

2017

Annual Report

September 1, 2016 to August 31, 2017



ASSOCIATION OF MANITOBA MUNICIPALITIES

Cover photo: AMM Western District delegates vote on a resolution during 2017 District Meeting in the Town of Carberry

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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

Message from the PRESIDENT

On behalf of the Board of Directors of the Association of Manitoba Municipalities, it is my pleasure to submit the 2017 Annual Report.

This year, to me, represented the real work of government. It was not about campaigns, or elections, or promises—something which many of us become somewhat fatigued with at times. Instead, the year was devoted to delving into the issues that are sometimes difficult, often frustrating, and almost always time-consuming. One of those is, of course, red tape.

The provincial government's establishment of a Red Tape Reduction Task Force was welcomed by municipalities large and small. The AMM played an important role in this endeavor by surveying our membership to identify the red tape barriers and inefficiencies

in various provincial government processes. Your responses indicated that approximately 90% of Manitoba municipalities encounter provincial red tape on a regular basis. However, they also highlighted numerous opportunities to ease some of the financial and administrative burdens we all face. Thanks to this feedback, the AMM is committed to going forward and not only identifying problems, but proposing practical solutions to the reduction of red tape.

One of those solutions was the implementation of a basket funding model for municipal grant funding this year. The AMM appreciated the significant steps taken by the provincial government to provide a 'fair say' in municipal funding, but we also remained committed to raising the need for a 'fair share' through long-term, predictable revenue sources that match economic growth. Unfortunately, this year's budget froze municipal operating funding at 2016 levels, pushing a 'fair share' a bit further out of reach. We continued to push for a rebate on the PST municipalities pay on an annual basis as one way to move closer to our goal.

What is always a positive is that we remained actively in discussions with both provincial staff and elected officials. Throughout the year, we met with every provincial Cabinet Minister at least once to raise the issues pertaining to that Minister's portfolio. During our Annual Convention, we also met with the entire

Cabinet and enjoyed 100% Cabinet participation during our annual Ministerial Forum—a first by my recollection. These conversations are essential to building—and maintaining—positive relationships even while we may disagree on the approaches taken on some issues. By being a part of the conversation, we ensure we are also part of the solution.

We also had opportunities to meet with the Official Opposition and the Manitoba Liberal Party over the course of the year. These relationships are important, as they provide an opportunity to educate and provide elected officials representing all parties with the tools necessary to move municipal issues forward. I look forward to continuing these conversations in the coming year.

This year, I was honoured to be elected to represent Canada's 18 provincial-territorial associations on the Federation of Canadian Municipalities (FCM) Executive Committee of the Board of Directors. This is an important position, as it ensures the concerns and issues of associations across Canada become priorities for FCM.

But it also reinforces the absolute privilege I have in serving you, the members of the AMM. It never fails to impress me that our members, while so vastly unique, come together to speak with one voice on the issues that truly matter. We could not make headway on these issues if this were not so, and I thank you for this consistent support. The Board and staff of the AMM is strong only because of you, and we will continue to work hard on your behalf in the coming year.

Mayor Chris Goertzen



Message from the EXECUTIVE DIRECTOR

I am pleased to provide the Executive Director's message for the 2017 Annual Report of the AMM. We have had a successful year on many fronts, and have become a stronger association as a result.

The Trading Company (MTCML) enjoyed a profitable year, with sales of over \$34 million. This enabled the Trading Company to rebate \$800,000 to our members based on sales, bringing the cumulative rebate over the past 16 years to \$10.55 million.

This also meant the AMM is able to add a number of new, exciting programs to the Trading Company. We already enjoy a strong relationship with our fuel supply partner, PFA Canada. This year, we built on that success by again partnering with the Alberta Association of Municipal Districts and Counties (AAMDC) trade division to bring together the combined purchasing power of Manitoba, Saskatchewan and Alberta for even bigger discounts on products and services you use.

In addition, we purchased a valuable learning management system called Safetyhub—a program normally costing up to \$10,000 per municipality. This program gives our members access to unlimited free safety training that meets or exceeds all federal / provincial training requirements.

Finally, the AMM partnered with People First HR Services to provide professional human resource services to members through the @ Your Service ON CALL program.

Your outstanding support of the AMM Trading Company not only saves you money, but allows us to provide these value-added programs to you at absolutely no cost.

Our membership events continued to enjoy excellent participation this year. Attendance at our Annual Convention remained steady at 829, and delegates were rewarded with another super event—and, as President Goertzen noted in his message, a full Provincial Cabinet for the Ministerial Forum. The Municipal Officials Seminar in Winnipeg drew 518 delegates, and June District Meetings were also well-attended and provided an excellent venue for municipal officials to hear first-hand how the new provincial Basket Funding Model works.

In terms of communications, the AMM also organized a news conference during the Annual Convention to spotlight an emergency resolution brought forward by our northernmost member, the Town of Churchill. The resolution, calling for the reopening of the Port of Churchill, drew considerable media attention and almost unanimous support from our membership. This and many other issues were also highlighted through our website, news bulletins, Municipal Leader magazine, and social media channels throughout the year.

Our staff works very hard at bringing our members these programs and services, and this is evident in everything that we do. My hat goes off to them this and every year.



Thanks also to President Heather Ewasiuk, Executive Director Mel Nott, and members of the Manitoba Municipal Administrators' Association for their contributions over the year. Our close working relationship with MMAA is to the benefit of our municipalities and citizens.

Finally, thank you to you, our members, who inspire us to do our best on your behalf. I wish you a successful year ahead.

Joe Masi



Above L to R: President Chris Goertzen, Executive Director Joe Masi, Vice-President Gavin van der Linde, Vice President Ralph Groening

ABOUT US

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, with the exception of the City of Winnipeg Director, who is appointed annually.

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.

BOARD OF DIRECTORS



MAYOR
NEIL CHRISTOFFERSEN
CENTRAL DISTRICT



MAYOR
MARTIN HARDER
CENTRAL DISTRICT



MAYOR
BRUCE HENLEY
INTERLAKE DISTRICT



REEVE
TREVOR KING
INTERLAKE DISTRICT



REEVE
BRAD SALUK
EASTERN DISTRICT



REEVE
STAN TOEWS
EASTERN DISTRICT



COUNCILLOR
MERV STARZYK
MIDWESTERN DISTRICT



COUNCILLOR
DOREEN STAPLETON
MIDWESTERN DISTRICT



COUNCILLOR
JACK BREMNER
PARKLAND DISTRICT



REEVE
MARVIN KOVACHIK
PARKLAND DISTRICT



MAYOR
STUART OLMSTEAD
WESTERN DISTRICT



MAYOR
JEFF MCCONNELL
WESTERN DISTRICT



COUNCILLOR
KAREN MACKINNON
NORTHERN DISTRICT



COUNCILLOR
PENNY BYER
NORTHERN DISTRICT



COUNCILLOR
JEFF BROWATY
CITY OF WINNIPEG



HEATHER EWASIUK
MANITOBA MUNICIPAL
ADMINISTRATORS ASSOCIATION

STAFF



JOE MASI

Executive Director



DENYS VOLKOV

Director of Advocacy
& Communications



LINDA HARGEST

Director of
Administration &
Marketing



NICK KRAWETZ

Senior Policy Analyst



DONNA BELBIN

Events Coordinator



LYNNE BEREZA

Communications
Coordinator



PATTI DEBAETS

Finance Coordinator



JULIA GREEN

Executive Assistant



Photo credit: Brandon Sun

IN MEMORIAM

RICK PLAISIER

The Board of Directors and Staff of the AMM were saddened by the passing of Rick Plaisier, Reeve for the Municipality of Sifton and AMM Western District Director, on February 8, 2017 at the age of 68.

Rick spent his working life in education, first as a teacher and later as principal of a junior high school.

While teaching in Rossburn in the 1970s, he was elected Councillor and by 1978 became Mayor.

He again took an interest in public service while in Virden, where he served as a Councillor and Mayor in the 1980s and then returned in the 1990s as Councillor and Deputy Mayor.

After retiring to his family's property in Oak Lake, Plaisier's interest in local politics was reignited. He was elected Sifton Councillor in 2006. He went on to become Reeve in 2010, and was elected to the AMM Board of Directors in 2013. He continued to hold both roles until his passing.

Rick is survived by his wife Marie, three sons Kent, Todd and Shawn, and their families.



Top Issue for 2017: Reducing Red Tape for Municipalities

On December 6, 2016, the Province of Manitoba announced a Red Tape Reduction Task Force to identify excess regulation and unnecessary red tape to improve the delivery and availability of public services.

The AMM encouraged all Manitoba municipalities to complete a survey geared towards identifying red tape barriers and inefficiencies in various provincial government processes. The AMM received more than 75 written submissions highlighting opportunities to ease financial and administrative burdens on our members.

Based on the received submissions, approximately 90 per cent of Manitoba municipalities encounter provincial red tape on a regular basis resulting in added staff resources and delays when dealing with provincial Acts, regulations, license requirements, and permit applications. Municipalities also often experience process delays when dealing with the Municipal, Public Utilities, and Highway Traffic Boards. For example, PUB utility rate studies can take years to complete while surveying and engineering requirements for simple drainage license applications can often be excessive.

Moreover, in regards to the acquisition of Crown Lands for spurring local economic development, it is currently common practice for municipalities to experience multi-year delays. In some cases, the acquisition process has lasted more than a decade, thereby hindering economic growth and potentially discouraging new investments in local communities. Overall, more than 80 per cent of municipalities experience red tape with regards to land development due to provincial requirements, causing process delays, additional paperwork and labour costs.

Going forward, the AMM is not only committed to identifying problems but also proposing practical solutions to benefit municipalities. In a comprehensive submission to the Red Tape Reduction Task Force, the AMM proposed 20 targeted recommendations addressed to the appointed sub-committees as well as highlighted other policy areas for red tape reduction opportunities. The AMM also consulted with its members on this issue in April at our annual meeting of Mayors, Reeves and CAOs.

The AMM understands reducing red tape and identifying excessive regulation is an ongoing process, and looks forward to working with the Red Tape Reduction Task Force. As municipalities are often forced to deal with provincial regulatory requirements with limited resources, the AMM hopes the provincial government's commitment to reduce red tape will lead to streamlined and more efficient processes that benefit all communities throughout our province.

Sample Survey Responses: Municipal Red Tape Survey

- “Too many provincial departments do not communicate with each other.”
- “Processing times can vary from a few weeks to years, with very little explanation.”
- “Rate study requirements from PUB are tremendously expensive and time consuming.”
- “We are still waiting on an application that was made in 2014/2015 for a \$10 dollar raise on garbage collection.”
- “Proposed subdivisions take years to be processed and approved.”
- “In 2016, we received titles to a handful of properties from a council resolution submitted in 2007... 10-year wait.”
- “When the province creates new legislation, the financial impacts on municipalities are not factored in. Recent examples are the Accessibility Act and Waste Disposal regulations.”

A hexagonal graphic with a blurred background. On the left, a large, orange-brown building with vertical architectural details is visible. On the right, there are bright red flowers with long, thin stamens. The background is a clear blue sky. The text "LOBBYING HIGHLIGHTS" is centered in the upper half of the hexagon in white, bold, sans-serif capital letters.

**LOBBYING
HIGHLIGHTS**

PROVINCIAL

Lobbying Highlights

PROVINCIAL

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

Meeting with the Honourable Ralph Eichler, Department of Agriculture (February 14)

President Goertzen began the meeting by urging Manitoba Agriculture to consult with the AMM when working with Manitoba Sustainable Development to implement a province-wide program based on the Alternative Land Use Services (ALUS) model that helps reduce flooding and improve water management. Minister Eichler confirmed that AMM would be consulted along with municipalities in order to gain valuable input from local communities who know their communities best.

Other topics discussed included funding for rural veterinary boards, noxious weeds, and the Farmland Beaver Damage Control Program. Minister Eichler recognized that the

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veterinary sector needs modernization, and committed to consulting with the AMM going forward while also stating he has no desire to offload costs to municipalities in regards to controlling noxious weeds near provincial roadways. Minister Eichler also noted the importance of controlling nuisance beavers and ensuring funding sources under the new renewed Growing Forward program.

L to R: Vice-President Gavin van der Linde, the Hon. Ralph Eichler, and President Chris Goertzen



Lobbying Highlights

PROVINCIAL

Meeting with the Honourable Ian Wishart, Department of Education and Training (February 14)

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 reiterated its request to the Minister to establish a multi-stakeholder Task Force to comprehensively review and modernize Manitoba's education funding model. In his response, Minister Wishart committed to ensuring the AMM's involvement, together with other stakeholders, when the review takes place, while President Goertzen offered the AMM's support, knowledge and availability.

In addition, Vice-President van der Linde requested Minister Wishart ensure municipalities are included as eligible applicants for 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 and the Minister stated that discussions with the federal government are ongoing.

Meeting with the Honourable Cathy Cox, Department of Sustainable Development (February 16)

As the AMM continues to oppose the cosmetic pesticide ban due to significant cost implications and effectiveness concerns, President Goertzen requested an update on the review of the Non-Essential Pesticide Use Regulation. Minister Cox stated the department received roughly 2,200 submissions during the consultation period and indicated that they were still reviewing the issue and possible changes.

In regards to climate change adaptation, local Councils throughout Manitoba are ready to partner and work together to meet the challenges of climate change and ensure local communities are resilient for generations to come. Working in partnership with the municipal sector requires a relationship based on trust forged through consensus, consultation and collaboration. Therefore, the AMM was pleased to receive assurances from Minister Cox that municipalities and our organization will be directly consulted on the provincial government's made-in-Manitoba climate action plan once it is rolled out.

L to R: President Chris Goertzen, Hon. Ian Wishart, and Vice-President Gavin van der Linde

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Lobbying Highlights

PROVINCIAL



Meeting with the Honourable Ron Schuler, Department of Crown Services (February 23)

President Goertzen started the meeting by reiterating the AMM's thanks to Manitoba Hydro for co-developing the "Power Smart Programs for Municipal Recreation Facilities" brochure, which aims to highlight various programs and services that improve the energy efficiency of recreational facilities. President Goertzen also urged Minister Schuler to further enhance and develop new energy-saving programs that decrease operating costs for community-owned public recreation facilities.

Minister Schuler committed to providing the AMM a comprehensive briefing prior to the introduction of the Demand Side Management legislation, which staff greatly appreciated.

In regards to the consolidation of Manitoba Hydro district offices, Minister Schuler recognized that any operational changes are to be accompanied with consultations with affected communities. Vice-President Groening also noted

Lastly, the AMM reiterated its call on the Province of Manitoba to modify the Dutch elm disease management program since recent changes to the program's administrative scheme represent a download to municipalities. Minister Cox expressed her approval of the changes to the program in consultation with the AMM. Minister Cox also instructed her staff to continue discussions with the AMM in order to facilitate additional changes to the program.

Top: President Goertzen (L) with Hon. Ron Schuler
Below L to R: Vice-President van der Linde, Hon. Cathy Cox, and President Goertzen



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Lobbying Highlights

PROVINCIAL

that municipal concerns relate to maintaining service delivery levels and reducing wait times. Further, we requested the crown corporation expedite the sale of buildings that will be vacant as a result of these closures, in consultation with the affected municipality.

In closing, Minister Schuler stated that he is always available to meet with the AMM and listen to municipal concerns.

Meeting with the Honourable Scott Fielding, Department of Families (February 27)

Since 2011, the AMM has repeatedly voiced concerns over the lack of provincial funding to municipalities to support the effective implementation of accessibility standards. While the AMM appreciates the provincial government's commitment to offer assistance in the identification, prevention and removal of barriers to accessibility, legislation of this magnitude requires funding support to help local communities.

Vice-President Groening noted to Minister Fielding that the AMM appreciates the steps taken by his office to address some of our concerns regarding the structure and operations of the Accessibility Advisory Council. In turn, Minister Fielding acknowledged the AMM's request to provide additional human resources to produce accessibility and employment plans, and instructed departmental staff to work on making training resources available to assist municipalities.

Vice-President van der Linde also urged the Province of Manitoba to increase its investment in the stock of affordable and seniors' housing across Manitoba, as a strong housing system is essential to community and economic growth. A long-term, comprehensive housing plan must be established that re-balances the fiscal burdens between the federal and provincial/territorial governments as well as provides incentives to the private sector to pursue initiatives with partnering local communities. Minister Fielding thanked the AMM and individual municipalities for participating in various housing consultation sessions that were held across the province over the past year.

L to R: Vice-President Ralph Groening, Hon. Scott Fielding and Vice-President Gavin van der Linde

While the AMM appreciates the provincial government's commitment to offer assistance in the identification, prevention and removal of barriers to accessibility, legislation of this magnitude requires funding support to help local communities.



Lobbying Highlights

PROVINCIAL

L to R: President Chris Goertzen, Hon. Heather Stefanson, and Vice-President Groening



Meeting with the Honourable Heather Stefanson, Department of Justice (March 2)

The meeting with Minister Stefanson covered a wide-range of topics pertaining to municipal by-law enforcement, *The Mental Health Amendment Act*, police staffing and funding, policing costs for amalgamated municipalities, and municipal police boards.

In regards to municipal by-law enforcement, Minister Stefanson committed to working with the AMM on developing a joint Questions and Answers fact sheet in order to promote greater understanding of the new administrative scheme. Minister Stefanson also committed to closely consulting with the AMM on the progress of *The Mental Health Amendment Act* given its complexity.

As policing and public safety are among the fastest-growing costs for municipalities, President Goertzen also urged Manitoba Justice to work with local communities to effectively address rapidly increasing and unsustainable policing costs. The Minister acknowledged the AMM's concerns and briefed the AMM Executive on the provincial government's plans to move ahead on expanding the Community Safety Officer program with interested municipalities. Additionally, President Goertzen asked the Minister to make police boards voluntary and encouraged the department to review police funding arrangements for many amalgamated communities in order to proactively resolve outstanding inequities.

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Lobbying Highlights

PROVINCIAL

Meeting with the Honourable Kevin Goertzen, Department of Health, Seniors and Active Living (March 6)

President Goertzen began the meeting by underscoring the importance of the provincial government's commitment to establish a Physician Recruitment and Retention program for local communities throughout Manitoba. President Goertzen also expressed the AMM's appreciation to the Minister for the opportunity to serve on the Rural Physician Recruitment Advisory Committee and bring municipal concerns forward through this forum.

Subsequently, Vice-President Groening expressed the urgency in identifying and training "qualified persons" to transport mental health patients. Minister Goertzen stated that he is working with the Minister of Justice to move this issue forward as soon as possible. Meanwhile, Vice-President van der Linde asked the Minister to reduce municipal capital contributions for health facilities to 5 per cent in accordance with AMM policy.

Meeting with the Honourable Blaine Pedersen, Department of Infrastructure (March 6)

President Goertzen and Minister Pedersen discussed provincial priorities in relation to Budget 2017 and the provincial government's commitment to invest no less than \$1 billion annually in strategic infrastructure. President Goertzen also urged the department to maximize roadside maintenance budgets to ensure control of weed growth along provincial infrastructure and to assist municipalities to offset compliance costs resulting from the new federal Grade Crossings Regulations. The Minister and staff acknowledged the AMM's request for a budget line for maintenance of highways and provincial roads, including gravel roads, and both sides discussed working together on complying with the federal Grade Crossings Regulations.

On the subject of disaster financial assistance, Vice-President Groening encouraged Minister Pedersen to support

L to R: Vice-President Ralph Groening, President Chris Goertzen, Hon. Kelvin Goertzen and Vice-President Gavin van der Linde



Lobbying Highlights

PROVINCIAL



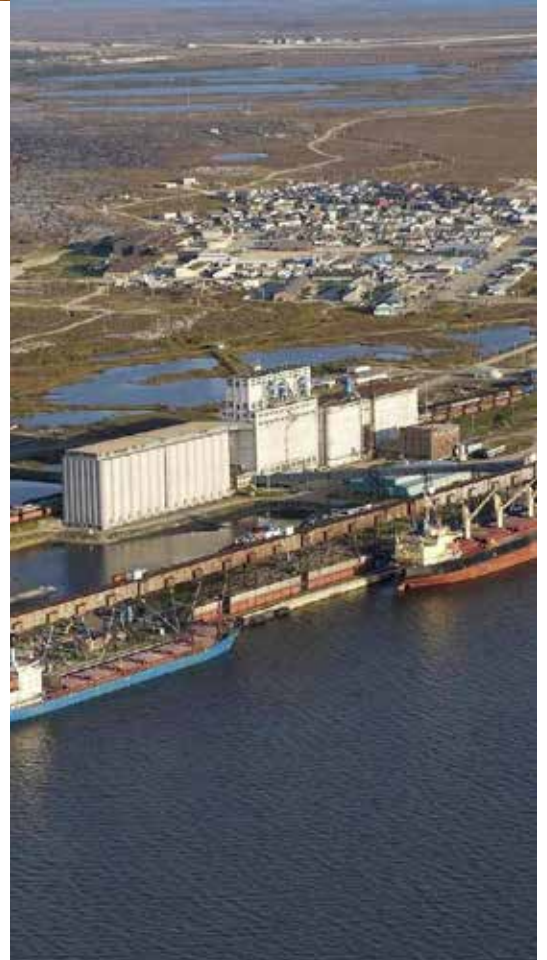
L to R: Vice-President van der Linde, President Goertzen, Hon. Blaine Pedersen and Vice-President Groening

municipalities by urging the federal government to reverse changes to the Disaster Financial Assistance Arrangements (DFAA) cost-sharing formula. The Minister stated that this issue is on his priority list. Both sides agreed to continue working on this issue and to send a joint letter to the Minister of Public Safety. Prior to the meeting, the AMM also formally submitted a resolution to the Federation of Canadian Municipalities (FCM) to raise awareness of this issue across the country.

Meeting with the Honourable Cliff Cullen, Department of Growth, Enterprise and Trade (March 7)

As many communities and Manitobans rely on the Port of Churchill and Hudson Bay Railway, President Goertzen informed Minister Cullen that the AMM would like to see the provincial and federal governments develop a short-term and long-term plan in partnership with affected communities for the sustainability of the Port of Churchill. In addition, President Goertzen welcomed the launch of the Look North initiative and reiterated the AMM's call for the Province of Manitoba to develop and implement a northern economic development strategy in consultation with local communities and northern stakeholders.

President Goertzen and Minister Pedersen discussed provincial priorities in relation to Budget 2017 and the provincial government's commitment to invest no less than \$1 billion annually in strategic infrastructure.



Lobbying Highlights

PROVINCIAL

As many communities and Manitobans rely on the Port of Churchill and Hudson Bay Railway, President Goertzen informed Minister Cullen that the AMM would like to see the provincial and federal governments develop a short-term and long-term plan in partnership with affected communities for the sustainability of the Port of Churchill.

In regards to the Rural Economic Development Strategy, Executive Director Masi thanked the Minister and staff for making resources available to assist with the training of economic development officers in Manitoba. Executive Director Masi also encouraged the Minister to develop a “single-window” service for economic development in Manitoba, outside of Winnipeg.

Lastly, Vice-President van der Linde told the Minister the AMM is encouraged by the commitment of the federal government and Bell MTS to invest in rural broadband networks. The Minister stated other telecommunication providers are also preparing to invest into rural areas as well. Meanwhile, Vice-President Groening emphasized the need to link the highly publicized provincial Tourism Strategy with community museums that receive moderate funding from the provincial government. Minister Cullen promised to discuss this issue with Minister Squires.

L to R: Vice-President Ralph Groening, President Chris Goertzen, Hon. Cliff Cullen and Vice-President Gavin van der Linde



Lobbying Highlights

PROVINCIAL



L to R: Executive Director Joe Masi, Vice-President van der Linde, Hon. Rochelle Squires, President Goertzen, Vice-President Groening, and Director of Advocacy and Communications Denys Volkov

Meeting with the Honourable Rochelle Squires, Department of Sport, Culture and Heritage (April 4)

President Goertzen began by encouraging the Province of Manitoba to immediately take steps to increase the maximum provincial contribution rate to the Rural Library Operating Grant Program, which has remained constant at \$8.50 since 2004. Many libraries have evolved into community hubs that foster community relations and partnerships, yet this 13-year stagnation has resulted in additional burdens as municipalities are addressing these financial shortfalls through greater municipal contributions in order to not cut programming available to residents. Minister Squires provided a brief update on the provincial review of library services and promised to consult with the AMM on the review's findings when the information becomes available.

In addition, Vice-Presidents Groening and van der Linde emphasized the need for more financial support from the provincial government for community museums. The Vice-Presidents also asked the Minister to promote community museums under the provincial tourism strategy which is in Minister Cullen's portfolio. The Community Museum Grants Program (CMGP) awards maximum amounts of only \$1,350 and \$3,150, depending on the type of museum, and these amounts have remained stagnant since 1991, or 26 years.

President Goertzen began by encouraging the Province of Manitoba to immediately take steps to increase the maximum provincial contribution rate to the Rural Library Operating Grant Program, which has remained constant at \$8.50 since 2004. Many libraries have evolved into community hubs that foster community relations and partnerships, yet this 13-year stagnation has resulted in additional burdens as municipalities are addressing these financial shortfalls through greater municipal contributions in order to not cut programming available to residents.

Lobbying Highlights

PROVINCIAL



The Department of Indigenous and Municipal Relations was split during a cabinet shuffle on August 17, 2017. The Hon. Eileen Clarke remained Minister of Indigenous and Northern Relations, while Jeff Wharton was appointed Minister of Municipal Relations.

The AMM had its first official meeting with the Honourable Jeff Wharton, Minister of Municipal Relations, on September 11. President Chris Goertzen welcomed the Minister and outlined the AMM's ongoing priorities, which include continuing to ensure municipalities get a fair say in how infrastructure funding decisions are made in the province, along with a fair share of the infrastructure dollars available.

"Minister Wharton used to serve on a municipal council in Manitoba, so I have no doubt his municipal experience will be beneficial to the ongoing partnership between the Province of Manitoba and our members," said Goertzen. "I look forward to working with the Minister over the coming months."

At the same time, the AMM wished Minister Clarke well in her position as Minister of Indigenous and Northern Relations, and thanked her for her work with municipalities over the previous 16 months.



Lobbying Highlights

PROVINCIAL BUDGET



On April 11, 2017 the provincial government tabled its 2017 Budget, which maintained municipal operating funding at the 2016 level but provided more flexibility to municipalities through a basket funding model for municipal grant funding. The Province of Manitoba also committed to working with municipalities on infrastructure priorities and utilizing federal infrastructure investments while allocating an additional \$2 million to the Manitoba Water Services Board for water-related infrastructure projects. Unfortunately, the province also plans to eliminate the long-standing agreement to fund 50% of the operating costs of public transit systems in some municipalities, which is concerning as municipal operating and capital budgets continue to face inflationary increases.

In response to the budget, AMM President Chris Goertzen noted that restricting funding to 2016 levels did not recognize inflationary pressures facing municipalities and he further raised this issue directly with Minister Clarke. President Goertzen also highlighted that there was no mention of the Building Manitoba Fund or the provincial sales tax revenue set in the *Municipal Taxation and Funding Act* in Budget 2017.

While the AMM acknowledges the significant steps taken by the provincial government to fulfill the 'fair say' commitment, the AMM remains committed to discussing how the provincial government can also provide a 'fair share' for municipalities through long-term, stable and predictable revenue sources that grow with the economy. We continue to urge the Province of Manitoba to rebate the PST paid on an annual basis by municipalities as one option to provide predictable and long-term investments to municipalities.

Local communities also support the basket funding approach and streamlined processes with less administrative paperwork and red tape. Currently, there are over 60 separate funding programs and grants for municipalities administered by different departments. This has led to not only confusion, but also overlap and duplication. The majority of funding programs are also conditional and have limited flexibility. The AMM believes the basket funding model will help maximize available funding and reduce unnecessary red tape.

Lobbying Highlights

MEETING WITH CABINET

On November 22, 2016, the AMM Executive and Board of Directors met with the Provincial Cabinet during the Annual Convention. President Goertzen began the meeting by expressing the AMM's appreciation to Premier Pallister and all the Cabinet Ministers for attending the Ministerial Forum and their willingness to listen to the concerns of AMM members.

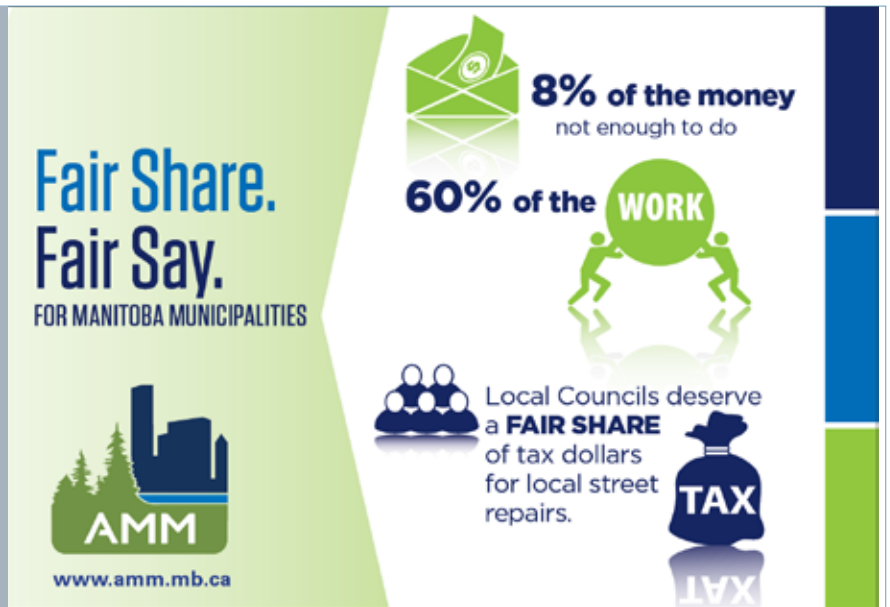
Before highlighting critical issues, President Goertzen noted several successes over the past year. For example, the AMM welcomed the new provincial government's commitment to provide municipalities a 'Fair Say' with a new basket funding approach to more effectively respond to local infrastructure priorities. A streamlined, single-window application process for municipalities to access infrastructure dollars should not only help reduce red tape but also create greater flexibility for local communities. In addition, President Goertzen thanked the government for reintroducing and passing *The Mental Health Amendment Act*, which should help ensure police coverage while reducing costs when dealing with patients awaiting a mental health assessment.

On behalf of Cabinet, Minister of Indigenous and Municipal Relations Eileen Clarke underscored the government's commitment to partner with the AMM and listen to municipalities when building a better Manitoba. Minister Clarke also noted that in her Ministerial mandate letter she has been instructed to develop a new partnership process with the AMM, and is committed to building respectful and effective relationships with municipalities, other levels of government, and First Nation communities.

As one order of government should not tax another, President Goertzen reiterated that municipalities are responsible for 60 per cent of infrastructure yet they only receive eight cents of every tax dollar. Moreover, municipalities pay more than \$25 million in PST on annual basis to provincial coffers. President Goertzen therefore requested that the Province of Manitoba rebate the PST back to municipalities in order to help stimulate economic growth in local communities and tackle the growing municipal infrastructure deficit. Minister of Finance Cameron Friesen stated municipalities will eventually benefit



As one order of government should not tax another, President Goertzen reiterated that municipalities are responsible for 60 per cent of infrastructure yet they only receive eight cents of every tax dollar.



from the one percentage point reduction in the PST as well as from the removal of inefficiencies when reducing red tape and implementing a single-window process for administering infrastructure grant funding.

Next, President Goertzen expressed the AMM's readiness to participate in a multi-stakeholder Task Force to comprehensively review and modernize the education funding model in Manitoba. Minister of Education and Training Ian Wishart recognized the AMM's long-standing concerns with this complex issue and stated he is prepared to work with stakeholders to find sustainable solutions to improve how education is funded.

In regards to expanding cellular coverage and broadband Internet access within Manitoba, President Goertzen urged the Cabinet to pursue partnerships with municipalities and the private sector while considering ways to provide additional financial assistance for rural telecommunications infrastructure projects. Sustained digital network infrastructure upgrades will assuredly enhance public safety and maximize job opportunities in rural and remote areas. Minister of

Growth, Enterprise and Trade Cliff Cullen acknowledged the link between the digital divide and future economic development as well as the role that the AMM could play in helping to identify communities for increased investments.

Lastly, Minister of Infrastructure Blaine Pedersen echoed the AMM's concerns associated with the federal changes to the Disaster Financial Assistance Arrangements (DFAA) cost-sharing formula. Minister Pederson stated these changes were unacceptable and that he has raised the issue directly with his federal counterpart. Meanwhile, Vice-President Ralph Groening concluded the formal part of the meeting by requesting the Province of Manitoba recognize the unique needs of municipalities regarding accessibility issues and appealed for provincial funding to help communities implement the accessibility standards.

In closing, President Goertzen and Minister Clarke expressed their gratitude to one another for a productive meeting as well as their willingness to continue to partner to strengthen and grow local communities across the province.

Lobbying Highlights

LOBBY DAY



Right: Manitoba Liberal Caucus

Centre: Manitoba NDP Caucus

Bottom: President Chris Goertzen and Premier Brian Pallister



The AMM Board of Directors held their annual Lobby Day on October 7. During Lobby Day the AMM meets with the Manitoba Liberal Party, the NCP Caucus and the PC Caucus to ensure all three parties in the Manitoba Legislature are aware of the AMM's mandate and to educate the parties on the main issues affecting Manitoba municipalities.

This year, the AMM discussed the need for municipalities to receive a full and fair cost-share from the Province in order to ensure federal Phase II infrastructure investments can be used fully.

President Chris Goertzen also reminded Lobby Day attendees that municipalities collect just 8 cents per tax dollar, but are responsible for 60% of infrastructure. He also reiterated the call for a rebate on the PST municipalities pay each year.

Facing page, L to R: Mayor Larry Johansson, City of Selkirk; Councillor Alex Fedorchuk, City of Morden; Councillor John Fehr, City of Steinbach; Mayor Dennis Fenske, City of Thompson; Councillor Irwin Wiebe, City of Morden; Mayor Ken Wiebe, City of Morden; Cities Caucus Chair Rick Chrest, City of Brandon; Councillor Kelly Cook, City of Selkirk; President Chris Goertzen; Mayor Martin Harder, City of Winkler; Mayor Irvine Ferris, City of Portage la Prairie; Mayor Eric Irwin, City of Dauphin; Councillor Jeff Browaty, City of Winnipeg; Councillor Wayne Wall, City of Portage la Prairie; Councillor Cari Penner, City of Steinbach; and Councillor Jac Siemens, City of Steinbach

Lobbying Highlights

AMM CITIES CAUCUS

The AMM established the Cities Caucus in 2013. While operating within the current structure of the association, the Cities Caucus offers a forum for representatives from each city in Manitoba to discuss common concerns and challenges.

Comprised of Manitoba's ten cities, including the City of Winnipeg, the Cities Caucus allows elected officials from each city to network and share information. The members of the AMM Cities Caucus still put resolutions forward through the regular AMM June District Resolutions process and work side-by-side with many other members of the AMM, including neighbours from rural communities, towns and urban centres.

The Cities Caucus elects a Chair bi-annually. For the past two years, Mayor Rick Chrest of the City of Brandon has served in this role. Having modelled the AMM Cities Caucus concept after the FCM's Big City Mayors Caucus (BCMC), it offers all AMM members another avenue to support the AMM's overall advocacy work on key priority issues that affect all municipalities. For instance, Caucus members recently discussed concerns around tight deadlines and costly engineering requirements related to the federal infrastructure plan that would have a significant impact on all Manitoba municipalities.

Over the past year the AMM Cities Caucus met during the AMM Annual Convention in November, the Municipal Officials Seminar in April, and in the City of Portage la Prairie in September. Topics discussed included the amount of PST municipalities pay each year, the cost of mandatory accessibility plans currently being proposed and *The Local Vehicles for Hire Act* recently introduced by the Province of Manitoba.

While Caucus members see infrastructure as the most critical priority facing all municipalities, the high costs of policing and mandatory police boards remain a recurring issue for Manitoba cities. Additionally, the members discussed issues related to the impact of cannabis legalization by the federal government and potential costs of RCMP unionization which directly and indirectly will affect all communities, as well as provincial policing contracts.

The AMM Cities Caucus shows effectiveness not only for its member cities, but for the AMM as a single and united organization which serves all its members. It is clear that the 10-member Caucus complements the overall activities of the AMM which services all 137 municipalities in Manitoba.

The Cities Caucus meeting in the City of Portage la Prairie created an opportunity for the group to gather in the multimillion dollar facility named Stride Place, which was built using a unique tax sharing agreement between the City and the Rural Municipality of Portage la Prairie.



Lobbying Highlights

LEGISLATIVE UPDATE

The AMM has remained focused on ensuring municipal priorities align with the priorities of Manitobans and Canadians alike. Over the past year, the AMM provided numerous submissions on provincial and federal legislation and regulations that impact municipalities as well as presented to various committees on behalf of its membership.

Provincial Legislation:

Bill 19: The Efficiency Manitoba Act (March 24, 2017)

Recreation centres are important assets for quality of life and healthy living, and particularly for attracting newcomers and retaining families in local communities. Therefore, the AMM reiterated its appreciation to Manitoba Hydro for co-developing the “Power Smart Programs for Municipal Recreation Facilities” program, which aims to highlight various incentive-based programs and services that improve the energy efficiency of municipal recreation facilities.

As public recreation facilities have limited means of raising additional revenue to offset rising operational costs, the AMM encouraged the Province of Manitoba to further enhance and develop new energy-saving programs that decrease operating costs for community-owned public recreation facilities. The AMM believes the offering of enhanced and new energy-saving programs to increase the efficiency of recreational facilities and other municipal infrastructure complements the energy-saving targets outlined in Bill 19.

Bill 22: The Regulatory Accountability Act and Amendments to the Statutes and Regulations Act (May 11, 2017)

In regards to the provincial government’s plan to establish *The Regulatory Accountability Act*, the AMM welcomed the commitment to eliminate regulatory requirements when new ones are implemented to ease tracking and promote streamlined processes. The AMM supports the mandated ‘two-for-one rule’ until March 31, 2021 and the ‘one-for-one’ rule thereafter. However, when new regulations are

When new regulations are being contemplated and implemented, it is essential that they are matched with provincial funding support.

being contemplated and implemented, it is essential that they are matched with provincial funding support.

The AMM also believes consultation with municipalities is vital, and thus our organization supports the publishing of all provincial forms and policies with regulatory requirements online so that they can be subject to public consultation. In particular, the AMM supports Section 12 of the Act that would allow municipalities to submit comments about policies and forms to the secretariat for review and consideration.

Provincial Submissions:

Proposed Accessibility Standard for Employment (Dec. 19, 2016)

While the AMM appreciates the provincial government’s commitment to offer assistance in the identification, prevention and removal of barriers to accessibility, *The Accessibility for Manitobans Act* and its corresponding standards require funding support to ensure their effective implementation. It is essential that costs are not downloaded and regulatory changes do not negatively impact municipalities, financially or otherwise, since there will assuredly be financial costs associated not only with employment standard but also with the three subsequent standards yet to be developed.

Overall, the implementation of the mandated accessibility standards will be undermined so long as no provincial funding support is provided. That is why the AMM has long recognized the need for accompanying provincial

LEGISLATIVE UPDATE

funding and has been calling for a partnership with attached financial support. Many Manitoba communities are currently proactively implementing accessibility plans in order to comply with provincial regulations, yet they shouldn't have to shoulder these priorities alone.

Provincial Review of Library System (Dec. 21, 2016)

On November 22, 2016, the Honourable Rochelle Squires, Minister of Sport, Culture and Heritage, announced a province-wide program and policy review of libraries and the services they provide across Manitoba.


As many libraries are evolving into community hubs that foster community relations and partnerships, the AMM reiterated its call on the Province of Manitoba to increase the contribution rate to the Rural Library Operating Grant Program, which has remained constant at \$8.50 since 2004. In effect, this 13-year stagnation has resulted in additional burdens as municipalities are addressing these financial shortfalls through greater municipal contributions in order to not cut programming available to residents. Moreover, the AMM continues to urge the Province of Manitoba to consider implementing a mixed-funding

model, which includes both base funding and per capita funding. The AMM also supports a universal, province-wide library card system to increase efficiencies and facilitate library use.

Red Tape Reduction Task Force (March 3, 2017)

The AMM welcomed the establishment of the Red Tape Reduction Task Force, and was pleased to submit a comprehensive written submission which included 20 targeted recommendations to address red tape and excess regulation which often hinders the ability of local Councils to deliver public services. These recommendations were formulated based on a review of more than 75 written submissions from municipalities across Manitoba that identified inefficiencies in various provincial government processes. The AMM Executive also made formal presentations to the Red Tape Reduction Task Force's transportation and land development sub-committees.

Approximately 90 per cent of Manitoba municipalities encounter provincial red tape on a regular basis resulting in added financial or staff resources and delays when dealing with provincial Acts, regulations, license requirements,



Approximately 90 per cent of Manitoba municipalities encounter provincial red tape on a regular basis resulting in added financial or staff resources and delays when dealing with provincial Acts, regulations, license requirements, and permit applications.

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and permit applications. Municipalities also often experience process delays when dealing with the Municipal, Public Utilities, and Highway Traffic Boards. Moreover, in regards to the acquisition of Crown Lands for spurring local economic development, it is currently common practice for municipalities to experience multi-year delays. In some cases, the acquisition process has lasted more than a decade, thereby hindering economic growth and potentially discouraging new investments in local communities. Overall, more than 80 per cent of municipalities experience red tape with regards to land development due to provincial requirements, causing process delays, additional paperwork and labour costs.

Made-in-Manitoba Climate and Green Plan (March 14, 2017)

In March 2017, the AMM provided comments to the Province of Manitoba in regards to its Made-in-Manitoba Climate and Green Plan as municipalities are frontline stewards of the environment. Many local communities are also working towards reducing greenhouse gas emissions, while investing in sustainable infrastructure and flood mitigation.

During meetings with Minister Cox, the AMM Executive urged the Department of Sustainable Development to extensively consult with municipalities and ensure regulations, if implemented, are accompanied with provincial funding. For instance, when a made-in-Manitoba Climate and Green Plan discussion paper is eventually published, local communities must be thoroughly consulted on its implications as municipalities are at the forefront of protecting communities from floods, investing in infrastructure, and fostering economic development. Economic growth and job creation must also not be adversely affected, since many communities rely on Manitoba's diversified economy to attract investments and development opportunities.

Cultural Review (May 18, 2017)

The Community Museum Grants Program (CMGP) awards maximum amounts of only \$1,350 and \$3,150, depending on the type of museum. These amounts have remained constant since 1991, or 26 years. Consequently, many local community museums have increasingly become reliant on local fundraising and donations as their operating costs continue to increase. Therefore, increased investments in local community museums are urgently needed to help promote tourism across Manitoba as well as to protect and interpret Manitoba's historical and heritage resources.

Review of Privacy Legislation (FIPPA) (May 24, 2017)

As the last review of Freedom of Information and Protection of Privacy Act (FIPPA) was undertaken in 2004, the AMM welcomed this consultation process as municipalities have responded to a significant increase of FIPPA requests in recent years, which has led to increased staff time, copying, computer charges, and legal costs. In fact, search and

preparation fees have remained constant since FIPPA was proclaimed in 1998 despite the considerable human and financial resources required to locate requested records, prepare and redact documents, and make copies.

Given the added administrative and financial burdens faced by municipalities, the AMM urged the Province of Manitoba to examine the current fee structure of providing FIPPA services, particularly since there is no limit to the number of requests an individual or organization may make at one time or during the year. The AMM also believes the Province of Manitoba should consider the administrative costs borne by municipalities that provide FIPPA services due to multiple or concurrent requests.

Municipalities are frontline stewards of the environment. Many local communities are also working towards reducing greenhouse gas emissions, while investing in sustainable infrastructure and flood mitigation.

Lobbying Highlights

LEGISLATIVE UPDATE

GRowing Outcomes in Watersheds (GROW) (Oct. 5, 2017)

As water management affects all municipalities, AMM members overwhelmingly support improvements to water management and water quality in Manitoba's lakes and waterways. That is why the AMM has called for a made-in-Manitoba Ecological Goods and Services policy based on the Alternative Land Use Services (ALUS) model since municipalities are front line stewards of the environment that have invested considerably in flood mitigation infrastructure.

In Manitoba, effective water management and watershed programming demand financial support and incentives from the Province of Manitoba so that any new processes can be properly implemented and fully observed in practice. The AMM called for additional consultation about integrating funding from multiple sources as costs and responsibilities must not be downloaded to municipalities. Greater clarity regarding how funding will be applied to specific projects is also warranted, while regulations should not be implemented without accompanying provincial funding.

Modernizing Manitoba's Conservation Districts Program (Oct. 5, 2017)

The AMM has long advocated for increased provincial funding for Conservation Districts (watershed authorities) to support the implementation of water management plans due to the important and cost-effective watershed management initiatives they undertake. The AMM also believes there is significant value, both financial and environmental, in all the work done by Conservation Districts, and recognizes that every attempt must be made to maximize resources. The AMM feels it is essential to reinstate and, if possible, increase provincial operating funding for Conservation Districts, particularly if they are expected to fulfill new responsibilities under the auspices of GRowing Outcomes in Watersheds (GROW).

Watershed-Based Drainage and Water Resource Management (Oct. 5, 2017)

The AMM welcomed the provincial government's recognition of existing red tape in the current drainage application process and corresponding reporting requirements, and remains committed to identifying red tape barriers and sharing prac-

tical ideas to streamline provincial government processes to benefit Manitoba municipalities. The AMM supported the idea of simplifying the registration process through a proposed 14-business day registration period whereby an applicant (i.e., municipality) may proceed with their drainage project unless otherwise contacted by the department.

Reducing time delays caused by provincial process inefficiencies should also help prevent added financial or staff resources when municipalities deal with provincial Acts, regulations, license requirements, and permit applications. Municipal frustrations with the current drainage licensing process are well-documented, particularly since cumbersome surveying and engineering requirements as well as inconsistent enforcement and information sharing by local Water Resource Officers featured prominently in our comprehensive submission to the Red Tape Reduction Task Force.

Federal Submissions:

2017-18 Review of the Railway Safety Act (September 18, 2017)

The AMM was pleased to reiterate its support for the intent of Transport Canada's Grade Crossings Regulations since more than 60 per cent of Manitoba's 2,100 rail crossings are located within municipal boundaries. Due to the financial implications of the Grade Crossing Regulations and municipal funding constraints, however, the AMM continues to urge the federal government to expand the Grade Crossing Improvement Program (GCIP) and make funding available on a long-term predictable basis to support crossing safety improvements in municipalities.

In addition, it is essential that railway companies proactively communicate with municipalities and provide clear points of contact so that municipal officials and first responders can respond effectively in the event of an emergency. Municipal first responders, particularly volunteers, must also be properly equipped and trained for rail emergencies, however rail safety and emergency response costs should not be downloaded to municipalities. Meanwhile, the municipal role in the rail safety regulatory framework should be expanded as municipalities understand the needs, concerns, and priorities of their local communities best.

LOBBYING HIGHLIGHTS



FEDERAL

Lobbying Highlights

FEDERAL

L to R: Mayor Brian Bowman, City of Winnipeg; the Hon. Jim Carr, Minister of Natural Resources; the Hon. Amarjeet Sohi, Minister of Infrastructure and Communities, the Hon. Jeff Wharton, Minister of Municipal Relations; President Chris Goertzen; and Terry Duguid, MP for Winnipeg South.



On March 22, 2017, the federal government tabled the 2017 federal budget, which affirmed its commitment to invest \$81 billion over 11 years for Phase 2 infrastructure investments. While many specific program details (eligibility criteria, allocation or application processes, stacking of federal funds, provincial cost-share and reporting) have yet to be determined, Budget 2017 proposed to invest:

- \$20.1 billion over the next 11 years for public transit construction, expansion and rehabilitation projects;
- \$11.2 billion for social infrastructure, which includes building, renewing and repairing the stock of affordable housing as well as for cultural and recreation infrastructure;
- \$21.9 billion for green infrastructure, which includes a new Disaster Mitigation and Adaptation Fund to help mitigate natural disasters, extreme weather events, and effects of a changing climate. This fund will provide \$2 billion over 11 years, including \$445 million over the next five years;
- \$2 billion for the Rural and Northern Communities Fund, which supports a broad range of infrastructure projects. Funds will be allocated to the provinces using a base-plus-per-capita formula.

Several major announcements also occurred in Manitoba following the tabling of Budget 2017:

- On March 31, the federal and provincial governments announced funding for 43 new public transit projects across Manitoba. The federal government is providing 50 per cent of the projects' eligible costs—more than \$3.1 million through the Public Transit Infrastructure Fund—while the Province of Manitoba is providing approximately \$1.5 million, and municipalities are contributing the balance of the funding worth roughly \$2 million. This funding will support a variety of public transit infrastructure projects, including new handi-vans in 28 municipalities. The handi-van program in Manitoba is the only one of its kind in Canada.
- On April 18, the federal and provincial governments announced more than \$37 million in combined funding for 24 new water and wastewater projects across Manitoba.
- On October 10, the federal and provincial governments announced funding of more than \$53.9 million for 11 water and wastewater projects, and more than \$21.6 million for five public transit projects.

The AMM is pleased to partner with our federal and provincial counterparts in selecting these projects, and we hope that these investments will help create new economic opportunities for municipalities.

Lobbying Highlights

FEDERATION OF CANADIAN MUNICIPALITIES (FCM)



Chris Goertzen, Mayor of the City of Steinbach and President of the Association of Manitoba Municipalities (AMM), won an important position on the Federation of Canadian Municipalities (FCM) Executive Committee of the Board of Directors. During the FCM Annual Conference in Ottawa in June, Goertzen was elected to represent Canada's 18 provincial-territorial associations (PTA).

Chosen by a group of his peers—the Presidents of his fellow associations across Canada—Goertzen's role will involve chairing meetings of the group and ensuring its concerns and issues become priorities for FCM.

"With more municipal issues being federal-provincial in nature, it is increasingly important that the municipal associations are strongly represented at the FCM executive level," he said.

Goertzen will also be working closely with Councillor Jenny Gerbasi, City of Winnipeg, who became FCM President during the conference.

"FCM is the national voice of municipal government across Canada, and municipal associations have an important role to play in bringing the message of cooperation between levels of government to the FCM table," said Goertzen. "I look forward to being part of that process."

L to R: Manitoba members of the FCM Board of Directors include President Chris Goertzen; Councillor Laurent Tetrault, RM of La Broquerie; Councillor Doug Dobrowolski, RM of Macdonald; FCM President Jenny Gerbasi; Councillor Jeff Browaty, City of Winnipeg; and Councillor Marvin Plett, City of Winkler



Lobbying Highlights

PARTNERSHIPS

Treaty Land Entitlement

On April 13, another step was taken to establish a more open and effective Treaty Land Entitlement (TLE) process in Manitoba. The release of a TLE Information Toolkit marked the latest efforts of the Working Group established under a 2015 Partnership Agreement between the AMM, the Treaty Land Entitlement Committee of Manitoba (TLEC), and the Treaty Relations Commission of Manitoba (TRCM).

The Honourable Eileen Clarke, Minister of Indigenous and Municipal Relations, participated in the event. “Manitoba remains committed to fulfilling TLE obligations and we are excited to support this collaborative initiative between the AMM, the TLEC and the TRCM,” said Minister Clarke. “This toolkit will facilitate information sharing between municipalities and TLE proponents, foster stronger relationships between Indigenous and non-Indigenous communities, and help highlight the shared economic opportunities made possible through the TLE process.”

According to AMM President Chris Goertzen, “The purpose of the toolkit is to clearly explain how the TLE process works and how it can help bring economic development and growth to communities.”

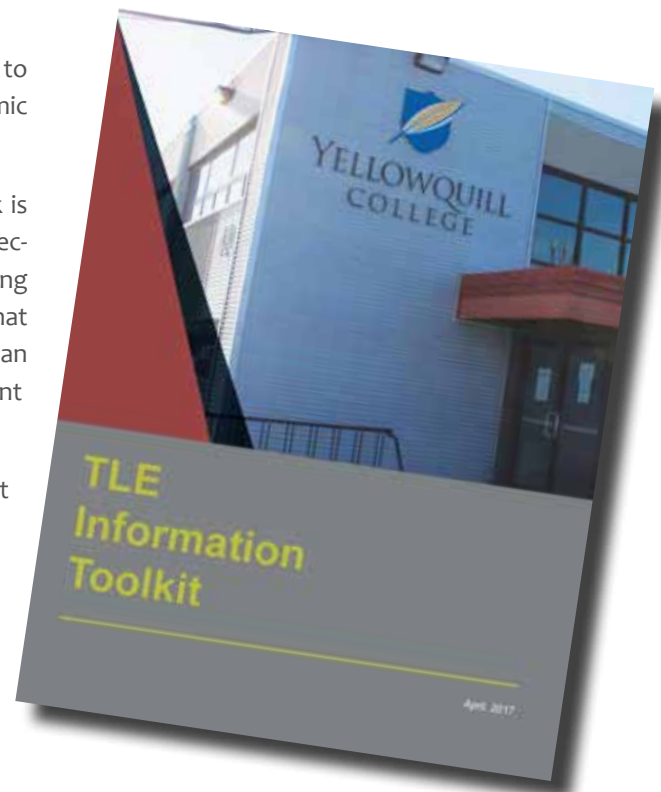
And while the TLE Information Toolkit marks an important step, the work is not finished, added TLEC President Chief Nelson Genaille. “With constant electoral changeover at the municipal and First Nations level, the need for ongoing education on the Treaties and the TLE process cannot be overstated. With that in mind, this Toolkit aims to answer some basic questions on Treaties, Indian Reserves, TLE and Canada’s Additions to Reserves process. It’s an excellent starting point!”

“The Treaty Land Entitlement Information Toolkit is a great example of what can be accomplished when we work together towards the same shared goal. Reconciliation in action can only make us all stronger”, said the Honourable Carolyn Bennett, Minister of Indigenous and Northern Affairs.

The TLE Information Toolkit includes the Community Accord template released previously as well as a new, comprehensive Frequently Asked Questions document.



L to R: President Chris Goertzen, TLEC Vice-President Richard Dumas and Minister of Indigenous and Municipal Relations Eileen Clark announcing the TLE Information Toolkit



Lobbying Highlights

PARTNERSHIPS

Western Canadian Municipal Association

The leaders of the municipal associations of Western Canada's three prairie provinces met in Winnipeg on April 20 to discuss areas of common concern. The AMM hosted the annual meeting, comprised of elected officials and staff from the AMM, the Saskatchewan Urban Municipalities Association (SUMA), the Saskatchewan Association of Rural Municipalities (SARM), the Alberta Association of Municipal Districts and Counties (AAMDC) and the Alberta Urban Municipalities Association (AUMA).

With over a dozen items on the agenda, there was plenty of discussion but priority issues soon emerged: federal infrastructure funding, marijuana legislation, and disaster mitigation.

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 was Alon Golubchik, a Grade 12 student at Grant Park High School in the Winnipeg School Division.

AMM Vice-President Gavin van der Linde presented the award at the Manitoba School Boards Association Celebration of Success evening on March 16.

Manitoba Community Newspapers Award

The Manitoba Community Newspapers Association (MCNA) acknowledged the achievements of community newspaper publishers and their staff at its 98th annual MCNA AGM and Better Newspaper Competition on May 13, 2017. Awards were presented for 29 Premium Award categories and 16 General Excellence Categories to the 49 member newspapers of the MCNA. The AMM sponsored the "Best All-Around Community Newspaper" award and Executive Director Joe Masi presented the award to the Selkirk Record.

Volunteer Manitoba Award

In 2015 the AMM designated an award to recognize community volunteerism in conjunction with Volunteer Manitoba. President Chris Goertzen presented the 2017 AMM Community Leadership Award to Angelika Stoesz, a founding member of the Rhineland Area Food Bank, at Volunteer Manitoba's annual awards dinner on April 25.

Manitoba Community Emergency Preparedness Awards

The 2017 Manitoba Community Emergency Preparedness Awards recognizing communities with programs meeting or exceeding standards are presented in partnership with the Government of Manitoba. This year's recipients were the Town of Snow Lake, the Rural Municipality of East St. Paul and the City of Steinbach.

Left: Vice-President Gavin van der Linde presents the Young Community Leader Award to Alon Golubchik.

Centre: President Chris Goertzen presents the AMM Community Leadership Award to Angelika Stoesz.

Right: Executive Director Joe Masi (R) presents the MCNA award to Brett Mitchell and Lindsey Enns of the Selkirk Record



Lobbying Highlights

PARTNERSHIPS

PLEDDG

Since April 2015, the AMM has partnered with the Federation of Canadian Municipalities (FCM) to implement the Partnership for Local Economic Development and Democratic governance (PLEDDG) Program. The program, which will run until 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 capacities 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.

President Chris Goertzen was invited to travel to Ukraine in December 2016 and speak at a national forum in Ukraine's capital, Kyiv as a part of the AMM-FCM/PLEDDG partnership. President Goertzen spoke about the importance of building partnerships between municipalities and other orders of government.

Ukraine is restructuring its government institutions based on planned economy principles which didn't promote independence and autonomy of municipalities in the highly structured, top down communist regime. Two decades following the collapse of the Soviet Union offered multiple opportunities to establish independence at the municipal level of government; however, no major reform to decentralize municipal government took place until 2014.

President Goertzen also travelled to the City of Zaporizhyya and toured the surrounding areas. He met with Zaporizhyya officials and also travelled to the rural areas where many Mennonites used to live before relocating to Manitoba, including the City of Steinbach where President Goertzen is Mayor.

In September 2017, Executive Director Joe Masi and Director of Advocacy and Communications Denys Volkov travelled to Odessa, Ukraine to participate in the forum of Ukrainian Mayors organized by the Association of Ukrainian Cities with the support of PLEDDG. The AMM representatives met with officials involved in the decentralization of Ukrainian municipalities which is now creating more autonomy for local councils and opportunities to have more control over local budgets.

Executive Directors and staff from municipal associations from Poland and Norway also took part in the forum with the AMM representatives. PLEDDG staff in Ukraine and at the FCM office in Ottawa provided technical and logistical support to the AMM prior to, during and after the exchange.

We have identified more areas of cooperation between the parties and look forward to working with FCM and PLEDDG on these initiatives in the future.



Top: President Chris Goertzen speaking at the International Mayors' Congress in Kyiv.

Executive Director Joe Masi (l) and Director of Advocacy and Communications Denys Volkov participate in a forum of Ukrainian Mayors in Odessa.



Above L to R: President Chris Goertzen, Town of Churchill Mayor Mike Spence and Opaskwayak Cree Nation Chief Christian Sinclair are flanked by Mayors and Councillors of Manitoba's northern municipalities during a news conference organized by the AMM on November 22.

MEMBER SERVICES COMMUNICATIONS

Mayors and Councillors from Manitoba's northern municipalities came together November 22, 2016 during the AMM Annual Convention in Winnipeg to pledge support to one of their own: the Town of Churchill.

On July 25, news broke that the Port of Churchill OmniTrax Canada was shutting the port down and would not ship any grain for the foreseeable future. The abrupt cancellation of the port's grain season resulted in more than 100 grain elevator, port and railway employees being laid off throughout Manitoba.

The Town of Churchill submitted an emergency resolution that was the first resolution debated by the over 900 elected officials at the RBC Convention Centre Winnipeg for the AMM Annual Convention. The resolution called for the AMM to lobby the Province of Manitoba and the Government of Canada to "jointly act to ensure that the Port of Churchill re-opens for the 2017 grain season."

The resolution also called for the new Northern Economic Development Strategy Task Force to make revitalizing the Port and railway their number one priority by convening a meeting with the Northern Delegation and the AMM.

The resolution was carried by convention delegates.



AMM in the Media

The AMM was mentioned in 219 media stories in 2016-17. The majority of those stories were in relation to infrastructure funding announcements the AMM participated in, both federal and provincial. Media stories relating to the Port of Churchill 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 29,166 unique visitors stop by the site 55,056 times.

Social Media

Twitter continues to gain popularity and is the AMM's most-used social media platform. The AMM gained 180 Twitter followers this year for a total of 1,735.

Meanwhile, the AMM Facebook page has 549 likes, an increase of 66. 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 12 Member Advisories were distributed on topics including *The Municipal By-law Enforcement Act*, the Red Tape Reduction Survey, Manitoba Hydro office closures, and the 2017 Provincial Budget.

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 1,206 subscribers.

The Municipal Leader

The AMM's quarterly magazine, the *Municipal Leader* is read by Mayors, Reeves, Councillors, CAOs, purchasing agents, suppliers, MLAs, MPs, and others interested in the business of municipal government.

Each year we produce a number of 'Special Reports' on timely topics. This year's special reports focused on Rural Economic Development, Reducing Red Tape, and Immigration and Settlement Services.

The *Municipal Leader* has a print circulation of 1,800 and is available online at amm.mb.ca.



MEMBER SERVICES EVENTS

AMM 18TH ANNUAL CONVENTION

NOVEMBER 21 to 23, 2016 - RBC Convention Centre
Winnipeg

Registered Delegates: 829

Keynote Speakers were Jon Montgomery, Jody Mitic and Arlene Dickinson.

Guest Speakers included:

- Mayor Brian Bowman, City of Winnipeg
- Robert-Falcon Ouellette, MP Winnipeg Centre
- President Clark Somerville, Federation of Canadian Municipalities (FCM)
- Honourable Eileen Clarke, Minister of Indigenous and Municipal Relations
- Flor Marcelino, MLA Logan, Interim Leader of the Official Opposition
- Dr. Jon Gerrard, MLA River Heights, Manitoba Liberal Party
- The Honourable Brian Pallister, Premier of Manitoba.

This year's Honorary Life Memberships were awarded to Robert Stefaniuk and Bert Lagimodiere.

MAYORS, REEVES AND CAOS MEETINGS

APRIL 11, 2017 - RBC Convention Centre Winnipeg

This year's Mayors, Reeves and CAOs meetings were again held over one day and broken into two groups—Central, Eastern and Interlake Districts in the morning, and Western, Parkland, Northern and Midwestern Districts met in the afternoon. The sessions saw 129 and 104 registered members, respectively.

President Chris Goertzen and Vice-Presidents Ralph Groening and Gavin van der Linde updated the membership on a number of the most pressing issues facing Manitoba municipalities, while Executive Director Joe Masi led a member discussion on red tape.



Municipal Officials Seminar and MTCML Trade Show

APRIL 12 & 13, 2017 - RBC Convention Centre Winnipeg
Registered Delegates: 518

Day one of MOS was devoted to professional development sessions including two plenaries by Tyler Hayden: *Living Life Large* and *Leader's Pack - Team Building Tools to Engage*.

Breakout session topics included:

- Conflict of Interest
- The Art of Council Leadership
- Privacy Breach Planning Management
- AMM Resolution Process
- Developing A Workplace Harassment Prevention Plan
- Managing Mental Health in the Workplace
- Social Media, Electronic Information, Cybercrime and Cybersecurity

With Day two devoted to policy, delegates heard a plenary from Eric McSweeney of McSweeney and Associates on *De-mystifying Economic Development*, followed by breakouts on:

- Avoiding Delays at the Municipal Board
- Municipalities and New Trade Agreements
- Arts and Culture
- The Value of Tourism
- Municipal Efficiencies

Municipal Visits

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

In 2017 the AMM visited a total of 57 municipalities.

June District Meetings

JUNE 8, 13 to 15, 20 to 22

District meetings included presentations from President Chris Goertzen, Vice-Presidents Ralph Groening and Gavin van der Linde, Executive Director Joe Masi, Western Financial Group, the Honourable Eileen Clarke, Minister of Indigenous and Municipal Relations, and Deputy Minister of Indigenous and Municipal Relations, Grant Doak. A presentation on the *Basket Funding Model* was presented at each meeting.

District Director elections also took place this year, with four new AMM Directors elected to the Board.

2017 Hosts:

- Town of Lynn Lake (Northern)
- RM of Kelsey (Parkland)
- RM of Yellowhead (Midwestern)
- Town of Carberry and Municipality of North Cypress (Western)
- Town of Arborg (Interlake)
- RM of Piney (Eastern)
- City of Morden (Central)

AMM Education Program

January 27, 2017

LEADERSHIP: The Essential Foundations

Trainer: Eric Stutzman, Managing Director, ACHIEVE Training Centre



MEMBER SERVICES TRADING COMPANY

Trading Company (MTCML)

Official Suppliers are very important to the success of the Trading Company. 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.

Official Suppliers

The Trading Company 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 Official Suppliers continued to provide our members with excellent service and pricing.

The Trading Company 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 Official Suppliers the Trading Company was able to rebate another **\$800,000** to our members based on their Trading Company sales. This brings the cumulative rebate over the past 16 years to \$10.55 million dollars.

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.

New Partnership

A new partnership between the AMM and the Alberta Association of Municipal Districts and Counties (AAMDC) trade divisions was also announced this year.

This new agreement will bring the combined purchasing power of Manitoba, Saskatchewan and Alberta municipalities together for increased discounts on products and services purchased by our members. Some of the improved programs include:

- Staples National Account
- Tier One National Tire Program
- Capital Equipment Purchasing Program

Other programs will be added as we move forward.

This new agreement builds on the success of the previous agreement between the AAMDC's Fuel Division PFA Canada and the AMM.

Safetyhub

The AMM purchased a valuable learning management system this year called Safetyhub. Safetyhub is a program normally costing between \$6,000 and \$10,000 per municipality. The AMM paid this cost in full to give our members access to unlimited free safety training that meets or exceeds all federal / provincial training requirements, tracks records and prints certificates for this training.

@ Your Service

The AMM partnered with People First HR Services to provide professional human resource services to members through the @ Your Service ON CALL program. This enables members to access support, advice, guidance and direction via phone and email support at no 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.

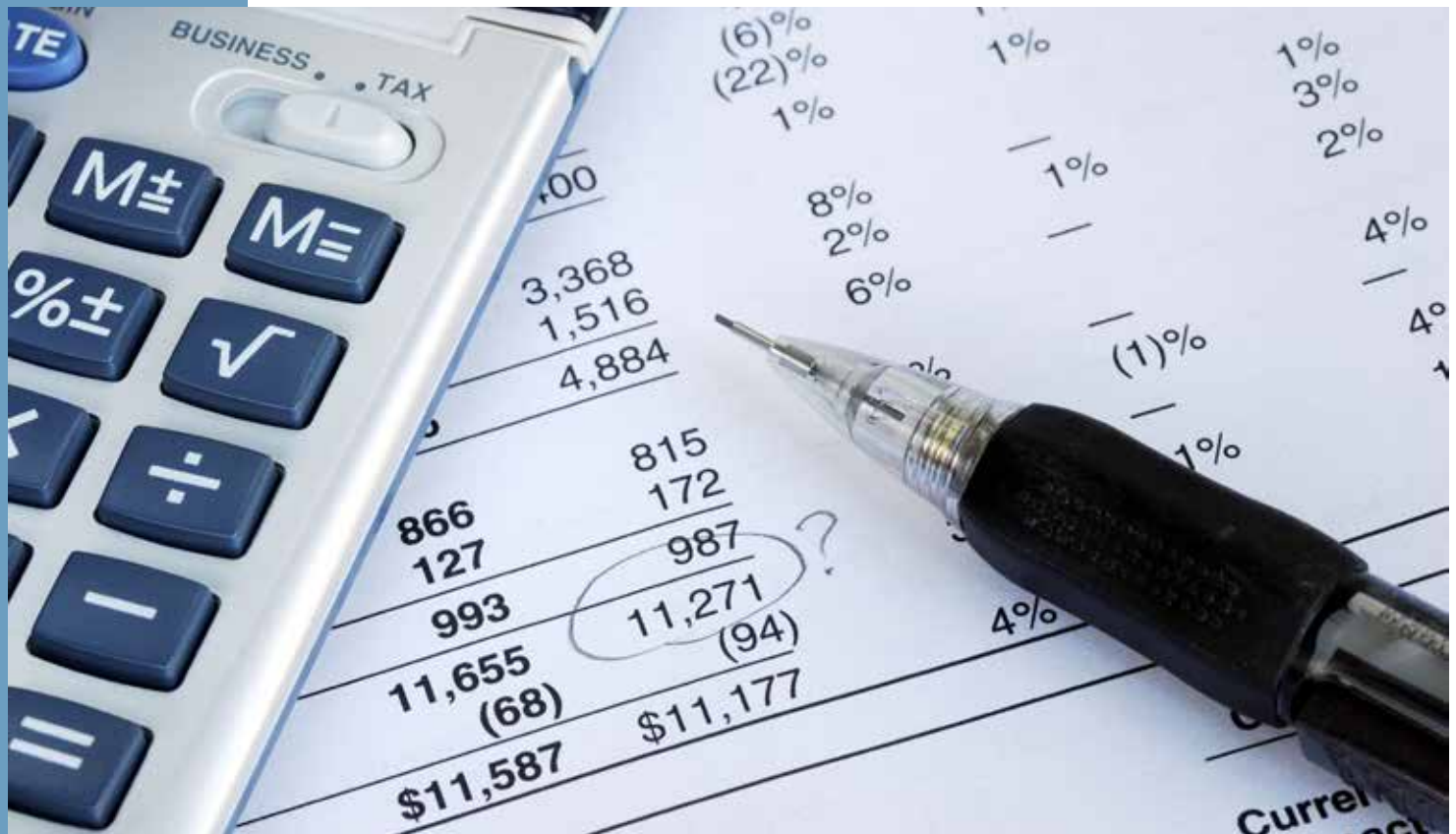
The AMM also makes available a "self-insured" health and dental benefits program for employees and council members, providing flexible coverage options at very reasonable rates. Participation currently includes municipalities plus other policyholders such as conservation districts, other entities and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

Trading Company Official Suppliers

49 NORTH LUBRICANTS
ACKLANDS GRAINGER
AIRMASTER SALES LTD.
ALCOM ELECTRONIC COMMUNICATIONS
ARMTEC LIMITED
ATS TRAFFIC
BRIDGESTONE (TIRES)
CANADA CULVERT
CD AWARDS
DENRAY TIRE
DUST FREE ROAD MAINTENANCE
EVEREST SUPPLY & SERVICES INC.
EVERGRO CANADA INC.
FORT DISTRIBUTORS LTD.
FOUNTAIN/GOODYEAR
GRAND & TOY
KAL TIRE
MACMOR INDUSTRIES
MICHELIN (TIRES)
MTS
NAPA AUTOPARTS
ORKIN PCO SERVICES
PFA CANADA
SAFETY SERVICES MANITOBA
SHIPPAM & ASSOCIATES
SUPREME BASICS
THE FLAG SHOP
WESTERN FINANCIAL GROUP
XP3 CANADA

AMM Corporate Members

BORLAND CONSTRUCTION
CANADIAN BEVERAGE CONTAINER
RECYCLING ASSOCIATION (CBCRA)
CAPITAL I INDUSTRIES
COMMISSIONAIRES MANITOBA
CONSTRUCTION ASSOCIATION OF RURAL
MANITOBA
DILLON CONSULTING
HAZMASTERS WINNIPEG
J.R.COUSIN CONSULTANTS LTD
MANITOBA HEAVY CONSTRUCTION ASSOC.
MANITOBA HYDRO
MAZERGROUP
PITBLADO LAW
Q COLLABORATIONS / Q MEC NET
ST. JOHN AMBULANCE
SUPERIOR ASPHALT PAVING
WESTCON EQUIPMENT & RENTALS LTD
WESTERN FINANCIAL GROUP
WESTERN RECREATION & DEVELOPMENT
WSP CANADA



Financial Statements

Year ended August 31, 2017



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, 2017 and the statements of income - unrestricted operations, 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, 2017 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
October 5, 2017

Financial Statement

AMM

ASSOCIATION OF MANITOBA MUNICIPALITIES

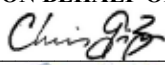
Statement of Financial Position


August 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash and short term deposits	\$ 51,508	\$ 38,820
Accounts receivable	338,320	342,002
Due from Municipalities Trading Company of Manitoba Ltd. (Note 11)	370,000	178,789
Goods and services tax recoverable	2,705	-
Prepaid expenses	41,494	58,813
	<u>804,027</u>	<u>618,424</u>
SEGREGATED FUNDS		
General Reserve (Notes 4, 9)	1,024,721	745,169
PROPERTY AND EQUIPMENT (Notes 2, 6)	356,664	369,476
RESTRICTED CASH (Note 5)	65,231	87,654
	<u>\$ 2,250,643</u>	<u>\$ 1,820,723</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 32,150	\$ 13,859
Goods and services tax payable	-	14,877
Deferred income	492,994	462,396
Due to reserves	487,577	278,789
	<u>1,012,721</u>	<u>769,921</u>
FUNDS HELD FOR OTHER ENTITIES (Note 5)	65,231	87,654
	<u>1,077,952</u>	<u>857,575</u>
NET ASSETS		
Unrestricted	(164,345)	(109,556)
Invested in property and equipment	356,665	369,476
Restricted (Note 9)	980,371	703,228
	<u>1,172,691</u>	<u>963,148</u>
	<u>\$ 2,250,643</u>	<u>\$ 1,820,723</u>

LEASE COMMITMENTS (Note 8)

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

Financial Statement

AMM

ASSOCIATION OF MANITOBA MUNICIPALITIES

Statement of Income - Unrestricted Operations

Year Ended August 31, 2017

	2017	2016
REVENUE		
Membership dues	\$ 403,796	\$ 373,489
Convention	376,929	361,250
Seminar	85,950	89,696
Trade show	86,282	71,778
Education	22,240	34,320
Rental	12,215	30,403
Corporate membership	11,000	13,163
Magazine	13,756	9,412
Associate membership	8,550	8,413
Investment income	4,973	5,293
Miscellaneous	660	1,698
Merx	500	900
Advertising - bulletin	100	100
	1,026,951	999,915
EXPENSES		
Schedule of Expenses (<i>Schedule 1</i>)	1,922,836	1,781,767
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(895,885)	(781,852)
OTHER ITEMS		
Loss on disposal of assets	-	(8,901)
Unrealized gain (loss) on investments	(1,715)	493
Management fees (<i>Note 11</i>)	830,000	780,000
	828,285	771,592
NET ANNUAL SURPLUS (DEFICIT)	\$ (67,600)	\$ (10,260)

See notes to financial statements

Financial Statement

AMM

ASSOCIATION OF MANITOBA MUNICIPALITIES

Statement of Changes in Net Assets

Year Ended August 31, 2017

	Unrestricted	Invested in Property and Equipment	Restricted (Note 9)	2017	2016
NET ASSETS -					
BEGINNING OF					
YEAR	\$ (109,556)	\$ 369,476	\$ 703,228	\$ 963,148	\$ 1,070,373
Net annual surplus					
(deficit)	(44,381)	(23,219)	-	(67,600)	(10,260)
Net annual surplus					
(deficit) -					
Reserves	-	-	277,143	277,143	(96,965)
Additions (disposals)					
of property and					
equipment	(10,408)	10,408	-	-	-
NET ASSETS - END					
OF YEAR	\$ (164,345)	\$ 356,665	\$ 980,371	\$ 1,172,691	\$ 963,148

See notes to financial statements

Financial Statement

AMM

ASSOCIATION OF MANITOBA MUNICIPALITIES

Statement of Cash Flow Year Ended August 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Net annual surplus (deficit) - Operations	\$ (67,600)	\$ (10,260)
Net annual surplus (deficit) - Reserves	277,143	(96,965)
Items not affecting cash:		
Amortization of property and equipment	23,219	17,255
Loss on disposal of assets	-	8,901
Unrealized gains	1,715	(493)
	<u>234,477</u>	<u>(81,562)</u>
Changes in non-cash working capital:		
Accounts receivable	3,682	77,154
Accounts payable and accrued liabilities	18,292	(653)
Deferred income	30,598	(14,360)
Prepaid expenses	17,319	(11,686)
Goods and services tax payable	<u>(17,582)</u>	<u>(189)</u>
	<u>52,309</u>	<u>50,266</u>
Cash flow from (used by) operating activities	<u>286,786</u>	<u>(31,296)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(10,408)	(66,388)
Proceeds on disposal of property and equipment	-	14,500
Net sales (purchases) of segregated funds	<u>(72,479)</u>	<u>171,714</u>
Cash flow from (used by) investing activities	<u>(82,887)</u>	<u>119,826</u>
FINANCING ACTIVITY		
Advances to related parties	<u>(191,211)</u>	<u>(158,336)</u>
INCREASE (DECREASE) IN CASH	<u>12,688</u>	<u>(69,806)</u>
CASH AND SHORT TERM DEPOSITS- BEGINNING OF YEAR	<u>38,820</u>	<u>108,626</u>
CASH AND SHORT TERM DEPOSITS- END OF YEAR	<u>\$ 51,508</u>	<u>\$ 38,820</u>

See notes to financial statements

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 2017

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.

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.

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.

The investment revenue of the General reserve is recognized in the restricted fund.

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 2017

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, 2017.

Credit Risk

Credit risk arises from the potential that a counterparty 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. GENERAL RESERVE

This reserve has been established to fund major repairs, renovations, and expansion of the building, potential severances and other expenses as deemed necessary by the Board of Directors.

5. 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. Revenues and expenses relating to these operations have not been included in these financial statements.

6. PROPERTY AND EQUIPMENT

	2017		2016	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Buildings	\$ 378,676	\$ 172,035	\$ 378,676	\$ 164,461
Computer equipment	33,621	22,008	39,866	34,015
Computer software	550	550	550	550
Land	90,000	-	90,000	-
Office equipment	65,563	63,425	65,563	62,777
Sign	20,085	3,013	20,085	1,004
Motor vehicles	41,715	12,515	41,715	4,172
	\$ 630,210	\$ 273,546	\$ 636,455	\$ 266,979
Net book value	\$ 356,664		\$ 369,476	

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 2017

7. 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:

	2017	2016
Balance Sheet		
Assets	\$ 19,884,954	\$ 21,702,970
Liabilities	(16,367,217)	(17,853,921)
Net assets	\$ 3,517,737	\$ 3,849,049
Income Statement		
Sales	\$ 14,761,370	\$ 13,520,693
Cost of sales	(14,479,875)	(13,232,703)
Other revenues	1,729,607	1,425,352
Expenses	(2,012,007)	(1,715,388)
Net annual surplus	\$ (905)	\$ (2,046)

8. LEASE COMMITMENTS

The association leases a photocopier that expires February, 2022. Under the lease, the association is required to make the following lease payments:

2018	\$ 13,018
2019	13,018
2020	13,018
2021	13,018
2022	6,509

9. RESERVES

	2017	2016
General Reserve (Note 4)		
Opening balance	\$ 703,228	\$ 800,194
Interest received	8,218	1,684
Other income	17,577	3,450
Expenses	(119,863)	(280,889)
Contribution from MTCML (Note 12)	371,211	178,789
	\$ 980,371	\$ 703,228

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, 2017

10. 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 \$64,249 (2016 - \$56,495) 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, 2015 indicated the plan was 96.1% funded on a going concern basis and had an unfunded solvency liability of \$251.7 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, 2015.

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.

11. RELATED PARTY TRANSACTIONS

The Association controls MTCML through a common board. During the year ended August 31, 2017, MTCML contributed \$371,211 (2016 - \$178,789) to the Association's reserves and paid \$830,000 (2016 - \$780,000) in management fees to the Association. These amounts were determined by the board.

Amounts owing from MTCML have arisen from the transactions described above. These amounts have no terms of repayment and are not interest bearing. The outstanding amount is expected to be paid within the next twelve months, as such they have been classified as current.

12. COMPARATIVE FIGURES

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

Financial Statement

AMM

ASSOCIATION OF MANITOBA MUNICIPALITIES

Schedule of Expenses

(Schedule 1)

Year Ended August 31, 2017

	2017	2016
Functions		
Convention	\$ 350,927	\$ 292,075
Education	23,081	9,704
Municipal seminar	68,709	55,880
Resolutions committee	4,735	2,366
Trade show	42,494	30,769
	<u>\$ 489,946</u>	<u>\$ 390,794</u>
Executive		
Communication allowance	\$ 2,377	\$ 1,972
Board - stipend	32,223	32,647
Board - sundry	177	34
Meeting	229,134	228,072
President's salary	65,664	64,402
	<u>\$ 329,575</u>	<u>\$ 327,127</u>
Other		
Amortization	\$ 23,219	\$ 17,255
Association fees	3,050	3,015
Audit fees	13,899	13,670
Bad debts	1,045	-
Bank charges	324	393
Building repairs and maintenance	33,296	22,727
Donations and gifts	20,647	46,488
Insurance	5,461	5,271
Legal	18,541	17,188
Office	53,831	51,377
Postage and stationery	24,187	22,384
Promotion materials	450	4,083
Property taxes	30,239	24,665
Telephone	13,115	16,586
Vehicle	7,092	8,539
	<u>\$ 248,396</u>	<u>\$ 253,641</u>
Staffing		
Management	\$ 37,467	\$ 40,237
Staff expenses	12,831	10,600
Salaries	683,324	640,897
Employee benefits	120,401	116,377
Workers compensation	896	845
Staff training and recruitment	-	1,249
	<u>\$ 854,919</u>	<u>\$ 810,205</u>
	<u>\$ 1,922,836</u>	<u>\$ 1,781,767</u>

See notes to financial statements

Financial Statement

TRADING COMPANY



INDEPENDENT AUDITORS' REPORT

To the Members 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, 2017 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, 2017 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
October 5, 2017

Financial Statement

TRADING COMPANY

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Statement of Financial Position

August 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 731,868	\$ 1,947,053
Accounts receivable	1,481,151	1,549,305
Inventory (Note 2)	25,408	18,096
Prepaid expenses	30,000	-
	<u>2,268,427</u>	<u>3,514,454</u>
SEGREGATED FUNDS		
Self-insurance Loss Pool (Note 4)	17,616,527	18,188,516
	<u>\$ 19,884,954</u>	<u>\$ 21,702,970</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 846,169	\$ 2,118,839
Goods and services tax payable	-	2,785
Due to Association of Manitoba Municipalities (Note 5)	370,000	178,789
	<u>1,216,169</u>	<u>2,300,413</u>
SELF-INSURANCE LOSS POOL (Note 4)	<u>15,151,048</u>	<u>15,553,508</u>
	<u>16,367,217</u>	<u>17,853,921</u>
NET ASSETS		
Unrestricted	1,679,411	1,680,316
Accumulated unrealized gains (Note 2)	1,838,326	2,168,733
	<u>3,517,737</u>	<u>3,849,049</u>
	<u>\$ 19,884,954</u>	<u>\$ 21,702,970</u>

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

Financial Statement

TRADING COMPANY

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Statement of Income

Year Ended August 31, 2017

	2017	2016
SALES	\$ 14,761,370	\$ 13,520,693
COST OF SALES	14,479,875	13,232,703
GROSS PROFIT (1.91%; 2016 - 2.13%)	281,495	287,990
INSURANCE ADMINISTRATION FEES	1,049,955	1,001,571
INVESTMENT INCOME	679,652	423,781
	1,729,607	1,425,352
EXPENSES		
Advertising and promotion	10,775	6,329
Bank charges	-	263
Membership rebate	800,000	750,000
Inventory write-off	21	7
	810,796	756,599
OPERATING INCOME	1,200,306	956,743
OTHER EXPENSES		
Management fees (Note 5)	830,000	780,000
Contributions to Association of Manitoba Municipalities reserves (Note 5)	371,211	178,789
	1,201,211	958,789
NET ANNUAL SURPLUS (DEFICIT)	\$ (905)	\$ (2,046)

See notes to financial statements

Financial Statement

TRADING COMPANY

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Statement of Changes in Net Assets

Year Ended August 31, 2017

	Unrestricted	Accumulated Unrealized Gains (Note 2)	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 1,680,316	\$ 2,168,733	\$ 3,849,049	\$ 3,455,203
Net annual surplus (deficit)	(905)	-	(905)	(2,046)
Realized gains	-	(340,975)	(340,975)	(91,442)
Adjustment to market	-	10,568	10,568	487,334
NET ASSETS - END OF YEAR	\$ 1,679,411	\$ 1,838,326	\$ 3,517,737	\$ 3,849,049

See notes to financial statements

Financial Statement

TRADING COMPANY

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Statement of Cash Flow Year Ended August 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Net annual surplus (deficit)	\$ (905)	\$ (2,046)
Changes in non-cash working capital:		
Accounts receivable	68,154	301,564
Inventory	(7,312)	784
Accounts payable and accrued liabilities	(1,272,670)	1,081,170
Prepaid expenses	(30,000)	-
Goods and services tax payable	(2,785)	729
	<u>(1,244,613)</u>	<u>1,384,247</u>
Cash flow from (used by) operating activities	<u>(1,245,518)</u>	<u>1,382,201</u>
INVESTING ACTIVITIES		
Due to Association of Manitoba Municipalities	191,211	158,336
Net sales (purchases) of segregated funds	<u>241,582</u>	<u>(1,682,130)</u>
Cash flow from (used by) investing activities	<u>432,793</u>	<u>(1,523,794)</u>
FINANCING ACTIVITY		
Net contributions to self insurance loss pool	<u>(402,460)</u>	<u>1,754,017</u>
INCREASE (DECREASE) IN CASH	<u>(1,215,185)</u>	<u>1,612,424</u>
CASH - BEGINNING OF YEAR	<u>1,947,053</u>	<u>334,629</u>
CASH - END OF YEAR	<u>\$ 731,868</u>	<u>\$ 1,947,053</u>

See notes to financial statements

Financial Statement

TRADING COMPANY

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Notes to Financial Statements

Year Ended August 31, 2017

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.

Financial Statement

TRADING COMPANY

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Notes to Financial Statements

Year Ended August 31, 2017

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, 2017.

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Company 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

The "self-insurance loss pool" is operated by the Company. The pool is funded annually by proportionate contributions from participating municipalities. These funds are held by the Company on behalf of these member communities. Additions and claims are not recognized as revenue and expenses on the statement of operations.

	2015/2016 and Prior Pool		2016/2017 Pool	2017	2016
Balance, beginning of year	\$ 15,553,508	\$ -	\$ -	\$ 15,553,508	\$ 13,799,491
Current year loss pool additions	-	6,126,642	6,126,642	6,126,642	6,116,832
	15,553,508	6,126,642	21,680,150	21,680,150	19,916,323
Insurance claims paid	(4,006,607)	(2,522,495)	(6,529,102)	(6,529,102)	(4,362,815)
Balance, end of year	\$ 11,546,901	\$ 3,604,147	\$ 15,151,048	\$ 15,151,048	\$ 15,553,508

This joint loss pool is responsible for paying the first \$1,000,000 (2016 - \$1,000,000) per claim for certain types of claims, up to a maximum of \$6,100,000 (2016 - \$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:

	2017	2016
Bank	\$ 276,213	\$ (243,746)
Great West Life - Loss Pool Fund	17,340,314	18,432,262
	-	-
	\$ 17,616,527	\$ 18,188,516

Negative bank balance in the 2016 year end 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.

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

Financial Statement

TRADING COMPANY

MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

Notes to Financial Statements

Year Ended August 31, 2017

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, 2017, MTCML contributed \$371,211 (2016 - \$178,789) to the Association's reserves and paid \$830,000 (2016 - \$780,000) in management fees to the Association. These amounts were determined by the board.

Amounts owing to the Association have arisen from the transactions described above. These amounts have no terms of repayment and are not interest bearing. The outstanding amount is expected to be paid within the next twelve months, as such they have been classified as current.

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