the AMM reiterated FCM's call for full contributions from all three partners. This includes a 50% federal contribution and a full one-third provincial contribution to capital costs. The AMM believes it is vital that federal investments benefit all Canadians, and particularly those who live in rural, remote or northern communities.

As a result of federal changes made by the previous government to the DFAA cost-sharing formula that came into effect in February 2015, federal funding for smaller disaster events has been eliminated. These changes represent a download of federal responsibilities to the provincial government, which may eventually result in the major downloading of financial costs onto municipalities in the near future. Many Manitoba communities are situated in flood prone areas, and thus this change could significantly and negatively affect municipalities.

Vice-President Groening strongly urged the Committee and Government of Canada to urgently review and ultimately reverse this decision in order to not jeopardize the safety of Manitobans and prevent an unfair burden on municipal resources.

MEETING WITH CABINET

Prior to hosting the Provincial Leaders' Debate on municipal issues, President Chris Goertzen on behalf of the AMM Board of Directors welcomed Premier Selinger and members of the Provincial Cabinet to the annual meeting that is traditionally held during the convention.

President Goertzen kicked off the meeting by reviewing successes in 2014-15 and thanked the Province of Manitoba for increased funding for municipal infrastructure programs, Partner 4 Growth, and Hometown Green Teams. President Goertzen also expressed the AMM's appreciation to the Province of Manitoba for supporting the AMM as the only association across Canada to be at the table for the selection of projects under the Building Canada Small Communities Fund.

In regard to critical issues, President Goertzen thanked the Premier for the \$1 million commitment to address ongoing amalgamation challenges. This new funding support will provide funding to 47 municipalities and support capital costs resulting from forced amalgamation, including computer hardware, software upgrades and office expansions. The AMM acknowledges the provincial government's willingness to cover some of the hard costs resulting from municipal amalgamations.

President Goertzen also stressed the importance of identifying alternate revenue sources for municipalities. While Premier Selinger highlighted various provincial supports already in place such as the Gas Tax, PST revenue sharing and the Growing Communities Fund, President Goertzen raised the need for a PST rebate for municipalities. Each year local communities continue to pay more than \$25 million to the provincial government. The AMM continues to urge the Province to follow the federal government's model with the GST.

In regard to policing, President Goertzen highlighted the growing issues with rising police overtime costs and the Mental Health Act transfer challenges. Minister Blady stated she is "open for dialogue" on MHA matters and also extended an invitation to the AMM to be at the table to discuss doctor retention



challenges and palliative care issues in Manitoba. The AMM reiterated its readiness to propose practical, viable solutions that can address and surmount these challenges.

Going forward, President Goertzen emphasized the need for accompanying provincial funding whenever new legislation and regulations are enacted that affect municipalities. To illustrate this point, President Goertzen called for additional funding to better manage Dutch elm disease, help municipalities comply with accessibility legislation, and support the Community Places Program due to economic spin-off benefits as a result of partnerships between municipalities, businesses and not-for-profit organizations. Premier Selinger indicated he is open for talks on better managing Dutch elm disease but did not, however, commit to new funding to support municipalities as they comply with accessibility legislation and standards.

President Goertzen also stressed the importance of economic development for all Manitobans, and encouraged the Premier to implement all the recommendations that will soon be put forth by the Rural Economic Development Advisory Committee, co-chaired by AMM Executive Director Joe Masi. President Goertzen also raised the need for more affordable housing throughout the province. Premier Selinger indicated he would strongly advocate for housing funding to be included in the federal government's infrastructure program.

In closing, Premier Selinger reiterated the Province of Manitoba's commitment to work together with the AMM to improve local communities, expressed appreciation for the AMM/Province of Manitoba's relationship, and thanked the AMM leadership for working together on several challenging files over the past year. President Goertzen underscored the AMM/Province of Manitoba's partnership requires dedicated resources and tailored approaches to the unique needs of municipalities. The AMM reaffirmed its readiness to work with departmental staff whenever and as often as possible.

PARTNERSHIPS



L to R: Former Treaty Commissioner James Wilson, President Chris Goertzen and Chief Nelson Genaille, President of the Treaty Land Entitlement Committee of Manitoba.

Each year the AMM takes the opportunity to partner with organizations on initiatives that have the potential to benefit our members and the communities they live in.

This year a number of these partnerships occurred.

Community Accord

Over a year ago, three parties—the AMM, the Treaty Relations Commission of Manitoba (TRCM) and the Treaty Land Entitlement Committee (TLEC)—signed a Memorandum of Understanding to review the current Treaty Land Entitlement (TLE) process and come up with recommendations on how to improve it. One of the first steps was to form a working group consisting of representatives from municipalities, First Nations communities and other orders of government in an effort to move forward on land-related issues.

The next step was the release of the Community Accord on March 29.

“Thanks to the outstanding leadership of Commissioner James Wilson and Chief Nelson Genaille, municipalities and First Nations in Manitoba are working together more than ever before,” said AMM President Chris Goertzen. “In many cases a First Nations community is a municipality’s closest neighbour so both benefit from a cooperative working relationship. But as we all know, the Treaty Land Entitlement process can be complicated and sometimes difficult.”

The Community Accord is a volunteer agreement that could be signed between a First Nation government and a municipal government, based on respect for and appreciation of each other’s diverse backgrounds. It acknowledges that recognition, respect, co-operation, partnership and reconciliation are the foundation of both communities’ common good.

The working group’s next steps will include finalizing an information package which will aid municipalities and First Nations in the TLE process.

Young Community Leader Award

The AMM established the Young Community Leader Award in 2009, in conjunction with the Manitoba School Board Association Citizenship Awards. The Award was re-named in 2012 to honour the memory of AMM Honourary Life Member George Harbottle.

This year’s recipient of the George Harbottle Memorial Young Community Leader Award is Rashawna Blair, a student at River East Collegiate in the River East Transcona School Division.

The AMM presented the award at the Manitoba School Boards Association Celebration of Success evening on March 17.

Volunteer Manitoba Award

In 2015 the AMM designated a new award to recognize community volunteerism in conjunction with Volunteer Manitoba. President Chris Goertzen presented the AMM Community Leadership Award to Gilbert Comte, Lourdéon Community Development Corporation, during Volunteer Manitoba’s annual awards dinner on April 28.

AMM Hosts Municipal Officials from Ukraine

The AMM was selected to be a partner with The Federation of Canadian Municipalities (FCM) in implementing the Partnership for Local Economic Development and Democratic Governance (PLEDDG) Program. The program, which will run from April 2015 to December 2020, is funded by the federal government and is supplemented by significant in-kind contributions from Canadian and Ukrainian partners.

The goal of the program is to assist Ukraine’s municipal sector by increasing capacity in 16 cities, enabling an environment for entrepreneurship, facilitating decentralization of authorities and integrating development planning at the local, regional and national levels. According to PLEDDG, this initiative will emphasize gender equality through support for increased women’s political and economic participation, as well as promote a green municipal environment aimed at advancing local democracy and providing greater economic stability.

Representatives from the Association of Ukrainian Cities visited Manitoba in June 2016. The AMM invited multiple stakeholders to organize local meetings between Canadian and Ukrainian counterparts, including the City of Winnipeg, Economic Development Winnipeg, Manitoba Chambers of Commerce and World Trade Centre Winnipeg. The group also met with Minister of Indigenous and Municipal Relations, the Honourable Eileen Clarke and Winnipeg Mayor Brian Bowman.

The officials from Ukraine travelled to the AMM office in Portage la Prairie to discuss advocacy efforts and the Municipalities Trading Company opportunities the AMM offers to all of its 137 members. As a part of the meeting with the AMM, the guests also talked about local and regional economic opportunities in communities outside of Winnipeg. The Economic Developers Association of Manitoba, Portage la Prairie Chamber of Commerce, and City of Winkler shared unique opportunities and challenges of economic development in various Manitoba regions.

COMMUNICATIONS

“The media hits generated by the AMM Leaders’ Debate accounted for over 20% of the AMM’s hits for the entire year.”



Without a doubt, the media event of the year was the AMM Leaders’ Debate.

As the first debate of the 2016 Provincial Election, the AMM Leaders’ Debate, held on November 25, 2015 during our Annual Convention in Brandon, drew media attention from all corners of the province.

Premier Greg Selinger, Leader of the Official Opposition Brian Pallister, and Manitoba Liberal Leader Rana Bokhari participated in the one-hour debate, which was moderated by 680 CJOB News Director Richard Cloutier.

The media hits generated by the debate accounted for over 20% of the AMM’s media hits for the entire fiscal year.

The debate was broadcast live on 680 CJOB and posted on YouTube.

AMM in the Media

The AMM was mentioned in 266 media stories in 2015-16—55 of those in relation to the Leaders' Debate. Not surprisingly, the next most popular topic was the AMM's Fair Share - Fair Say Campaign. The AMM's call for a review of the Cosmetic Pesticide Ban also generated a significant amount of media attention.

www.amm.mb.ca

The AMM website is a valuable tool for members and others seeking AMM news, policies, lobbying highlights, event information and documents. Over this past year the site saw 28,803 unique visitors stop by the site 53,514 times.

Social Media

Twitter continues to gain popularity and was widely employed during the AMM Leaders' Debate and throughout the Fair Share - Fair Say Campaign. The AMM gained 299 Twitter followers this year for a total of 1,555.

Meanwhile, the AMM Facebook page has 483 likes, an increase of 42. The AMM is also part of the LinkedIn network and uses the photo sharing site Flickr to share images of AMM events.

AMM Member Advisories

The AMM often distributes Member Advisories to communicate issues of immediate importance or urgency to its members. Over the past year a total of 17 Member Advisories were distributed on topics including the provincial and federal budgets, the AMM Leaders' Debate and AMM executive elections.

Bi-Weekly News Bulletin

The AMM bi-weekly news bulletin is an important source of information about AMM policy, coming events, MTCML Official Suppliers, and other items of interest to members and others. It is distributed via email to over 1,100 subscribers.



The Municipal Leader

The AMM's quarterly magazine, the Municipal Leader, has a controlled circulation of 1,800 and is read by mayors, reeves, councillors, CAOs, purchasers, suppliers, MLAs, MPs and others interested in the business of municipal government. It is available in hard copy or electronic formats.



EVENTS



Convention delegates enjoying a light moment.

17th Annual Convention November 23-25, 2015

Registered Delegates: 855

Keynote Speakers: Steve Abrashoff, Ken Coates, Simon T. Bailey

Guest Speakers: The Honourable MaryAnn Mihychuk, MP for Kildonan St. Paul and Minister of Employment, Workforce Development and Labour; The Honourable Drew Caldwell, MLA for Brandon East and Minister of Municipal Government; and Councillor Raymond Louie, President of the Federation of Canadian Municipalities.

The Honourable Greg Selinger, Premier of Manitoba, Brian Pallister, MLA for Fort Whyte and Leader of the Official Opposition, and Rana Bokhari, Leader of the Liberal Party of Manitoba participated in a Leaders' Debate, the first of all debates prior to the 2016 Manitoba Provincial Election. Premier Greg Selinger also spoke at the AMM Gala Evening.

One Honourary Life Membership was awarded during the annual Gala. The 2015 recipient was Shirley Kalyniuk.

Two resolutions sessions took place during which 31 resolutions were carried.

MAYORS, REEVES AND CAOS MEETINGS APRIL 12, 2016

The AMM maintained the format of one day being dedicated to the Mayors, Reeves and CAOs Meetings as the arrangement was well received at the 2015 meeting. This year's meetings took place at the Victoria Inn in Brandon and were broken into two groups – Central, Eastern and Interlake Districts met in the morning, and Western, Parkland, Northern and Midwestern Districts met in the afternoon.

President Chris Goertzen and Vice-Presidents Ralph Groening and Mel Klassen updated the membership on a number of the most pressing issues facing Manitoba municipalities, while Executive Director Joe Masi led a member discussion on Board Governance for the AMM.

MUNICIPAL OFFICIALS SEMINAR (MOS) AND MTCML TRADE SHOW APRIL 13 AND 14, 2016

555 delegates took part in this year's Municipal Officials Seminar and MTCML Trade Show at the Keystone Centre in Brandon.

President Chris Goertzen opened the Wednesday session, while on Thursday Winnipeg Mayor Brian Bowman presented the organization's Fair Say - Fair Share Campaign ahead of the 2016 Manitoba Provincial Election. A number of professional development and policy sessions were presented, including the "Municipal Infrastructure Program" from Brock Carlton, Executive Director of the Federation of Canadian Municipalities.

June District Meetings June 9-22, 2016

District Meetings took place from June 9-22, 2016. Delegates heard presentations from President Chris Goertzen, Vice-Presidents Ralph Groening and Mel Klassen, Executive Director Joe Masi and Western Financial Group. The Deputy Minister of Municipal Relations, Fred Meier, attended each meeting as well.

A presentation on Board Governance also took place during each meeting.

The 2016 meetings were hosted by Mossey River Municipality (Parkland), the RM of Riding Mountain West (Midwestern), the Town of Snow Lake (Northern), the Town of Winnipeg Beach (Interlake), the RM of Whitemouth (Eastern), the RM of Macdonald (Central), and the Municipality of Oakland-Wawanesa (Western).



Above, clockwise from bottom left: Executive Director Joe Masi, Northern Director Duncan Wong, Vice-President Ralph Groening, Vice-President Mel Klassen, and Northern Director Karen MacKinnon take a selfie during a municipal visit to Leaf Rapids.

AMM Education Program

The AMM continued with its second year of a four-year Education Program in 2016.

This series of workshops is designed specifically for Manitoba municipal officials with the goal of providing the training and tools necessary for effective and ethical leadership. Sessions included:

- February 8: Governance – Russell Farmer, Russell Farmer & Associates
- April 13 (built into MOS program): Strategic and Sustainability Planning – Shari Anne Dooleage, Municipal Consultant and Ian McCormack, Strategic Steps
- October 7: The Foundations of Effective Communication – Priti Shah, Praxis Conflict Consulting
- November 21: Is Government a Business? – Shari Anne Dooleage, Municipal Consultant

Municipal Visits

Each year the AMM travels extensively throughout the province, meeting with local councils to hear firsthand about the issues facing these communities. The AMM's goal is to meet with each municipal council at least once during its four-year term.

In 2016 the AMM visited a total of 56 municipalities.

MTCML



Municipalities Trading Company of Manitoba Ltd. (MTCML)

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 supplier, ensuring the best possible pricing for its purchasing members. In return, suppliers have direct contact with Manitoba's municipal market and can be part of regular marketing opportunities through AMM events and communications.

There are also two major buying programs offered by the Trading Company: the insurance program and the fuel supply program. These programs are owned by the AMM membership, managed by the AMM and administered by companies that have expertise in the program area.

MTCML Official Suppliers

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. We stayed the course again this year and our MTCML Official Suppliers continued to provide our members with excellent service and pricing.

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.

Due to the great participation of our members and discount pricing from MTCML Official Suppliers the MTCML was able to rebate another \$750,000 to our members based on their MTCML sales. This brings the cumulative rebate over the past 15 years to \$9,750,000.

Fuel Supply Program - www.pfacanada.com

PFA Canada (PFA) Fuel and Lubricant Program is an innovative national program specializing in the distribution of fuel and lubricants. Through strategic supplier partnerships, PFA offers a simple alternative to managing fuel and lubricant purchases. PFA ensures its member municipalities are purchasing fuel at a fair cost.

Insurance Program

All 136 AMM member municipalities outside Winnipeg participate in the AMM's property/casualty "protected self-insurance" program, administered by Western Financial Group Insurance Solutions. It includes a \$6,100,000 annual self-insurance loss pool that keeps premiums much lower than if individual municipalities purchased their own coverage. Insurance is then purchased from various insurance providers for coverage in excess of the \$6,100,000 annual loss pool amount to provide municipalities with complete protection.

This unique structure allows the opportunity for significant refunds in low-claims years.

The AMM also makes available a "self-insured" health and dental benefits program for employees and council members, providing flexible coverage options at very reasonable rates. Participation currently includes municipalities plus other policyholders such as conservation districts, other entities and retirees. Just over 1,600 employees plus their families are provided protection.



MTCML Official Suppliers

ACKLANDS GRAINGER
AIRMASTER SALES LTD.
ALCOM ELECTRONIC COMMUNICATIONS
ARMTEC LIMITED
ATS TRAFFIC
BRACOR
BRIDGESTONE (TIRES)
CANADA CULVERT
CD AWARDS
DENRAY TIRE
DUST FREE ROAD MAINTENANCE
EVEREST SUPPLY & SERVICES INC.
EVERGRO CANADA INC.
FORT DISTRIBUTORS LTD.
GFI SYSTEMS
GRAND & TOY
KAL TIRE
MACMOR INDUSTRIES
MICHELIN (TIRES)
MTS
ORKIN PCO SERVICES
PFA CANADA
SCREEN DOOR
SHIPPAM & ASSOCIATES
SUPREME BASICS
THE FLAG SHOP
WESTERN FINANCIAL GROUP

AMM Corporate Members

AGCON EQUIPMENT
BORLAND CONSTRUCTION
CANADINN RADISSON
CANSUSTAIN
CANSUSTAIN
CAPITAL I INDUSTRIES
COMMISSIONAIRES MANITOBA
CONSTRUCTION ASSOCIATION OF RURAL MANITOBA
DILLON CONSULTING
FAHR GROUP
HAZMASTERS WINNIPEG
J.R.COUSIN CONSULTANTS LTD
KPMG LLP
MANITOBA HEAVY CONSTRUCTION ASSOC.
MANITOBA HYDRO
MAZERGROUP
MILLER ENVIRONMENTAL
NOVA CAPITAL INC
ONSITE WASTEWATER SYSTEMS INSTALLERS OF MB INC
PRAIRIE IRON ERECTORS INC
Q COLLABORATIONS
RECYCLE EVERYWHERE (CBCRA)
ST. JOHN AMBULANCE
WESTCON EQUIPMENT & RENTALS LTD
WESTERN FINANCIAL GROUP
WESTERN RECREATION & DEVELOPMENT
WSP

FINANCIAL STATEMENTS



ASSOCIATION OF MANITOBA MUNICIPALITIES

Financial Statements

Year Ended August 31, 2016



INDEPENDENT AUDITORS' REPORT

To the Members of Association of Manitoba Municipalities

We have audited the accompanying financial statements of Association of Manitoba Municipalities, which comprise the statement of financial position as at August 31, 2016 and the statements of income, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Association of Manitoba Municipalities as at August 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Exchange

chartered professional accountants, LLP
Winnipeg, Manitoba
September 26, 2016

ASSOCIATION OF MANITOBA MUNICIPALITIES
Statement of Financial Position
August 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash and short term deposits	\$ 38,820	\$ 108,626
Accounts receivable	342,002	419,156
Due from Municipalities Trading Company of Manitoba Ltd.	178,789	20,453
Prepaid expenses	58,813	47,127
	<u>618,424</u>	<u>595,362</u>
SEGREGATED FUNDS		
Building Reserve (Notes 4, 12)	251,685	216,504
Communications Reserve (Notes 5, 12)	256,608	389,276
Employee Benefits Reserve (Notes 6, 12)	141,941	137,410
Legal Fund (Notes 7, 12)	94,935	94,413
	<u>745,169</u>	<u>837,603</u>
PROPERTY AND EQUIPMENT (Notes 2, 9)	369,476	343,744
INVESTMENT IN MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD. (Note 2)	10	10
RESTRICTED CASH (Note 8)	87,654	95,403
	<u>\$ 1,820,733</u>	<u>\$ 1,872,122</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,859	\$ 14,514
Goods and services tax payable	14,877	15,066
Deferred income	462,396	476,756
Due to reserves	278,789	200,000
	<u>769,921</u>	<u>706,336</u>
FUNDS HELD IN TRUST (Note 8)	87,654	95,403
	<u>857,575</u>	<u>801,739</u>
NET ASSETS		
Unrestricted	(109,546)	(73,554)
Invested in property and equipment	369,476	343,744
Restricted (Note 12)	703,228	800,193
	<u>963,158</u>	<u>1,070,383</u>
	<u>\$ 1,820,733</u>	<u>\$ 1,872,122</u>
LEASE COMMITMENTS (Note 11)		

APPROVED ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements

ASSOCIATION OF MANITOBA MUNICIPALITIES

Statement of Income

Year Ended August 31, 2016

	2016	2015
REVENUE		
Membership dues	\$ 373,489	\$ 386,682
Convention	361,250	444,864
Seminar	89,696	91,357
Trade show	71,778	68,644
Education	34,320	30,700
Rental	30,403	34,800
Corporate membership	13,163	15,263
Magazine	9,412	7,314
Associate membership	8,413	8,350
Investment income	5,293	5,547
Miscellaneous	1,698	1,439
Merx	900	650
Advertising - bulletin	100	825
	999,915	1,096,435
EXPENSES		
Schedule of Expenses (<i>Schedule 1</i>)	1,781,767	1,749,237
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(781,852)	(652,802)
OTHER ITEMS		
Loss on disposal of assets	(8,901)	-
Management fees (<i>Note 14</i>)	780,000	650,453
Unrealized gains (<i>Note 2</i>)	493	2,349
	771,592	652,802
NET ANNUAL SURPLUS (DEFICIT)	\$ (10,260)	\$ -

See notes to financial statements

ASSOCIATION OF MANITOBA MUNICIPALITIES

Statement of Changes in Net Assets

Year Ended August 31, 2016

	Unrestricted	Invested in Property and Equipment	Restricted (Note 12)	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ (73,554)	\$ 343,744	\$ 800,193	\$ 1,070,383	\$ 890,830
Net annual surplus (deficit)	15,896	(26,156)	-	(10,260)	-
Net annual surplus (deficit) - Reserves	-	-	(96,965)	(96,965)	179,553
Additions (disposals) of property and equipment	(51,888)	51,888	-	-	-
NET ASSETS - END OF YEAR	\$ (109,546)	\$ 369,476	\$ 703,228	\$ 963,158	\$ 1,070,383

See notes to financial statements

ASSOCIATION OF MANITOBA MUNICIPALITIES

Statement of Cash Flow

Year Ended August 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Net annual surplus (deficit) - Operations	\$ (10,260)	\$ -
Net annual surplus (deficit) - Reserves	(96,965)	179,553
Items not affecting cash:		
Amortization of property and equipment	17,255	27,052
Loss on disposal of assets	8,901	-
Unrealized gains	(493)	(2,349)
	<u>(81,562)</u>	<u>204,256</u>
Changes in non-cash working capital:		
Accounts receivable	77,154	(23,687)
Accounts payable and accrued liabilities	(653)	1,707
Deferred income	(14,360)	(44,157)
Prepaid expenses	(11,686)	28,625
Goods and services tax payable	(189)	(2,111)
	<u>50,266</u>	<u>(39,623)</u>
Cash flow from (used by) operating activities	<u>(31,296)</u>	<u>164,633</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(66,388)	(971)
Proceeds on disposal of property and equipment	14,500	-
Net sales (purchases) of segregated funds	171,714	(328,562)
	<u>119,826</u>	<u>(329,533)</u>
Cash flow from (used by) investing activities	<u>119,826</u>	<u>(329,533)</u>
FINANCING ACTIVITY		
Advances from (to) related parties	(158,336)	229,547
	<u>(158,336)</u>	<u>229,547</u>
INCREASE (DECREASE) IN CASH	(69,806)	64,647
CASH AND SHORT TERM DEPOSITS- BEGINNING OF YEAR	<u>108,626</u>	<u>43,979</u>
CASH AND SHORT TERM DEPOSITS- END OF YEAR	\$ 38,820	\$ 108,626

See notes to financial statements

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 2016

1. DESCRIPTION OF BUSINESS

The Association of Manitoba Municipalities 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. The Association is exempt from income tax on its earnings under Section 149 of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. 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 combined 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:

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Investment in Municipalities Trading Company of Manitoba Ltd.

The investment in Municipalities Trading Company of Manitoba Ltd. is recorded at cost.

Property and equipment

Property and equipment are stated at cost or deemed cost less accumulated amortization. Amortization is recorded on the straight-line basis using the following annual rates:

Buildings	2.5%
Computer equipment	30%
Computer software	100%
Office equipment	10%
Sign	10%
Motor vehicles	20%

The Association regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Association's revenues are recognized when earned and collection is reasonably assured.

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 2016

3. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure as of August 31, 2016.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk from its members. Since the association's members consists of primarily government authorities there is a minimal risk that a counterparty will fail to perform its obligations.

Interest Rate

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the association manages exposure through its normal operating and financing activities. The association is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

4. BUILDING RESERVE

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

5. 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.

6. EMPLOYEE BENEFITS RESERVE

This reserve was originally established to pay out severance packages and was augmented by the transfer of the general reserve in Manitoba Association of Urban Municipalities at December 31, 1998. Since that time, it has been used to fund superannuation. Accumulated equity in the reserve is not to exceed \$150,000.

7. 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.

8. RESTRICTED CASH

Restricted cash represents funds held in a bank account in the Association's name relating to other expenses which are not a part of the association's operations, including special projects funded by the Provincial Government, Federation of Canadian Municipalities member expenses funded by the member municipalities and other miscellaneous projects. These funds are restricted for use on these operations and are held in trust. Revenues and expenses relating to these operations have not been included in these financial statements.

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 2016

9. PROPERTY AND EQUIPMENT

	2016		2015	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Buildings	\$ 378,676	\$ 164,461	\$ 378,676	\$ 156,888
Computer equipment	39,866	34,015	35,278	30,157
Computer software	550	550	550	550
Land	90,000	-	90,000	-
Office equipment	65,563	62,777	65,563	62,129
Sign	20,085	1,004	10,762	8,071
Motor vehicles	41,715	4,172	63,237	42,527
	\$ 636,455	\$ 266,979	\$ 644,066	\$ 300,322
Net book value	\$ 369,476		\$ 343,744	

10. CONTROLLED ENTITY

Municipalities Trading Company of Manitoba Ltd. (MTCML) offers member municipalities group discounts on various products and services. MTCML is a not-for-profit organization which is controlled by the Association through a common board.

MTCML's financial information was as follows:

	2016	2015
Balance Sheet		
Assets	\$ 21,702,970	\$ 18,314,872
Liabilities	(17,103,921)	(14,859,669)
Net assets	\$ 4,599,049	\$ 3,455,203
Income Statement		
Sales	\$ 13,520,693	\$ 15,736,232
Cost of sales	(13,232,703)	(15,422,727)
Other revenues	1,425,352	1,654,376
Expenses	(965,388)	(1,857,494)
Net annual surplus	\$ 747,954	\$ 110,387

11. LEASE COMMITMENTS

The association leases a photocopier that expires December 25, 2018. Under the lease, the association is required to make the following lease payments:

2017	\$ 11,257
2018	11,257
2019	5,629

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 2016

12. RESERVES

	2016	2015
<u>Building Reserve (Note 4)</u>		
Opening balance	\$ 216,504	\$ 315,647
Interest received	823	857
Other income	3,450	-
Expenses	(17,881)	-
Transfer to Communications Reserve	-	(100,000)
Contribution from MTCML (Note 14)	48,789	-
	<u>\$ 251,685</u>	<u>\$ 216,504</u>
<u>Communications Reserve (Note 5)</u>		
Opening balance	\$ 389,276	\$ 211,048
Interest received	339	349
Expenses	(263,007)	(22,121)
Transfer from Building Reserve	-	100,000
Contribution from MTCML (Note 14)	130,000	200,000
Transfer to Unrestricted Net Assets	-	(100,000)
	<u>\$ 256,608</u>	<u>\$ 389,276</u>
<u>Employee Benefits Reserve (Note 6)</u>		
Opening balance	<u>\$ 100,000</u>	<u>\$ 100,000</u>
<u>Legal Fund (Note 7)</u>		
Opening balance	\$ 94,413	\$ 93,946
Interest received	522	467
	<u>\$ 94,935</u>	<u>\$ 94,413</u>
Total Restricted Reserves	<u>\$ 703,228</u>	<u>\$ 800,193</u>

Segregated funds for reserves exceed the reserves due to investments being recorded at market value and the accumulated unrealized gains and losses being recognized in the general operations.

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 2016

13. MUNICIPAL EMPLOYEES BENEFIT PLAN

The majority of the employees of the Association are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Association on behalf of its employees amounted to \$56,495 (2014 - \$52,592) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2014 indicated the plan was 95.2% funded on a going concern basis and had an unfunded solvency liability of \$237.2 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2014.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

14. RELATED PARTY TRANSACTIONS

The Association controls MTCML through a common board. During the year ended August 31, 2016, MTCML contributed \$178,789 (2015 - \$200,000) to the Association's reserves and paid \$780,000 (2015 - \$650,453) in management fees to the Association. These amounts were determined by the board.

15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

ASSOCIATION OF MANITOBA MUNICIPALITIES

Schedule of Expenses

(Schedule 1)

Year Ended August 31, 2016

	2016	2015
Functions		
Convention	\$ 292,075	\$ 331,304
Education	9,704	3,585
Municipal seminar	55,880	53,948
Newly elected officials seminar	-	7,626
Pre-conference seminar	-	4,510
Resolutions committee	2,366	4,466
Trade show	30,769	38,412
	<u>\$ 390,794</u>	<u>\$ 443,851</u>
Executive		
Communication allowance	\$ 1,972	\$ 2,460
Board - stipend	32,647	27,060
Board - sundry	34	482
Meeting	228,072	192,022
President's salary	64,402	63,120
	<u>\$ 327,127</u>	<u>\$ 285,144</u>
Other		
Amortization	\$ 17,255	\$ 27,052
Association fees	3,015	3,155
Audit fees	13,670	16,028
Bank charges	393	214
Building repairs and maintenance	22,727	34,366
Donations and gifts	46,488	30,547
Insurance	5,271	5,180
Legal	17,188	2,799
Office	51,377	47,277
Postage and stationery	22,384	25,126
Promotion materials	4,083	1,741
Property taxes	24,665	18,987
Telephone	16,586	15,952
Vehicle	8,539	6,831
	<u>\$ 253,641</u>	<u>\$ 235,255</u>
Staffing		
Management	\$ 40,237	\$ 30,965
Staff expenses	10,600	12,780
Salaries	640,897	628,165
Employee benefits	116,377	108,391
Workers compensation	845	1,213
Staff training and recruitment	1,249	3,473
	<u>\$ 810,205</u>	<u>\$ 784,987</u>
	<u><u>\$ 1,781,767</u></u>	<u><u>\$ 1,749,237</u></u>

See notes to financial statements

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Financial Statements

Year Ended August 31, 2016



INDEPENDENT AUDITORS' REPORT

To the Shareholder of Municipalities Trading Company of Manitoba Ltd.

We have audited the accompanying financial statements of Municipalities Trading Company of Manitoba Ltd., which comprise the statement of financial position as at August 31, 2016 and the statements of income, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Municipalities Trading Company of Manitoba Ltd. as at August 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Exchange

chartered professional accountants, LLP
Winnipeg, Manitoba
September 26, 2016

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Statement of Financial Position

August 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 1,947,053	\$ 334,629
Accounts receivable	1,549,305	1,850,869
Inventory <i>(Note 2)</i>	<u>18,096</u>	<u>18,880</u>
	3,514,454	2,204,378
SEGREGATED FUNDS		
Self-insurance Loss Pool <i>(Note 4)</i>	<u>18,188,516</u>	<u>16,110,494</u>
	<u>\$ 21,702,970</u>	<u>\$ 18,314,872</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,118,839	\$ 1,037,669
Goods and services tax payable	2,785	2,056
Due to Association of Manitoba Municipalities	<u>178,789</u>	<u>20,453</u>
	2,300,413	1,060,178
SELF-INSURANCE LOSS POOL <i>(Note 4)</i>	<u>15,553,508</u>	<u>13,799,491</u>
	<u>17,853,921</u>	<u>14,859,669</u>
NET ASSETS		
Share capital	10	10
Unrestricted	1,680,306	1,682,352
Accumulated unrealized gains <i>(Note 2)</i>	<u>2,168,733</u>	<u>1,772,841</u>
	3,849,049	3,455,203
	<u>\$ 21,702,970</u>	<u>\$ 18,314,872</u>

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Statement of Income

Year Ended August 31, 2016

	2016	2015
SALES	\$ 13,520,693	\$ 15,736,232
COST OF SALES	13,232,703	15,422,727
GROSS PROFIT (2.13%; 2015 - 1.99%)	287,990	313,505
 INSURANCE ADMINISTRATION FEES	 1,001,571	 955,687
INVESTMENT INCOME	423,781	698,689
	1,425,352	1,654,376
 EXPENSES		
Advertising and promotion	6,329	6,491
Bank charges	263	-
Membership rebate	750,000	1,000,000
Inventory write-off	7	550
	756,599	1,007,041
 OPERATING INCOME	 956,743	 960,840
 OTHER EXPENSES		
Management fees (Note 5)	780,000	650,453
Contributions to Association of Manitoba Municipalities reserves (Note 5)	178,789	200,000
	958,789	850,453
 NET ANNUAL SURPLUS (DEFICIT)	 \$ (2,046)	 \$ 110,387

See notes to financial statements

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Statement of Changes in Net Assets

Year Ended August 31, 2016

	Unrestricted	Accumulated Unrealized Gains (Note 2)	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ 1,682,352	\$ 1,772,841	\$ 3,455,193	\$ 3,448,225
Net annual surplus (deficit)	(2,046)	-	(2,046)	110,387
Realized gains	-	(91,442)	(91,442)	(421,993)
Adjustment to market	-	487,334	487,334	318,574
NET ASSETS - END OF YEAR	\$ 1,680,306	\$ 2,168,733	\$ 3,849,039	\$ 3,455,193

See notes to financial statements

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Statement of Cash Flow

Year Ended August 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Net annual surplus (deficit)	\$ (2,046)	\$ 110,387
Changes in non-cash working capital:		
Accounts receivable	301,564	12,544
Inventory	784	10,419
Accounts payable and accrued liabilities	1,081,170	270,595
Goods and services tax payable	729	(159)
	<u>1,384,247</u>	<u>293,399</u>
Cash flow from operating activities	<u>1,382,201</u>	<u>403,786</u>
INVESTING ACTIVITIES		
Due to Association of Manitoba Municipalities	158,336	(229,547)
Net sales (purchases) of segregated funds	<u>(1,682,130)</u>	<u>(1,509,189)</u>
Cash flow used by investing activities	<u>(1,523,794)</u>	<u>(1,738,736)</u>
FINANCING ACTIVITY		
Net contributions to self insurance loss pool	<u>1,754,017</u>	<u>1,441,419</u>
INCREASE IN CASH	<u>1,612,424</u>	<u>106,469</u>
CASH - BEGINNING OF YEAR	<u>334,629</u>	<u>228,160</u>
CASH - END OF YEAR	<u>\$ 1,947,053</u>	<u>\$ 334,629</u>

See notes to financial statements

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Notes to Financial Statements

Year Ended August 31, 2016

1. DESCRIPTION OF BUSINESS

Municipalities Trading Company of Manitoba Ltd. (MTCML) offers member municipalities group discounts on various products and services. MTCML is exempt from income tax on its earnings under Section 149 of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The combined financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. 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 combined 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:

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Inventory

Inventory is measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business. Inventory includes all costs to purchase and to bring the inventories to their present location and condition. Cost is determined using the FIFO method for inventory items. Inventory consists of supplies available for resale to customers.

Revenue recognition

The Company's sales are normally recognized when the products are shipped or services are performed, at which time title passes to the customer.

The Company's Insurance Administration Fees and Investment revenues are recognized when earned and collection is reasonably assured.

Accumulated unrealized gains

Accumulated unrealized gains consists of the accumulated adjustments to market for the Self-insurance Loss Pool Segregated Fund. Realized gains are included in investment income on the Statement of Income for the Trading Account.

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Notes to Financial Statements

Year Ended August 31, 2016

3. FINANCIAL INSTRUMENTS

The Company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Company's risk exposure as of August 31, 2016.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk from its members. Since the association's members consists of primarily government authorities there is a minimal risk that a counterparty will fail to perform its obligations.

Interest Rate

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. The Company is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

4. SELF-INSURANCE LOSS POOL

	2014/2015 and Prior Pool	2015/2016 Pool	2016	2015
Balance, beginning of year	\$ 13,799,491	\$ -	\$ 13,799,491	\$ 12,358,072
Current year loss pool additions	-	6,116,832	6,116,832	6,116,183
	13,799,491	6,116,832	19,916,323	18,474,255
Insurance claims paid	(2,969,035)	(1,393,780)	(4,362,815)	(4,674,764)
Balance, end of year	\$ 10,830,456	\$ 4,723,052	\$ 15,553,508	\$ 13,799,491

The "self-insurance loss pool" is operated by the Company. The pool is funded annually by proportionate contributions from participating municipalities.

This joint loss pool is responsible for paying the first \$1,000,000 (2015 - \$1,000,000) per claim for certain types of claims, up to a maximum of \$6,100,000 (2015 - \$6,100,000) aggregate for the year.

Cash and equity investments segregated for the self-insurance loss pool are recorded at fair market value. Funds are held through the following:

	2016	2015
Bank	\$ (243,746)	\$ 12,743
Great West Life - Loss Pool Fund	18,432,262	16,097,751
	\$ 18,188,516	\$ 16,110,494

Negative bank balance is due to outstanding cheques issued in excess of the bank balance and a bank transfer that did not occur until subsequent to year end.

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Notes to Financial Statements

Year Ended August 31, 2016

5. RELATED PARTY TRANSACTIONS

The Company is controlled by the Association of Manitoba Municipalities (the Association) through a common board. During the year ended August 31, 2016, MTCML contributed \$178,789 (2015 - \$200,000) to the Association's reserves and paid \$780,000 (2015 - \$650,453) in management fees to the Association. These amounts were determined by the board.

6. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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