



2004 ANNUAL REPORT

SEPTEMBER 1, 2003 TO AUGUST 31, 2004



Association of Manitoba Municipalities

AMM MEMBERS

Urban Centres

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

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

Rural Municipalities

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

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

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

*T*ABLE OF CONTENTS

President's Message	4
Executive Director's Message	5
AMM Board of Directors	6
AMM Executive and Staff	8
AMM External Committees	9
Policy & Lobbying	10
Cabinet Meeting 2004	11
Federal Brief	16
Legislation Overview	17
Lobbying Highlights	18
Member Services	20
Communications	21
MTCM	22
Events	24
AMM By-laws	25
Financial Statement	29

*P*RESIDENT'S MESSAGE



On behalf of the Board of Directors of the Association of Manitoba Municipalities (AMM), I am pleased to present our 2003/2004 Annual Report. This report represents our sixth year as an organization and reflects many of the activities over the past year.

This report holds special significance for me as it represents my final year as President of the AMM, a post I have held for the past three years. It is gratifying to see some of the accomplishments we've made over the past year, even more so to see commitments made several years ago come to fruition.

Provincially, some of the major pieces of legislation the AMM spent the year dealing with included The Planning Amendment Act, The Local Authorities Election Act, and The Gas Tax Accountability Act. The AMM was pleased to see single-tier assistance come into effect on June 1, 2004, after four years of negotiations. Our annual meeting with the Premier and the Provincial Cabinet allowed us to discuss a great number of other issues, as detailed on pages 11-15 of this report.

Federally, the AMM lobbied very hard, over the past year, for a New Deal for municipalities. I am very pleased with the direction the Federation of Canadian Municipalities is taking with regard to infrastructure needs and the federal fuel tax. I believe municipalities can expect a new infrastructure program early in the next year. The move to rebating 100% of the GST to municipalities is another positive step.

The AMM also played a major role in the BSE situation. A meeting between the Prairie Association of Rural Municipalities (PARM) and a number of government officials in Ottawa, including the Federal Finance Minister, last March was very successful. This meeting served to open the lines of communication and also helped, I believe, to influence the Federal government's level of financial assistance provided to deal with the BSE crisis.

I am extremely proud of our working relationship with the other two levels of government. These relationships have been built on trust, and our reputation for approaching issues directly and candidly has resulted in a mutual respect between the AMM and the other levels of government.

In addition to our lobbying activities, the AMM's membership services continued to grow over the past year. The Municipalities Trading Company of Manitoba Ltd. (MTCML) again provided a rebate to our members, bringing the total that municipalities have received out of the Trading Company to \$900,000 over the past three years. We also greatly increased our professional development programs for our membership, both in quantity and quality. The AMM recognizes the changing and challenging roles of municipal councils, and has invested in programs to support these roles. Other commitments made at the beginning of my term included enhanced communications with our membership and increased media presence. Both have been achieved. We also added a database of active resolutions that is second to none.

Finally, the success of our Association could not have been accomplished without the excellent work of our Board of Directors and staff. Their commitment and dedication to the work of the AMM is commendable. In the coming year, they will continue to work on many of the priority issues affecting municipalities, including education taxes on property, affordable housing programs, the extended scope of the retail sales tax, and others. There is no doubt in my mind that the outstanding relationship between the AMM and our members will continue to grow and prosper, as will the communities we serve.

On a personal note, I want to thank you all for your continued support and confidence in my abilities over the past three years. I am proud of what the AMM has accomplished during my tenure, and I am confident that the Association will continue to be a driving force for strong and effective municipal government in Manitoba.

Sincerely,

A handwritten signature in cursive script that reads "Stuart Briese".

Stuart Briese
President

*E*XECUTIVE DIRECTOR'S MESSAGE



I am pleased to provide the Executive Director's message for the sixth annual report of the Association of Manitoba Municipalities.

At our Strategic Planning session in January 2004, the Board of Directors agreed to a number of strategic directions for the AMM. Some of these directions included:

- Developing a public awareness campaign regarding the role of the AMM and the municipal agenda. Last year the AMM made presentations at service clubs, schools, and public events, and was featured in a special publication of Manitoba Hydro, which was sent to 700,000 households in Manitoba.
- Continuing to press for a federal new deal for municipalities in 2004, leading to additional sources of revenue for municipalities in the federal budget of 2005/06. It appears the federal government will be dedicating a portion of the federal fuel tax in their upcoming budget.
- Promoting the Tools for Change program for municipalities, which provides municipalities with the tools to provide effective, responsive and innovative local government for the 21st Century.

On the financial side, the AMM and MTCML continue to be strong, as shown in the financial statements in this report. For the third consecutive year, the AMM issued a rebate to all municipalities that use the trading company, based on the amount of business the municipality did with the trading company. In addition, this past year the AMM was able to offer an average 2% reduction in our insurance rates after two difficult years. Finally, as a result of excellent risk management by municipalities, we were able to refund \$1 million to municipalities out of our insurance loss pool.

*"On the financial side,
the AMM and MTCML
continue to be
strong..."*

I would like to thank the Board of Directors for their support and guidance throughout the year. I would like to especially thank President Stuart Briese, who will not be seeking another term as President. President Briese was a dedicated and excellent President who served many years with both the UMM and AMM. His contribution to the municipal cause over the years will not be forgotten and I am sure we will all miss him.

Secondly, I would like to thank our staff for their dedication and professionalism in serving the AMM and our membership. Without their contribution, many of the excellent initiatives outlined in this report would not have been possible.

Thirdly, I would like to thank and acknowledge the excellent contribution of the Manitoba Municipal Administrators Association to the success of the AMM. The advice and input from the Chief Administrative Officers is critical to the AMM and they should all be commended for doing an excellent job in their municipality.

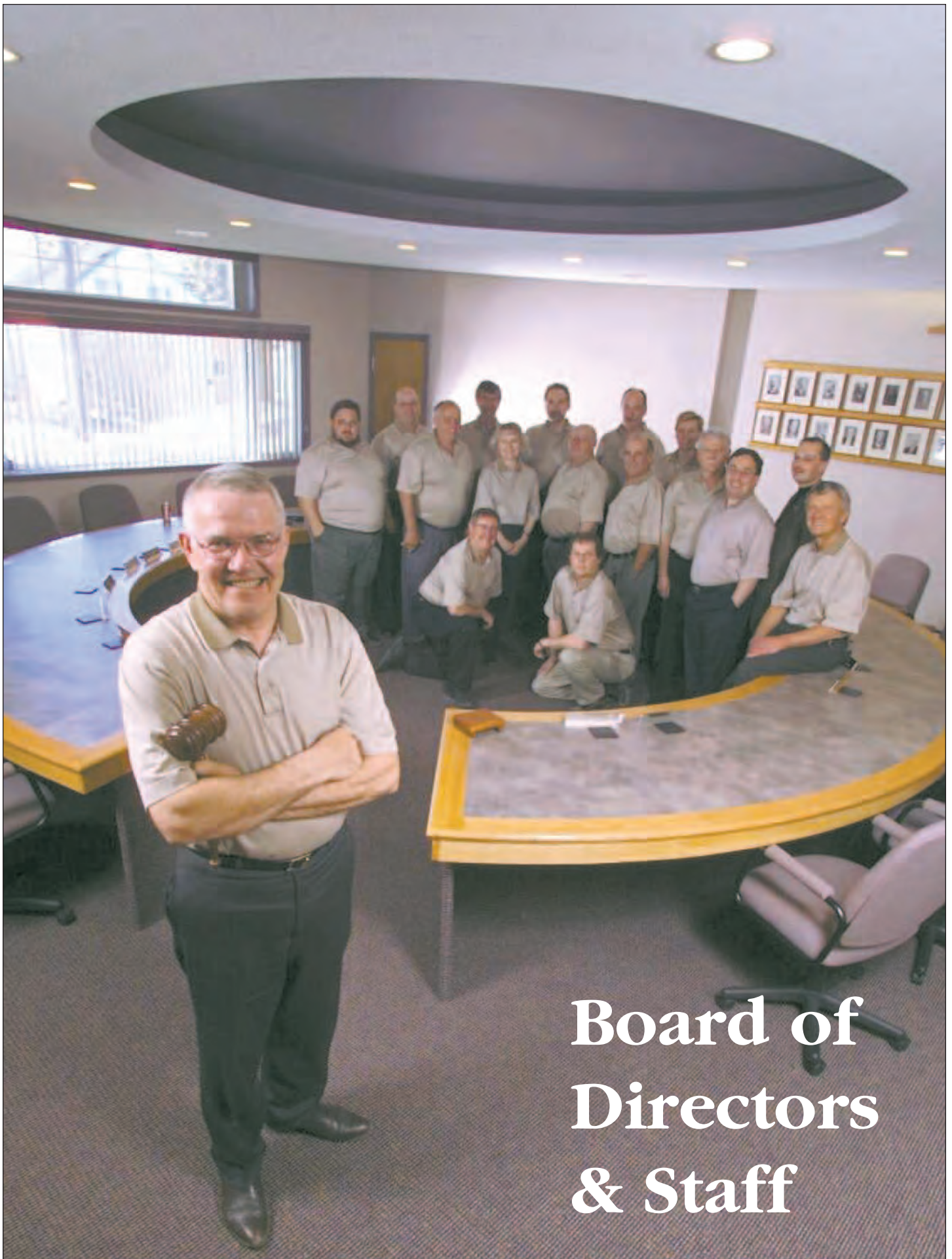
Finally, I sincerely wish to thank our membership for their advice, support and encouragement. They are a fine group of dedicated municipal officials, who despite the difficult economic times faced by their communities, and in some cases, by them personally, continue to serve their communities with distinction.

We hope you enjoy this annual report and it serves as a valuable reference for you and your Council.

Sincerely,

A handwritten signature in cursive script that reads "Joe Masi".

Joe Masi
Executive Director



**Board of
Directors
& Staff**

AMM BOARD OF DIRECTORS

*Left:
AMM
President
Stuart
Briese and
the
AMM
Board
of
Directors*



Community Services Committee

Left to right:

Councillor Rick Martel,
Town of Altona

Councillor Art Rempel,
City of Steinbach

Mayor Lorne Boguski,
Town of Roblin

Councillor Steven Lupky,
Town of Arborg

Mayor Stan Ward,
Town of Virden

Councillor Jae Eadie,
City of Winnipeg

Mayor Shirley Kalyniuk,
Town of Rosburn



Property Services Committee

Left to right:

Reeve George Harbottle,
RM of Alexander

Reeve Karen Caldwell,
RM of Pipestone

Reeve Roger Wilson,
RM of Birtle

Reeve Albert Nabe,
RM of Shell River

Councillor Doug Dobrowolski,
RM of MacDonald

Reeve Harold Foster,
RM of Bifrost

Councillor Bert Lagimodiere,
Town of The Pas

AMM EXECUTIVE & STAFF



AMM Executive

Back Row, L to R:

Mayor Ron Bell,
Urban Vice-President

Reeve Garry Wasylowski,
Rural Vice-President

Councillor Stuart Briesse,
President

Front Row:

Joe Masi,
Executive Director



AMM Staff

Lynne Bereza,
Communications Coordinator

Julia Green,
Administrative Assistant

Donna Belbin,
Events Coordinator

Patti DeBaets,
Finance Coordinator

Tyler MacAfee,
Director of Policy & Communications

Linda Hargest, Director of
Marketing & Administration

Kim Spiers, Property
Services Policy Analyst

Rachel Philippe, Community
Services Policy Analyst

Joe Masi, Executive Director

AMM EXTERNAL COMMITTEES

President Stuart Briese

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

Vice-President Ron Bell

- Provincial/Local Consultative Committee on Infrastructure
- Policing Committee
- Prairie Grain Roads Program Management Committee

Vice-President Garry Wasylowski

- Provincial/Local Consultative Committee on Infrastructure
- Provincial Water Strategy Steering Committee
- Lake Winnipeg Stewardship Board

Reeve Roger Wilson

- Burial Sites for Disposal of Livestock Working Committee
- Inter Utility Committee
- MTS Buried Cable Committee
- 2020 – Manitoba's Transport Vision Steering Committee

Reeve Albert Nabe

- Conservation District Commission
- Manitoba Airport Operators Committee
- Provincial Water Strategy Advisory Committee
- 2020 – Manitoba's Transport Vision Advisory Committee
- Operation Lifesaver Committee
- Hudson Bay Route Association
- Manitoba Habitat Heritage Board

Councillor Doug Dobrowolski

- Manitoba Disaster Appeals Board
- Drainage Guidelines Committee
- Livestock Facilitated Community Consultation Program
- Office of the Fire Commissioner Advisory Committee
- Manitoba Emergency Services College Advisory Committee
- By-law Enforcement Working Group
- Aggregate Road Hauling Review Committee
- Rivers West Committee

Councillor Steven Lupyk

- Review of The Planning Act
- Manitoba Planning Excellence Awards Judging Panel
- Manitoba Product Stewardship Board
- Household Hazardous Waste Working Group

Mayor Lorne Boguski

- West Nile Virus Working Group
- Housing Now! Committee
- Manitoba Disaster Appeal Board
- Councillor Art Rempel
- Vision 2020 Advisory Committee
- Export Market Development Program
- Local Authorities Election Act Review

Reeve Karen Caldwell

- "Tools for Change" Committee
- Bio-diesel Advisory Council

Reeve George Harbottle

- Municipal Employees Benefits Program Board of Trustees
- Conservation Agreements Board
- 2020 – Manitoba's Transport Vision Advisory Committee
- Manitoba Public Insurance Vehicle Fire Advisory Committee

Councillor Rick Martel

- Minister's Working Group on Education Funding
- "Tools for Change" Committee
- Certification of Water & Wastewater Plant Operators Review Committee
- 2020 – Manitoba's Transport Vision Advisory Committee

Councillor Bert Lagimodiere

- Building Standards Board
- RCMP Human Resources Advisory Committee
- 2020 – Manitoba's Transport Vision Advisory Committee
- MTS Buried Cable Committee
- Household Hazardous Waste Working Group
- Manitoba Airport Operators Committee

Mayor Stan Ward

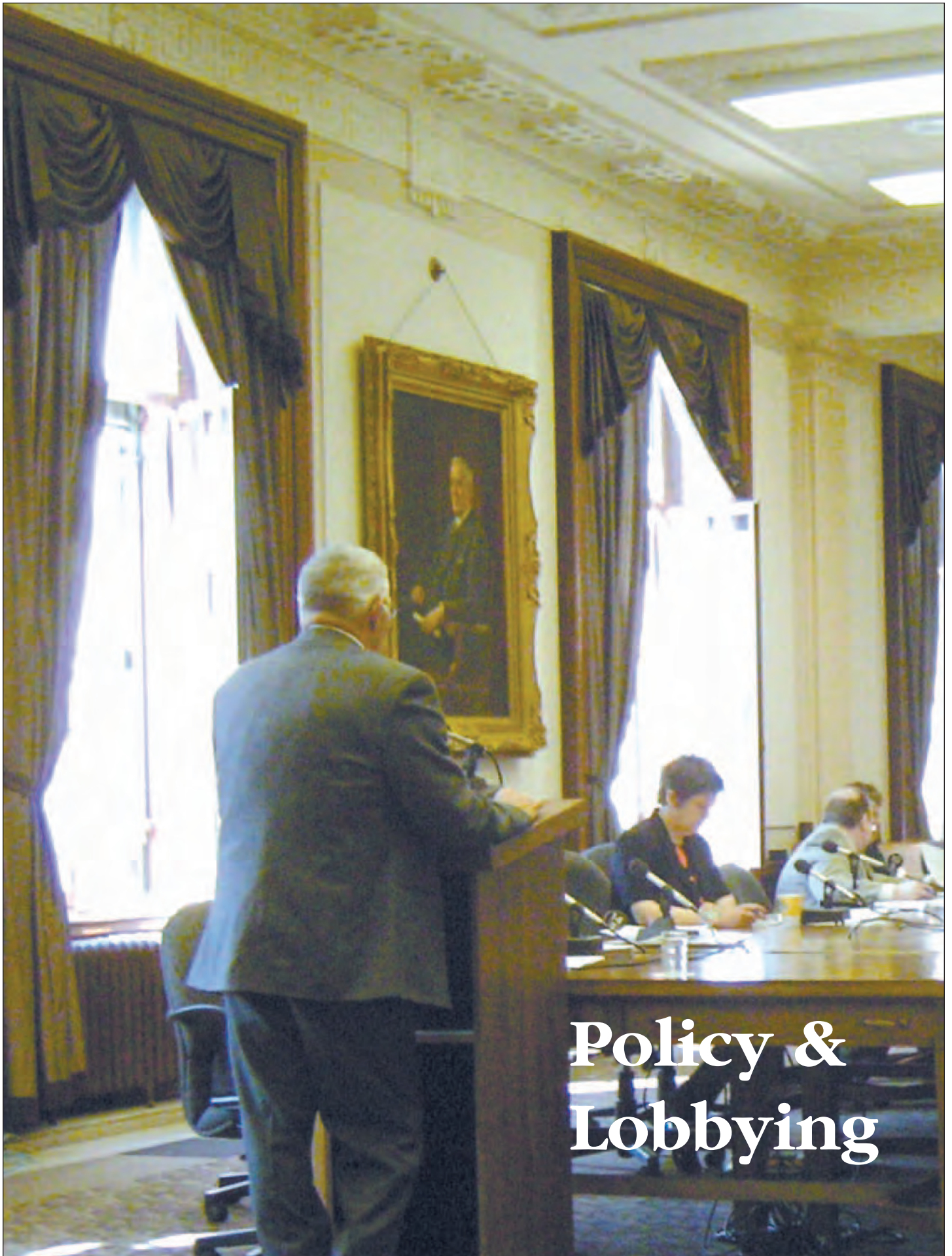
- "Tools for Change" Committee
- Building officials Training Certificate Program
- 2020—Manitoba's Transport Vision Advisory Committee
- Manitoba Public Insurance Vehicle Fire Advisory Committee
- Manitoba Product Stewardship Board

Reeve Harold Foster

- 2020 – Manitoba's Transport Vision Advisory Committee
- Manitoba Technical Erosion Committee

Mayor Shirley Kalyniuk

- Office of Rural & Northern Health Advisory Committee
- 2020 – Manitoba's Transport Vision Steering Committee



Policy & Lobbying

CABINET MEETING 2004

One of the most significant policy meetings for the AMM is the annual meeting with the Premier of Manitoba and the Provincial Cabinet, as it provides the AMM an opportunity to discuss our highest priority issues. The AMM also presents the same submission to the official opposition caucus. This year's meeting was held June 3, 2004 at the Manitoba Legislature. The major issues discussed were:

Left:

President **BSE and Disposal of Deadstock**

Briese address the Standing Committee on Legislative Affairs. The AMM thanked the Province for the variety of programs that were implemented to assist agricultural producers in dealing with the economic impacts of the border closure due to BSE. The BSE crisis continues to have a profound impact on Manitoba's communities and has highlighted the need for an effective long-term marketing strategy for the beef industry.

AMM noted that even after the US border reopens to live Canadian cattle, the market will not immediately recover. As well, the increased volume of livestock in Manitoba requires new options for disposal. Regional meetings hosted across Manitoba by the AMM and the Provincial Government resulted in the successful Spring Clean-Up program, but there is a growing need to address the medium- to long-term implications of Manitoba's expanding cattle herd. The AMM expressed appreciation for the Provincial Government's leadership efforts with the Deadstock, Offal and Butcher Waste Stakeholder Group and encouraged the Province to explore other long-term options.

Rural Economic Development Initiative (REDI) Grants

The AMM feels the Rural Economic Development Initiative (REDI) is extremely important to Manitoba communities, as it allows Manitobans to reach their economic potential by building on traditional strengths and focusing on new opportunities, creating long-term benefits. The AMM expressed disappointment with the 2004 Provincial Budget, which reduced the amount of money going to REDI grants by \$1.25 million. The AMM strongly encouraged the Provincial Government to increase funding for REDI grants in any upcoming budget.

Household Hazardous Waste Program

The inappropriate disposal of hazardous waste has been an ongoing issue for municipalities and is consistently raised as a concern by the AMM membership. The Province is currently spending \$600,000 per year on a limited collection program



President Briese addresses Premier Gary Doer and members of the Provincial Cabinet.

that addresses only the select needs of few communities. The AMM feels the Provincial Government must move forward with a permanent program in order to minimize the impact of hazardous wastes on the health and environment of all Manitoba communities.

New Water Legislation

The AMM was pleased with the creation of the new Department of Water Stewardship in November of 2003. Municipalities do, however, have some concerns about the lack of detail in Bill 22: The Water Protection Act. While the bill clearly grants additional powers to the Minister, it lacks details on the where the financial burden will lie. It is also unclear if assistance will be provided to municipalities to meet the obligations laid out in the legislation, including the development of detailed water management plans.

Drainage

Drainage is one of the most important water-related issues in this province, and is an issue municipalities consistently raise with the AMM. The wet conditions incurred by Manitobans in the last decade have exposed the inadequacies of the current system. The AMM was pleased to see additional funding for drainage in the 2003 Provincial Budget; however the 2004 Budget failed to build on this commitment. Greater funding is required to allow municipalities to proceed with the drainage construction, repair and maintenance projects so desperately needed.

Funding for Conservation Districts

Conservation Districts have become an important component of water conservation in Manitoba and it is essential that the

CABINET MEETING 2004

Province continue to provide funding. As more and more municipalities are working together to create conservation districts, it is essential that the Province increase the budget to ensure that all new and existing districts have the funding needed to perform valuable services.

Increase to Per Capita Operating Grants for Libraries

Municipalities have consistently expressed to the AMM the importance of libraries, and many have increased their per capita levies by as much as 67 per cent over ten years to keep up with the increased public demand for services. Costs of purchasing new materials pose a significant financial burden to municipalities. The AMM expressed appreciation for increases to per capita operating grants for libraries, but noted the level of provincial support to libraries remains inadequate.

Funding for the Community Places Program

The Community Places Program is one of the few programs to assist with the renovation, replacement or construction of recreational facilities in Manitoba. However, in the 2003/04 application intake period, only about 50 per cent of applications were approved for funding, and funding for the program was decreased by \$400,000 in the 2004 Budget. The AMM strongly believes that there should be enough funds to assist all Manitoba municipalities wanting to upgrade their recreational and community infrastructure, and encouraged the Province to increase funding to the Community Places Program.

Efficiency Manitoba

In December of 2003, the Provincial Government announced the creation of a one-stop agency to promote conservation of energy and resources in Manitoba. The AMM supports this initiative but stressed that the many well-functioning programs that currently exist should not be adversely affected if incorporated under the wider umbrella of Efficiency Manitoba. The AMM also urged the Province to include municipal representation on the Efficiency Manitoba Board.

Housing in Rural Manitoba

Previously, under the Affordable Housing Initiative (AHI), some housing programs were restricted to Manitoba's urban centres. The AMM was concerned that this policy has prevented much-needed AHI funding from reaching rural and non-designated urban areas, many of which are experiencing affordable housing challenges. The AMM has since met with the Minister of Family Services and Housing who indicated that

Education Funding and **P**roperty Taxes

The proportion of education funding coming from property taxes remains the primary concern of AMM members. The AMM raised this issue with each Minister we met with this year, as well as various stakeholder.

The AMM believes that a new formula must be developed that would decrease property tax support for education while not diminishing the quality of education that Manitoba youth receive.

The AMM continues to urge the Province to adopt a logical, workable, sustainable plan for addressing this issue.

rural projects will now receive funding under the AHI. In addition, a fund now exists to provide financial assistance to potential applicants in completing the funding proposals.

Extended Scope of Retail Sales Tax

In the 2004 Provincial Budget speech, the Minister of Finance announced that retail sales tax would be extended to include legal, accounting, architectural, engineering, security and private investigation services. The AMM was disappointed to learn that sales tax would apply to Manitoba's municipal governments and expressed strong opposition to this extension.

Survey Monument Program

Since this program was first established in 1998, demand for the fund has increased substantially, and has now exceeded the fund maximum. The AMM believes the survey outline monument restoration program is a worthwhile initiative and noted that almost all Manitoba municipalities have benefited from the fund since 1998. Therefore, the AMM urged the Province to consider increasing the fund maximum of \$150,000 to reflect the increased demand.

CABINET MEETING 2004

Physician Training, Recruitment and Retention

The availability of family physicians in Manitoba communities is a long-standing concern for AMM members. At the 2003 AMM Convention, members passed a resolution concerning physician training in Manitoba that argues the non-availability of physicians in many rural areas has reached crisis proportions.

The issue of physician shortages relates to the limited space available at Manitoba Universities for physician training. The AMM acknowledged the efforts of the Provincial Government to increase space for Manitoba students, but also argued that space should be ensured specifically for rural students, as rural students are more likely to return to work in rural areas. The AMM also believes it is very important to recruit students that have an interest in practicing family medicine, so there would be a greater supply of physicians available to practice in communities throughout the Province. The AMM also encouraged the Province to reconsider the requirement for physicians trained out of country to write competency tests, so that Manitoba is competitive with Saskatchewan and the United States, where these tests are not required. The AMM acknowledged the efforts the Province has made to recognize the importance of locally-trained physicians, but stressed there

is still much to be done to increase the supply of family physicians practicing in Manitoba communities.

West Nile virus (WNV) Program

The primary concern of Manitoba municipalities in relation to WNV is the matter of financial compensation to offset the costs associated with taking measures to deal with health-related emergencies. Currently, the Province requires municipalities to bear 25 per cent of the cost of insect control measures, even though WNV is clearly a provincial health issue. AMM members believe that the associated costs should be borne by the Province. The AMM also strongly suggested that the Province consult and communicate with municipalities when the risk of WNV is increasing, by warning municipalities *in advance* of the occurrence and number of infected birds at the start of the mosquito season, and of any public health orders to fog communities.

The Planning Amendment Act

The AMM reviewed the proposed amendments to The Planning Act and effectively communicated the priorities of Manitoba's municipal governments during the development of this legislation. The AMM also communicated a number of

The Planning Amendment Act

In July 2002, the Provincial Government outlined its comprehensive plan for livestock planning in Manitoba. The AMM was invited, along with other key stakeholders, to provide detailed feedback to help develop legislation that would be appropriate for all affected groups, and this discussion continued over a two-year period. The AMM believes this process was very productive and provided an avenue for municipal interests to be expressed to the Provincial Government.

Bill 40, The Planning Amendment Act, ensures that land use decision-making will remain at the local level while placing the monitoring and enforcement of environmental issues with the Provincial Government. These proposed changes pertain directly to several AMM resolutions dealing with the intensive livestock issue, and the AMM believes municipalities will now be able to build their livestock operations policy into their development plan – providing clarity and consistency for the municipality and its citizens.

CABINET MEETING 2004

important municipal concerns with the proposed legislation. At the Cabinet Meeting, the AMM urged the Province to provide financial and technical assistance to municipalities for development plans and mapping, as this will go a long way to securing municipal support for the process. The AMM also encouraged the Province to devote the necessary resources and staff to enforce and monitor the environmental issues surrounding livestock operations, in order to support fully the legislation.

Funding for Infrastructure

Infrastructure was re-affirmed as one of the top priorities for the AMM at the 2004 Strategic Planning Session. The AMM welcomed the ongoing commitment by both the Provincial and Federal Governments to fund the Canada-Manitoba Infrastructure Program, and was pleased to see the announcement of the Municipal Rural Infrastructure Fund (MRIF). However, a tremendous gap still exists between infrastructure needs and funding available. The AMM urged the Province to continue to match funding for infrastructure in Manitoba, and further urged them to press the Federal Government to both extend the length of the National Infrastructure Program and to devote greater funds to infrastructure initiatives in Manitoba.

Policing

The escalating cost of police service continues to be a primary concern for many municipalities. Many AMM members are concerned that further cost increases will compromise their ability to provide effective police service to their communities. Manitoba municipalities believe that there must be measures



President Brieze speaks at a Canada-Manitoba Infrastructure Program announcement.

implemented to offset the rapid increase in municipal police costs. The Federation of Canadian Municipalities (FCM) is currently examining many of the same issues at the national level, therefore the AMM believes that now is an appropriate time to evaluate police service and cost in Manitoba. We encouraged strong cooperation and collaboration between Federal, Provincial and Municipal Governments, as all have a stake in addressing policing challenges in Manitoba.

By-law Enforcement

In Manitoba, the current by-law enforcement system uses criminal courts, even though by-laws do not deal with criminal matters. Many AMM members argue that the present system is therefore needlessly expensive, time-consuming and difficult to enforce, and adds work to an already over-burdened Court system. The AMM believes that a better system of municipal by-law enforcement is possible, and encouraged the Province to continue to work with municipalities in order to develop a more administrative, effective and appropriate system for municipal by-law enforcement.

Provincial Water Bomber Policy

It had become standard practice for the Province to incur the costs associated with the use of water bombers. However, some municipalities receive bills for water bomber service from the Province, and the AMM believes that the decision to pass this expense on to municipalities is problematic. AMM's concern is not that the Province will not respond with water bombers when called upon, but that the decision to make such a call has now been complicated by financial considerations, creating a potentially dangerous situation. If the water bombers are being used in major fires that impact the province, the AMM argues that all Manitobans should contribute, not solely the jurisdiction where the fire occurred.

A New Deal for Municipalities

The AMM raised this issue with each Minister we met with this year, as well as various stakeholders. The AMM believes there are important ramifications for *all* Municipal Governments.

The AMM looks forward to working with the Province to make a new revenue deal for municipalities a reality for local governments across Manitoba.

CABINET MEETING 2004

Highways Capital Budget

The AMM expressed appreciation to the Province for increasing the Highways Capital Budget to \$130 million for 2004 and 2005. However, a deficit still exists in comparison to the actual amount required to address the deterioration of Manitoba's highways. Based on Provincial estimates, the amount needed to upgrade and standardize Manitoba's highways amounts to \$3.4 billion over the next ten years. More importantly, the current level of funding is insufficient to prevent further degradation of the highway system. A lack of highway maintenance has resulted in poor conditions that pose a safety risk to residents. To ensure safe and efficient transportation, the AMM urged the Province to increase the Highways Capital Budget.

Disaster Financial Assistance

Many of the disasters in Manitoba fall below the necessary financial threshold for federal assistance, and it is crucial that the Province provide adequate disaster assistance to municipalities in this situation. The AMM encouraged the Province to increase its rate of compensation to municipalities for expenses incurred in response to and recovery from disasters within its boundaries.

The AMM also raised the current agreement where municipal equipment used in an emergency is compensated at only sixteen per cent of the cost, and municipal labour is compensated only for overtime, while contracted labour and equipment costs are fully covered at 100 percent. The agreement essentially penalizes municipalities for doing their own work and saving money for the Province. The AMM requested the current rate of compensation for the use of municipal equipment and labour be increased to 65 per cent, to better reflect the true costs incurred by municipalities who use their own equipment and labour.

Community Hostings

Community hostings take place when weather conditions close highways and strand travelers. Many small communities do not have the resources to accommodate high numbers of stranded individuals, so members of the community willingly open their homes in times of need. The AMM actively participated in the development of the policy to reimburse municipalities who are put in the position of having to activate their emergency management plan in order to look after stranded individuals. For emergency management plans to be effective,



**The AMM lobbies on issues
voted on by our members.**

it is critical that municipalities have assurance that the Province is a partner and will provide compensation for the costs incurred.

Other Issues

Other issues raised at the 2004 Cabinet Meeting included:

- Legal Costs for Treaty Land Entitlement Agreements
- Taxation on Permanent Park Residents
- Contaminated Sites
- One-Tier Social Assistance
- Community Youth Justice Initiative
- Workers Compensation Benefits for Part-time Firefighters
- Vision 20/20

The relationship that has developed between municipalities and the Government of Manitoba is the envy of many municipal associations and has quickly become a model for the rest of Canada. This meeting is one of the key elements that has resulted in this support. Municipalities are facing many challenges and the AMM appreciates the opportunity to meet with the Premier and Cabinet to discuss some of these priority issues.

The AMM had the opportunity in the fall of 2004 to raise Manitoba municipal concerns with the Manitoba Federal Liberal Party Caucus. The AMM focused its federal lobbying on two primary concerns: BSE and the Community Crisis, and a New Deal for Cities and Communities.

BSE and the Community Crisis

The AMM stressed that working to open the border must remain a priority. The AMM feels that three key elements must be implemented collectively to be effective.

The AMM feels that Canadian cattle producers need an immediate federal *cash advance* of \$250 per calf on the unsold 2004 calf crop. This advance would be interest free and would be repayable at the time the cattle were sold. If the border remains closed then the advance would be repayable over 5 years at a rate of \$50/year/calf.

The AMM noted that the cash advance needs to be coupled with an *increase in Canadian based slaughter capacity*, and recommended that the federal government funnel some of their venture capital funding into encouraging the establishment of additional value-added slaughter facilities in both western and eastern Canada.

On July 1 Statistics Canada released its livestock inventory numbers indicating that there are approximately 1 million more cattle in Canada than there were in July 2003, a 10% increase in Manitoba, the highest among the western provinces, which highlights the need for slaughter facilities in this province.

Finally, the AMM stressed that it is critical that the first two elements be coupled with a strategy to increase our access to domestic and international markets. This will result in a decreased dependence on the U.S. market, and the Canadian cattle industry would be less likely to be impacted as severely in the future as it was in 2003/2004 if the border were to close again.

A New Deal for Cities and Communities

The AMM stressed that Municipal governments are struggling. Their resources have not kept pace with their growing responsibilities, as other orders of government cut transfer payments and offload services.

Out of every tax dollar collected in Canada, only seven cents goes to

municipal governments. And, transfers to municipal governments from federal, provincial and territorial governments, as a percentage of municipal revenues, have been cut by 37 per cent over the last 10 years. At the same time, from 1999 to 2003, provincial/territorial revenues increased by 13 per cent, federal revenues by 12 per cent, and municipal revenues by only eight per cent.

There is a national consensus on the need to put Canadian cities and communities on a more sustainable footing, through the implementation of two core elements. First, the Government of Canada must realize that

municipal governments are essential partners in implementing the national agenda. The AMM urged the Government of Canada to develop *intergovernmental strategies* to build trust, partnership, cooperation and coordination on the fiscal front, including formalized pre-budget consultations with the municipal sector.

Secondly, a *revenue-sharing* agreement is needed to provide a new, net revenue source that is stable and predictable enough to address the large and growing infrastructure deficit faced by municipal governments. The AMM urged the Government of Canada to conclude an agreement with the provinces and territories to provide municipal governments, by the end of 2004, with a total of \$2.5 billion in fuel-tax revenue per year—equivalent to five cents per litre of the federal gasoline tax and two cents per litre of the federal diesel-fuel tax—to support investments in municipal infrastructure, primarily transportation and transit beginning in 2005. Other investments could include water and wastewater.

The AMM also urged the Federal Government to implement a fuel-tax escalator tied to GDP to ensure proportional growth with the economy; and undertake to explore sharing other taxes that grow with the economy.

"Out of every tax dollar collected in Canada, only seven cents goes to municipal governments."

LEGISLATION OVERVIEW

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

Bill 14: Gas Tax Accountability Act

Last May, the AMM appeared before the Standing Committee on Legislative Affairs to present the AMM's views on Bill 14: *The Gas Tax Accountability Act*.

Bill 14 requires the Provincial Government to report on the revenue coming from fuel tax in Manitoba, but also to report on how these revenues are spent. The AMM supports this mechanism of accountability for fuel tax revenue and expenditures, as adequate transportation infrastructure is a priority issue for AMM members. The AMM did note that the \$2 billion in requests the Province receives each year for highways far exceeds the \$120 million that is allocated, illustrating the need for greater funding of transportation infrastructure in Manitoba.

The AMM stressed that any new monies coming as part of a new deal for municipalities must be distributed fairly across the province. The AMM also called for a transportation blueprint to ensure that monies spent on transportation infrastructure are used toward the most pressing priorities, and in the most efficient way possible.

The AMM believes that Bill 14: *The Gas Tax Accountability Act* is a good start and will help to address a portion of the municipal infrastructure backlog.

The Local Authorities Election Act

Last year, the Provincial Government reviewed the *Local Authorities Election Act*. The AMM was one of several stakeholders included on the Province's Consultation Committee, and provided much advice and feedback to the review process. The goal of the review was to develop new election processes and procedures that were enabling and flexible but respectful of democratic values. It was also important to ensure that local election laws continued to serve the interests of the public, but were easy to administer and interpret. The AMM had lobbied for a review of the Act for quite some time, and is pleased that a renewed *Local Authorities Election Act* will be ready in time for the 2006 general municipal elections.

Bill 8: The Employment and Income Assistance Amendment Act (One-Tier Assistance for Rural and Northern Manitoba)

Last February, the AMM made a presentation to the Legislative Standing Committee supporting Bill 8: *The Employment & Income Assistance Amendment Act*.

Negotiations began four years ago to create a single tier social assistance delivery system in Manitoba after a resolution was passed at the 1999 AMM Convention. The AMM is pleased that as a result of these negotiations the Province introduced Bill 8 in late November 2003. Based on a seven-year average, the legislation offers a cost-neutral agreement for municipalities and the Province, a major concern for both.

The AMM believes that appropriately trained staff is necessary to ensure a well-functioning system, that the new system will lead to a more consistent approach to social assistance and will enable the Province to respond to the varying needs of social assistance recipients.



President Brieze, the Honourable Christine Melnick, the MMAA's Val Turner, and Tom Nevakshonoff (MLA for Interlake) at the June 1, 2004 launch of the One-Tier Social Assistance Program.

LOBBYING HIGHLIGHTS

As part of our yearly lobbying process, the AMM requests meetings with individual Cabinet ministers to bring forward important municipal issues pertaining to each provincial department. At each meeting, the AMM discusses areas of key concern involving municipalities and that Minister's departmental portfolio.

This year, the AMM raised two additional issues with every Minister. These issues were education funding and property taxes, and a New Deal for municipalities.

The following list outlines some of the concerns that the AMM highlighted during these meetings:

Aboriginal and Northern Affairs

- Legal Costs of Negotiating TLE Agreements
- Turning Back TLE Lands
- Milk Prices in Northern Manitoba
- Via Rail Service in Northern Manitoba

Advanced Education and Training

- Physician Training in Manitoba
- Water and Wastewater Operator Training

Agriculture, Food and Rural Initiatives

- Deadstock, Offal and Butcher Waste Disposal
- BSE
- Planning Amendment Act

Conservation

- Manitoba Product Stewardship Corporation and the New Efficiency Agency
- Household Hazardous Waste Program
- Manitoba Municipal Efficiency Program
- Beaver Control Program
- Livestock Disposal Sites

Culture, Heritage and Tourism

- Increases to Per Capita Operating Grants for Libraries
- Joining Established Regional Libraries
- Increased Funding for the Community Places Program
- New Travel Manitoba Agency

Education Citizenship and Youth

- Education Funding
- Changes to the Public School Act

Energy, Science and Technology

- Ethanol Program
- Bio-diesel Advisory Council
- Cellular Service Expansion
- Efficiency Manitoba
- Manitoba Municipal Efficiency Program

Family Services and Housing

- New Federal Funding for Housing
- Affordable Housing Initiative
- Seniors Housing in Rural Manitoba

"This year, the AMM raised two additional issues with every Minister. These issues were education funding and property taxes, and a New Deal for municipalities."

*L*obbying Highlights

Health

- Physician Recruitment, Retention and Training
- Community Capital Contributions to Health Projects
- Elections to Regional Health Authority Boards
- West Nile virus
- Inter-facility Patient Transfers
- Funding for Regional Palliative Care

Healthy Living and Seniors

- Funding for Seniors Independent Living
- Life-lease Condominiums
- Seniors Housing
- West Nile virus

Industry, Economic Development and Mines

- Mining Issues and Exploration
- Disaster Financial Assistance
- Disaster Assistance for Community Hostings
- Provincial Water Bomber Policy
- EMO Certification of Municipalities

Intergovernmental Affairs and Trade

- Infrastructure
- Manitoba Municipal Efficiency Program
- Neighbourhoods Alive! Program
- Capital Region Report
- Bill 40: The Planning Amendment Act
- BSE and Deadstock Disposal
- Water Bomber Policy and Community Hostings
- Impact on Municipalities of the Expansion of the Retail Sales Tax
- Survey Monument Program
- REDI Grants

Justice

- Municipal By-Law Enforcement
- Policing
- The Youth Justice Act
- Reimbursement for Responding to Motor Vehicle Accidents



The AMM met with Premier Doer to discuss the BSE issue.

Labour and Immigration

- Provincial Water Bomber Policy
- Traffic Control at Accident Scenes
- Workers Compensation Board Benefits for Volunteer

Firefighters

- Equal Workers Compensation for Volunteer Firefighters

Transportation and Government Services

- Highways Capital and Maintenance Budget
- Vision 20/20
- Provincial Gas Tax Legislation and Federal Fuel Tax
- SHIP Update and the Twinning of the Trans-Canada Highway
- Prairie Grain Roads Program

Water Stewardship

- Manitoba Water Strategy
- Drainage
- Lake Winnipeg Nutrient Levels and Municipalities
- Water and Wastewater Operators Regulation
- Drinking Water Safety Act

The position papers developed for each meeting are available on the AMM website at:

www.amm.mb.ca/provministermeeting.htm



Member
Services

Communications was again a high priority for AMM Board and staff this year. The focus was on further developing media relations while continuing to provide effective and timely information to our members. Some of the vehicles used to deliver information to our members include:

*Left:
Delegates
tour the
MTCML
display
area
at AMM
Annual
Convention.*

Bi-Weekly News Bulletin

The AMM's Bi-Weekly News Bulletin is an effective and efficient way to get timely information out to our membership. The front page of the bulletin typically covers policy issues, meetings with Ministers, and other items directly relevant to our lobbying efforts. The back page of the bulletin contains news from the AMM Office, as well as providing a place for members to post job ads and for sale items. The AMM takes advantage of today's technology advances by emailing the bulletin to the vast majority of our members.

AMM Website

Visits to the AMM website increased dramatically during the past year. In fact, an additional 1,000 visitors accessed the site each month. By offering a site that is up to date, fresh, and easy to navigate, our members are assured of always being able to find the information they are looking for. An on-line subscription service for AMM news releases and bulletins continues to be widely used. The AMM's on-line Resolutions Database allows members to view all active resolutions as well as the provincial response. Other member services offered include all current AMM news releases, bulletins, magazines, education sessions, reports and policy papers.

Media

This year, the AMM had over 300 hits in the media on over 40 different issues. Since the AMM covers so many diverse issues, media attention was a constant challenge. Some of the tools used to gain media attention include:

- A media kit delivered to all Manitoba media outlets
- News releases and advisories prior to AMM events

The AMM closely monitors which issues are being covered and where and when the AMM is mentioned. Some of the most widely covered issues last year were: single-tier social assistance, education taxes on property, municipal policing costs, proposed Planning Act amendments, and BSE and the agriculture crisis. The AMM also received extensive coverage of all its events, as well as excellent coverage before and after the provincial and federal budgets.



President Brieze responds to media inquiries.

The Municipal Leader

The Municipal Leader magazine is another source of information for our members. With four issues published yearly, members have the chance to read more about issues and stories related to municipalities. This year's four issues offered special reports on various topics: the winter issue offered an update on Housing Now!, along with a recap of the 2003 Convention; the spring issue contained a comprehensive Infrastructure Report; the summer issue looked at housing for seniors as well as several 'green' ideas for municipalities, and the recent fall issue focused on water issues. The magazine is distributed to over 1,600 AMM stakeholders each quarter, and is also posted on the AMM website.



Overall, the AMM had a very successful year communicating effectively with its members as well as the media. This area will continue to grow as the AMM continues to be a strong voice for Manitoba municipalities.

www.amm.mb.ca
MMM'gww'wp'cs

The Municipalities Trading Company of Manitoba Ltd. (MTCML) is the business arm of the AMM. The Trading Company allows AMM members to purchase products and services at lower prices through the power of bulk buying. This year has been another great success. Sales remain consistent and the stable pool of official suppliers has been changing and growing.

The MTCML provides a major source of revenue for the AMM and allows the AMM membership dues to remain one of the lowest in Canada. Over the past three years, the MTCML has rebated \$900,000 to municipalities based on their MTCML sales.

Over the past three years the MTCML has rebated \$900,000 to municipalities based on their MTCML sale.

Official Suppliers

There are 26 Official Suppliers to the MTCML. These suppliers offer hundreds of products and services that municipalities use. The Trading Company has individual contracts with each of these suppliers that ensure the best possible pricing for the purchasing members. In return, suppliers have direct contact with Manitoba's municipal market and can be a part of regular marketing opportunities through the AMM.

Each of our suppliers has shown long term commitment to the MTCML, creating a stable purchasing environment for the members of the AMM.



MTCML Official Suppliers take part in AMM trade shows.

Corporate Members

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

AMM Official Suppliers

- Acklands Grainger Inc.
- Airmaster Sales
- All Things Energy
- Armtec
- Bridgestone Canada Inc.
- CD Awards
- Darwen Road Technologies Ltd.
- Denray Tire
- Dust Free Road Maintenance
- EPB Environmental Services Ltd.
- Fort Distributors Ltd.
- Goodyear Canada Inc. a
- Guardian Traffic Services Manitoba Ltd.
- Grand & Toy
- Hayhurst Elias Dudek Inc.
- Kal Tire
- Manitoba Telecom Services
- Michelin
- Norquay Printers Ltd.
- Shippam & Associates Inc.
- Souris Rock Shop
- Strongco Equipment
- SVB Inc.
- Swat Team Pest Services Inc.
- Viceroy Distributors
- Westman Steel Industries

AMM Corporate Members

- Borland Construction
- Hayhurst Elias Dudek Inc.
- Innovative Municipal Products Inc.
- Manitoba Heavy Construction Association
- Manitoba Hydro
- Manitoba Pork Council
- Pommen Group
- Robert Watson, Attorney-at-Law
- Strongco Equipment

Major Programs

In addition to the MTCML's many suppliers, there are also two major buying programs offered by the Trading Company. These programs are owned by the AMM membership, managed by the AMM and each administered by a company that has expertise in the program area.

Petroleum Products Buying Group (PPBG)

AMM has entered into contracts with both Imperial Oil and Petro Canada, on behalf of all of our participating Members, for the supply of gasoline, diesel and lubricants. Our objective of starting this program in 1997 was to combat one-sided pricing advantages enjoyed by petroleum suppliers and to assist our Members to purchase fuel at a lower cost while still supporting the local fuel dealers. At present, there are 77 AMM Members who currently purchase over 6,000,000 litres of fuel each year and about 130 other municipalities in Saskatchewan and Alberta who purchase an additional 18,000,000 litres of fuel each year.

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

Presently, 77 AMM members purchase over 6,000,000 litres of fuel each year.

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

Petro Canada and Imperial Oil are the two current suppliers to the AMM Petroleum Products Buying Group.

Free Cost Analysis

One of the services the AMM offers its members is a Free Cost Analysis. First, the member forwards a copy of fuel invoices for a one year period to the AMM.

The AMM then compares the prices that the municipality actually paid for fuel over that time to the prices that would have been paid had the municipality been a member of our fuel supply program. The AMM provides the member with a detailed report on the per litre savings it would have realized, for each fuel type, and the **total savings** the municipality would have realized of the year.

This information enables Council to make informed decisions as to their best supplier of fuel and lubrication.

Insurance

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

A major part of the program is the \$3,500,000 annual self-insurance loss pool that keeps premiums much lower than if individual municipalities purchased their own coverage. Insurance is purchased from various providers for coverage in excess of the \$3,500,000 annual loss pool amount, to provide complete protection. This allows the opportunity for significant refunds in low-claims years. Last year, the AMM was able to offer an average 2% reduction in our insurance rates. As well, as a result of excellent risk management by municipalities, the AMM was able to refund \$1 million to municipalities out of our insurance loss pool.

As a result of excellent risk management by municipalities, the AMM was able to refund \$1 million out of our insurance loss pool.

The AMM offers a wide variety of events for our members. While additional meetings are often scheduled throughout the year, the AMM hosts four main events that take place each year. They are:

Municipal Officials Seminar and Trade Show

Held during the last week of February in Brandon, the two-day Municipal Officials Seminar and Trade Show provides members with an opportunity to participate in education and policy related workshop sessions. Well over 800 municipal officials attended this year's event, held on February 23 and 24, 2004. Some of the session topics included sustainable Infrastructure Policy, Economic Development, Drainage Guidelines, Sustainable Programs, Selecting an Engineer/Contractor for your municipality, and Emergency Preparedness.

In conjunction with the Municipal Officials Seminar, the AMM also hosts its largest trade show event of the year. This is a one-day trade show that is held on the first day of the seminar.

Mayors, Reeves and CAO's Meetings

The annual Mayors, Reeves and CAO's Meetings are a series of meetings held over a two-week period in each of the AMM's seven districts. The main purpose of each of these meetings is to enhance communication between the AMM and its membership. The 2004 meetings took place in Roblin, Pilot Mound, St. Andrews, Pinawa, Minto, Snow Lake, and Benito.



Municipal Officials Seminar 2004.

June District Meetings

June District Meetings are held throughout the province in each of the AMM's districts. These meetings are filled with educational workshops and information on current policy issues. Resolutions passed at June District Meetings will eventually go the Convention where they are voted on by the entire AMM membership. In addition, every second year each district has an opportunity to elect its Director on the AMM Board.

This year's June District Meetings were held between June 14 and June 24 in Altona, Pipestone, Hamiota, Swan River, Thompson, Hadashville, and Winnipeg Beach.

Annual Convention

The annual Convention is the largest event hosted by the AMM. Resolutions are voted on, by-laws and policies are reviewed, and a variety of policy and educational sessions are provided. The convention is held during the last week in November and the location alternates between Winnipeg and Brandon. In conjunction with Convention, the AMM also hosts a display event.

The 2003 AMM Convention was held in Brandon from November 24 - 27. Over 1,000 delegates attended the four day event and voted on 53 resolutions.

AMM Education Program

The AMM offered municipal officials three educational sessions this year. These sessions focused on professional development and leadership dealing with specific issues affecting municipal leaders. The three sessions offered were: *Legal Responsibilities of an Elected Official*, *Strategic Leadership*, and *Priority Setting in Local Government*.



Members vote on resolutions brought forward at the 2004 June District Meetings.

AMM BY-LAWS

WHEREAS the Manitoba Association of Urban Municipalities and the Union of Manitoba Municipalities have amalgamated to form the Association of Manitoba Municipalities Inc. (the "Association"); and

AND WHEREAS it is deemed expedient that certain rules and regulations necessary to the conduct of the government of the Association be now made:

NOW THEREFORE, the Association does hereby enact as follows:

ARTICLE 1—INTERPRETATION

SECTION 1—Definitions

In this By-law the following definitions shall apply:

"Association" means the Association of Manitoba Municipalities.

"Board of Directors" means the board of directors of the Association.

"Chief Administrative Officer" has the meaning prescribed in The Municipal Act (Manitoba).

"Chief Executive Officer" means the President of the Association.

"Director" means the directors and the members of the Executive Committee elected pursuant to Article 4.

"Districts" mean the Districts as described in Section 1 of Article 2.

"Elected Official" shall mean a reeve, mayor, councillor or other individual holding an elected municipal office in a member municipality.

"Executive Committee" means the committee comprised of the President, Vice-President Rural and Vice-President Urban.

"Executive Director" means the person appointed pursuant to Article 5 Section 1.

"Honorary Life Member" means the person(s) appointed pursuant to Article 3 Section 5.

"Life Member" means the person(s) appointed pursuant to Article 3 Section 6.

"Officer" means either of the President, Vice-President Rural or Vice-President Urban.

"President" means the person elected to fill the position of President pursuant to Article 5.

"Regular Member" means a regular member which meets the criteria established pursuant to Article 3 Section 2.

"Rural" means a rural municipality as defined in The Municipal Act (Manitoba).

"Urban" means an urban municipality as defined in The Municipal Act (Manitoba).

"Vice-President Rural" means the person elected to fill the position of Vice-President Rural pursuant to Article 5.

"Vice-President Urban" means the person elected to fill the position of Vice-President Urban pursuant to Article 5.

SECTION 2

Where the context so requires, the singular shall include the plural; the plural shall include the singular; and the masculine shall include the feminine.

ARTICLE 2—DIVISION OF THE PROVINCE INTO DISTRICTS

SECTION 1—Provincial Districts

For the purpose of electing Directors and determining voting privileges at District meetings, the Province of Manitoba shall be divided into eight (8) Districts, in accordance with the attached Schedule "A". All municipal corporations that fall within the boundaries of a District described in the attached Schedule "A" shall be part of that District upon becoming a Regular Member of the Association.

SECTION 2 - LIMITATION ON VOTING

In addition to any other rights granted under this By-Law, representatives from the City of Winnipeg are entitled to attend District meetings of the Interlake District and as part of the Interlake District vote on any matter with the exception of elections for members of the Board of Directors representing that district.

ARTICLE 3—MEMBERSHIP

SECTION 1—Membership

Membership in the Association is divided into the following four (4) categories.

1. Regular Membership;
2. Associate Membership;
3. Corporate Membership; and
4. Honorary Life Membership.

SECTION 2—Regular Membership

Regular membership in the Association shall be open to any incorporated municipality in the Province of Manitoba. Regular Members shall have the right to select delegates to attend the annual convention and vote at the annual District meeting.

SECTION 3—Associate Members

Associate membership in the Association will be open to First Nations, any community, school board, hospital board and other associations. Associate members will be assessed a fee for services but shall not have voting privileges. Associate memberships shall be subject to yearly review by the Board of Directors.

SECTION 4—Corporate Members

Corporate memberships shall be made available to any business or individual deemed by the Executive Committee to be an asset to the Association in terms of the objectives of the Association. Upon payment of current membership dues, such business or individual shall be granted membership. Corporate members do not have voting privileges. Corporate memberships are subject to yearly review by the Board of Directors.

SECTION 5—Honorary Life Members

The Board of Directors may name no more than two (2) persons per year to be Honorary Life Members of the Association in recognition of their outstanding and exemplary service to the Association or to its member associations, and to the community. Honorary Life Members shall be entitled to attend the annual conventions of the Association and shall not be charged registration fees. An Honorary Life Member that is no longer an Elected Official, may participate in all annual conventions but will not be entitled to vote thereat.

AMM BY-LAWS

SECTION 6—Life Members

The Board of Directors may from time to time name persons to be Life Members of the Association in recognition of their outstanding and exemplary service to the community.

Life Members shall be entitled to attend the annual conventions of the Association and shall not be charged registration fees. A Life Member that is no longer an Elected Official, may participate in all annual conventions but will not be entitled to vote thereat.

SECTION 7—Annual Membership Fees

Membership fees shall be set annually by the Board of Directors prior to the commencement of the next Fiscal Year.

SECTION 8—Termination of Membership

Any member which has not paid membership dues in full prior to the date of the annual convention shall automatically cease to be a member of the Association.

Any member may at any time withdraw from membership by submitting to the Association a written notice of withdrawal. Any member which has withdrawn from membership or which has forfeited membership in the Association may be reinstated as a member on making application therefore, and on payment of membership dues for the then current year.

ARTICLE 4— BOARD OF DIRECTORS

SECTION 1— Board of Directors

The Association shall have a Board of Directors which shall be comprised of the members of the Executive Committee, who shall not hold any other Board position, plus fourteen (14) additional Board Members. The Board Members shall be comprised of Elected Officials representing one of eight (8) Districts as follows:

Parklands	2 representatives
Western	2 representatives
Mid-Western	2 representatives
Central	2 representatives
Eastern	2 representatives
Interlake	2 representatives
Northern	1 representative
Winnipeg	1 representative

The representation to the Board of Directors for Parklands, Mid-Western, Western, Central, Eastern and Interlake Districts, shall be comprised of one (1) representative from an urban municipality and one (1) representative from a rural municipality in each of the respective Districts. The representative from the Northern District shall be from any of the member municipalities of that District.

SECTION 2—Ex-Officio Representatives

The Manitoba Municipal Administrators Association may appoint an ex-officio representative to the Board of Directors. This representative will be allowed to participate in discussions, however, will not be allowed to vote on any matter put before the Board of Directors for consideration.

SECTION 3—Directors hold Elected Municipal Office

Only Elected Officials are eligible to be Officers or Directors of the Association. Should a Director cease to hold such a municipal office, such person shall no longer be entitled to

sit as a Director and his or her position on the Board of Directors shall be automatically vacated.

SECTION 4—Election of the Board of Directors

The election of Directors from each District, except the City of Winnipeg, shall take place at the annual District meeting of each District.

SECTION 5—Appointment of the City of Winnipeg District

The Director for the City of Winnipeg shall be appointed by the council of the City of Winnipeg.

SECTION 6—Term of Office

The term of office for all Directors shall be for two years. Each Director shall hold office until the second annual District Meeting following their election to office. Any retiring Director is eligible for re-election if otherwise qualified.

SECTION 7— Vacancies on the Board

Any vacancy occurring on the Board of Directors among the elected Directors shall be filled by a special meeting of the District for which the vacancy has occurred. The Director elected at the special meeting shall serve for the full unexpired term of the vacant directorship for which he or she has been elected.

SECTION 8— Meetings

Meetings of the Board of Directors shall be set by the Executive Committee prior to the start of each Fiscal Year. The Board of Directors shall meet a minimum of eight (8) times each Fiscal Year. The Board of Directors shall also meet at such other times during the year as the President may direct. Notices of any proposed meeting directed by the President must be mailed, by ordinary mail, to each Board of Director not less than fourteen (14) days in advance of the proposed meeting, setting out the time and place of the proposed meeting.

SECTION 9— Quorum

A majority of the total Board of Directors entitled to vote at meetings of the said Board of Directors shall constitute a quorum.

SECTION 10— Participation by Telephone or Other Communication

A Director may participate in a meeting of the Board of Directors by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a Director participating in the meeting by that means is deemed to be present at the meeting. A Director intending to participate in a meeting otherwise than in person shall give the Association as much notice as is reasonably practicable in order to facilitate that Director's participation.

SECTION 11— Special Meetings of the Board of Directors

A special meeting of the Board of Directors may be called upon a request in writing made by two thirds (2/3) of the Directors.

SECTION 12—Chairperson

The President of the Association shall preside as chairperson of the Board of Directors.

SECTION 13— Responsibilities of the Board

The Board shall administer the day to day business and affairs of the Association and shall report to the membership of the Association at the annual convention or any special meeting.

AMM BY-LAWS

ARTICLE 5—EXECUTIVE COMMITTEE

SECTION 1— Executive Officers

The Association shall have an Executive Committee consisting of a President, a Vice-President Rural, and a Vice-President Urban. The President must be an Elected Official from any Regular Member. The Vice-President Rural must be an Elected Official that is a Regular Member from a Rural municipality. The Vice-President Urban must be an Elected Official that is a Regular Member from an Urban municipality.

SECTION 2— Nomination of Executive Officers

Nominations for the positions of President, Vice-President Urban and Vice-President Rural shall be made from the floor at the annual convention of the Association, provided that the nominee is either present or consents in writing to the nomination.

SECTION 3— Election of Executive Officers

The election of the President and Vice-Presidents shall take place at the annual convention by way of a vote of all registered and attending delegates entitled to vote. Those registered and attending delegates entitled to vote shall vote for the office of President and both Vice-Presidents.

SECTION 4—Executive Officers to Hold Elected Office

Only Elected Officials in the Province of Manitoba are eligible to be Executive Officers of the Association. Should an Officer cease to be an Elected Official, he or she shall no longer be entitled to hold his or her office and his or her position on the Executive Committee shall be automatically vacated.

SECTION 5—Term of Office

The term of office for the President and Vice-Presidents shall be for one year. There shall be no limit on the number of years that a President or Vice-President can hold office.

SECTION 6—Filling Vacancies on the Executive Committee

Upon the resignation or vacation of office by the President, the Board of Directors shall appoint one (1) of the two (2) Vice-Presidents as President. If neither of the Vice-Presidents are able or willing to serve as President, the Board of Directors shall select a Director to serve as President.

Upon the resignation or vacation of office by any one of the Vice-Presidents, the Board of Directors shall select a Director to serve as Vice-President. The Vice-President Rural must be replaced by a Director from a Rural Regular Member and the Vice-President Urban must be replaced by a Director from an Urban Regular Member.

SECTION 7—Authority of Executive Committee

Except as otherwise specifically restricted by the Board of Directors, the Executive Committee, by consensus, shall possess and may exercise during intervals between meetings of the Board of Directors, all the power of the Board of Directors in the administration of the business and the affairs of the Association.

SECTION 8—Executive Decisions Subject to Board Approval

Any Executive Committee action shall be subject to the ratification of the Board of Directors at the meeting of Board of Directors next following the said action.

ARTICLE 6— Executive Director

SECTION 1- APPOINTMENT OF EXECUTIVE DIRECTOR

The Board shall from time to time, appoint an Executive Director, who shall be charged with the general management and administration of the Association and shall ensure that the provisions of the by-laws, policies and procedures of the Association are maintained and enforced.

SECTION 2—Terms and Conditions

The Executive Director shall hold office at the pleasure of the Board of Directors on such terms and conditions as the Board may determine.

SECTION 3—The Executive Director

The Executive Director shall have sole administrative and management responsibility of the Association as chief administrative officer within the policy guidelines defined by the Board of Directors and the Executive Committee, and shall report to the Executive Committee and Board of Directors as requested.

ARTICLE 7- DUTIES OF THE EXECUTIVE OFFICERS

SECTION 1—The President

The President shall be the Chief Executive Officer of the Association and shall preside, if present, over all meetings of the Board of Directors and the Executive Committee. The President may appoint chairpersons of all standing committees and ad hoc committees except where otherwise provided in these By-Laws. The President shall be ex officio, a member of all committees of the Association. The President shall have full voting privileges and shall be recognized in determining a quorum. The President shall generally supervise and coordinate the affairs and activities of the Association in accordance with established policies.

SECTION 2—The Vice-Presidents

In the absence or disability or refusal to act of the President, the Board shall choose one of the Vice-Presidents to assume the office of the President. Such Vice-President shall be vested with all the powers and shall perform all the duties of the President. The Vice-Presidents shall also have such other powers and perform such duties (if any) as may from time to time be assigned to them by the Board.

ARTICLE 8—COMMITTEES

SECTION 1— Committees

The Board of Directors from time to time may establish such committees and make such external committee appointments as it may deem appropriate.

ARTICLE 9 -ANNUAL AND DISTRICT CONVENTIONS

SECTION 1— Annual Convention

The Association shall hold an annual convention at a location in Manitoba on such a day in each calendar year and at such time and place as may be determined by the Board of Directors. The annual convention shall be held no later than eighteen (18) months following the date of the last annual convention.

SECTION 2— Representation

Each member in good standing may be represented at any annual convention of the Association by as many delegates as they wish to appoint for that purpose. Each delegate so appointed shall have the right to take part in all discussions but only Elected Officials and Chief Administrative Officers of any member municipality shall be entitled to vote at any election and on any question at the annual convention. Each Elected Official and Chief Administrative Officer shall have the right to exercise one (1) vote.

AMM BY-LAWS

SECTION 3—Quorum

The quorum for any meeting at an annual convention shall be one hundred (100) Regular Members of the Association present at the annual convention.

SECTION 4—Annual District Meetings

Each District shall hold an annual District meeting at a time and place as determined by the Board of Directors. The annual District meeting must take place no later than thirty (30) days prior to the annual convention. The purpose of the annual District meeting shall be to elect the Directors to represent the District for the next term and to conduct such other business as the members of the District see fit.

SECTION 5—Voting at Annual District Meetings

All Elected Officials and the Chief Administrative Officers of any Member of the District shall be entitled to vote at the annual District meeting. The representative(s) City of Winnipeg shall have the additional privilege of voting on any question at a meeting of the Interlake District with the exception of the election of Directors to the Board of Directors.

SECTION 6—Casting Votes

Subject to any provisions to the contrary which may be contained in these By-Laws or in the Articles of Incorporation of the Association or as may be prescribed by law, all questions arising at any annual convention or annual District meeting shall be decided by a majority of the votes cast. In case of an equality of votes the motion shall be declared lost.

The Chair of the meeting shall have a vote but, not a second or casting vote. Every question shall be decided in the first instance by a show of hands but any elected representative of a member council may demand that a poll be taken. Such poll shall be taken in such manner as the Chair shall direct.

ARTICLE 10—CORPORATE SEAL AND SIGNING AUTHORITY

SECTION 1—Corporate Seal

The Association shall have a corporate seal as imprinted hereon, and the said corporate seal shall be held in the custody of the Executive Director.

SECTION 2—Signing Authority

The funds of the Association shall be drawn, accepted, endorsed and signed by such Officers of the Association and in a manner as the Board of Directors may from time to time prescribe.

Contracts, documents, or any instrument in writing requiring the signature of the Association shall be signed by any two of the President, a Vice-President or Executive Director. Such signed documents shall be binding on the Association without further authorization or authority.

ARTICLE 11

SECTION 1—Registered Head Office

The Head Office of the Association shall be at the existing Association of Manitoba Municipalities Building in the City of Portage la Prairie Manitoba or such other place in the Province of Manitoba as the Board of Directors may from time to time decide.

SECTION 2—Fiscal Year

The Fiscal Year of the Association shall be from September 1 to August 31 in each year.

SECTION 3—Appointment of Auditors

Auditors of the Association shall be appointed yearly by the Board of Directors. No Officer or Director of the Association may be appointed or act as auditor.

SECTION 4—Financial Report

The auditor's financial report shall be presented to the members of the Association at the annual convention and a printed copy of the said report shall be forwarded to each member prior to the annual convention.

SECTION 5—Banking

All dues and other revenues of the Association shall be deposited to any chartered bank, trust company or credit union or other investment company as the Executive Committee may from time to time designate. The Executive Director shall furnish reports to the Executive Committee and the Board of Directors at regular intervals of the Association's revenues and expenditures.

SECTION 6—Remuneration

The members of the Executive Committee, the Board of Directors and the committees of the Association shall serve with remuneration as established from time to time by the Board of Directors.

ARTICLE 12- ENACTING, REPEALING AND AMENDING BY-LAWS

SECTION 1—Annual Convention

The By-Laws of the Association may be enacted, repeated or amended by a majority vote at any annual convention of the Association provided that notice of any proposed amendments to the By-Laws must be submitted to the Board of Directors at least sixty (60) days in advance of the opening date of the annual convention and mailed to each member, by ordinary mail, not less than fourteen (14) days in advance of the opening date of the annual convention.

SECTION 2

This By-law shall be subject to review at the first annual convention of the Association.

AMM Mission Statement

The Association of Manitoba Municipalities identifies and addresses the needs and concerns of its members in order to achieve strong and effective municipal government.

*F*INANCIAL STATEMENT



THE EXCHANGE

AUDITORS' REPORT

To the Members of
Association of Manitoba Municipalities

We have audited the balance sheets of the Association of Manitoba Municipalities, General and Trading Account as at August 31, 2004 and the statements of income, General Account and Trading Account, statement of net assets, and combined statement of cash flows for the year then ended. These statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association of Manitoba Municipalities as at August 31, 2004 and the results of its operations and changes in its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

A stylized, handwritten-style signature of 'The Exchange' in black ink.

chartered accountants LLP

Winnipeg, Manitoba
September 20, 2004

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

*F*INANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT BALANCE SHEET AS AT AUGUST 31, 2004

	<u>2004</u>	<u>2003</u>
ASSETS		
CURRENT		
Cash and short-term deposits	\$ 57,896	\$ 35,854
Accounts receivable	273,233	297,013
Receivable from Trading Account	-	70,000
Prepaid expenses	<u>59,930</u>	<u>34,036</u>
	<u>391,059</u>	<u>436,903</u>
SEGREGATED CASH		
Garrison Trust Fund	-	8,149
Legal Fund, note 6	50,000	50,000
Employee benefits reserve, note 7	100,000	90,346
Building reserve, note 8	<u>100,806</u>	<u>50,000</u>
	<u>250,806</u>	<u>198,495</u>
PROPERTY AND EQUIPMENT, notes 2 and 3	<u>439,799</u>	<u>459,846</u>
	<u>\$ 1,081,664</u>	<u>\$ 1,095,244</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 79,706	\$ 80,573
Due to employee benefits reserve	4,915	-
Prepaid revenue	<u>310,581</u>	<u>294,514</u>
	<u>395,202</u>	<u>375,087</u>
GARRISON TRUST FUND	-	8,149
LEGAL FUND, note 6	50,000	50,000
EMPLOYEE BENEFITS RESERVE, note 7	100,000	90,346
BUILDING RESERVE, note 8	<u>100,806</u>	<u>50,000</u>
	<u>250,806</u>	<u>198,495</u>
NET ASSETS		
UNRESTRICTED	(4,143)	61,816
INVESTED IN CAPITAL ASSETS	<u>439,799</u>	<u>459,846</u>
	<u>435,656</u>	<u>521,662</u>
	<u>\$ 1,081,664</u>	<u>\$ 1,095,244</u>

APPROVED ON BEHALF OF THE BOARD:

Stuart Brown Director
Joe Malar Director

*F*INANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT STATEMENT OF INCOME YEAR ENDED AUGUST 31, 2004

	<u>2004</u>	<u>2003</u>
REVENUE		
Membership dues	\$ 294,264	\$ 292,810
Associate membership	1,000	750
Convention	258,765	296,329
Rental revenue	36,000	36,000
Merx revenue	1,600	1,120
Education	42,600	13,800
Newly elected seminar	-	19,300
Miscellaneous	9,486	1,378
Housing conference	-	14,106
Trade show	42,185	44,610
Seminar revenue	68,200	69,100
Interest earned	3,419	3,245
Administration fees, Manitoba Good Roads Association	-	2,500
Corporate membership	4,000	4,500
Pre-conference seminar	8,800	18,990
Magazine	7,119	8,787
Advertising - bulletin	800	1,150
	<u>778,238</u>	<u>828,475</u>
EXPENSES		
Functions, page 12	250,578	320,381
Executive, page 12	346,306	363,552
Other, page 12	308,551	286,524
Staffing, page 13	<u>538,809</u>	<u>489,563</u>
	1,444,244	1,460,020
Administration expense recovered	-	(25,000)
	1,444,244	1,435,020
Administration dividend, Trading Account	<u>(180,000)</u>	<u>(180,000)</u>
	<u>1,264,244</u>	<u>1,255,020</u>
OPERATING LOSS	486,006	426,545
OTHER INCOME		
Dividend, Trading Account	<u>400,000</u>	<u>420,000</u>
NET INCOME (LOSS)	<u>\$ (86,006)</u>	<u>\$ (6,545)</u>

*F*INANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT STATEMENT OF INCOME YEAR ENDED AUGUST 31, 2004

	<u>2004</u>	<u>2003</u>
REVENUE		
Membership dues	\$ 294,264	\$ 292,810
Associate membership	1,000	750
Convention	258,765	296,329
Rental revenue	36,000	36,000
Merx revenue	1,600	1,120
Education	42,600	13,800
Newly elected seminar	-	19,300
Miscellaneous	9,486	1,378
Housing conference	-	14,106
Trade show	42,185	44,610
Seminar revenue	68,200	69,100
Interest earned	3,419	3,245
Administration fees, Manitoba Good Roads Association	-	2,500
Corporate membership	4,000	4,500
Pre-conference seminar	8,800	18,990
Magazine	7,119	8,787
Advertising - bulletin	800	1,150
	<u>778,238</u>	<u>828,475</u>
EXPENSES		
Functions, page 12	250,578	320,381
Executive, page 12	346,306	363,552
Other, page 12	308,551	286,524
Staffing, page 13	538,809	489,563
	<u>1,444,244</u>	<u>1,460,020</u>
Administration expense recovered	-	(25,000)
	<u>1,444,244</u>	<u>1,435,020</u>
Administration dividend, Trading Account	<u>(180,000)</u>	<u>(180,000)</u>
	<u>1,264,244</u>	<u>1,255,020</u>
OPERATING LOSS	486,006	426,545
OTHER INCOME		
Dividend, Trading Account	<u>400,000</u>	<u>420,000</u>
NET INCOME (LOSS)	<u>\$ (86,006)</u>	<u>\$ (6,545)</u>


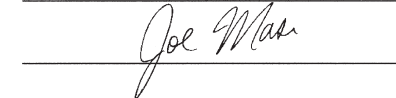
*F*INANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

TRADING ACCOUNT BALANCE SHEET AS AT AUGUST 31, 2004

	<u>2004</u>	<u>2003</u>
ASSETS		
CURRENT		
Cash	\$ 1,525,736	\$ 1,406,137
Accounts receivable	852,443	761,494
Inventory, note 2	<u>29,357</u>	<u>30,901</u>
	2,407,536	2,198,532
SEGREGATED CASH		
Self-insurance loss pool, note 4	<u>6,645,458</u>	<u>5,845,380</u>
	<u>\$ 9,052,994</u>	<u>\$ 8,043,912</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,020,033	\$ 937,616
Payable to General Account	<u>-</u>	<u>70,000</u>
	1,020,033	1,007,616
SELF-INSURANCE LOSS POOL, note 4	6,645,458	5,845,380
NET ASSETS		
UNRESTRICTED	<u>1,387,503</u>	<u>1,190,916</u>
	<u>\$ 9,052,994</u>	<u>\$ 8,043,912</u>

APPROVED ON BEHALF OF THE BOARD:

 Director
 Director

*F*INANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

TRADING ACCOUNT STATEMENT OF INCOME YEAR ENDED AUGUST 31, 2004

	<u>2004</u>	<u>2003</u>
SALES	\$ 6,826,432	\$ 6,590,833
COST OF SALES	<u>6,670,006</u>	<u>6,440,616</u>
GROSS PROFIT (2004 - 2.3%, 2003 - 2.3%)	156,426	150,217
INSURANCE ADMINISTRATION FEES	546,688	657,284
INTEREST	<u>425,772</u>	<u>392,863</u>
	<u>1,128,886</u>	<u>1,200,364</u>
EXPENSES		
Administration dividend, General Account	180,000	180,000
Advertising and promotion	5,833	7,005
Miscellaneous	(3,032)	(2,378)
Interest and bank charges	2	408
Membership rebate	349,436	548,994
Write-down of inventory	<u>60</u>	<u>(20)</u>
	<u>532,299</u>	<u>734,009</u>
OPERATING INCOME	596,587	466,355
OTHER EXPENSE		
Dividend, General Account	<u>(400,000)</u>	<u>(420,000)</u>
NET INCOME	<u>\$ 196,587</u>	<u>\$ 46,355</u>

*F*INANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

STATEMENT OF NET ASSETS YEAR ENDED AUGUST 31, 2004

	Invested in <u>Capital Assets</u>	<u>Unrestricted</u>	Total <u>2004</u>	Total <u>2003</u>
<u>General Account</u>				
BALANCE, beginning of year	\$ 459,846	\$ 61,816	\$ 521,662	\$ 528,207
Net income (loss)	(47,492)	(38,514)	(86,006)	(6,545)
Investment in capital assets	<u>27,445</u>	<u>(27,445)</u>	<u>-</u>	<u>-</u>
BALANCE, end of year	<u>\$ 439,799</u>	<u>\$ (4,143)</u>	<u>\$ 435,656</u>	<u>\$ 521,662</u>
 <u>Trading Account</u>				
BALANCE, beginning of year	\$ -	\$ 1,190,916	\$ 1,190,916	\$ 1,144,561
Net income	<u>-</u>	<u>196,587</u>	<u>196,587</u>	<u>46,355</u>
BALANCE, end of year	<u>\$ -</u>	<u>\$ 1,387,503</u>	<u>\$ 1,387,503</u>	<u>\$ 1,190,916</u>

*F*INANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

COMBINED STATEMENT OF CASH FLOWS YEAR ENDED AUGUST 31, 2004

	<u>2004</u>	<u>2003</u>
CASH PROVIDED BY (USED IN):		
OPERATIONS		
Net income, Trading Account	\$ 196,587	\$ 46,355
Net loss, General Account	(86,006)	(6,545)
Add: non-cash charges		
Depreciation	<u>47,492</u>	<u>41,330</u>
	158,073	81,140
Increase in non-cash working capital balances	<u>11,013</u>	<u>410,963</u>
Cash flows from operations	169,086	492,103
INVESTMENTS		
Purchase of fixed assets	<u>(27,445)</u>	<u>(39,130)</u>
INCREASE IN CASH	141,641	452,973
CASH, beginning of year	<u>1,441,991</u>	<u>989,018</u>
CASH, end of year	<u>\$ 1,583,632</u>	<u>\$ 1,441,991</u>
REPRESENTED BY:		
General Account	\$ 57,896	\$ 35,854
Trading Account	<u>1,525,736</u>	<u>1,406,137</u>
	<u>\$ 1,583,632</u>	<u>\$ 1,441,991</u>

F INANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2004

1. NATURE OF ORGANIZATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Fund Accounting

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

General Account

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

Trading Account

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

(b) Inventory

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

(c) Property And Equipment

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

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

3. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2004 Net Book Value</u>	<u>2003 Net Book Value</u>
Land	\$ 90,000	\$ -	\$ 90,000	\$ 90,000
Building	367,011	64,572	302,439	308,521
Office equipment	110,018	90,877	19,141	22,222
Sign	9,128	5,493	3,635	4,547
Computer hardware	212,958	195,974	16,984	19,356
Computer software	33,424	33,424	-	-
Vehicle	27,924	20,943	6,981	13,962
Photocopier	<u>17,905</u>	<u>17,286</u>	<u>619</u>	<u>1,238</u>
	<u>\$ 868,368</u>	<u>\$ 428,569</u>	<u>\$ 439,799</u>	<u>\$ 459,846</u>

*F*INANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2004

4. SELF-INSURANCE LOSS POOL

	2002/2003 And Prior Pool	2003/2004 Pool	2004 Total	2003 Total
Balance, beginning of year	\$ 5,845,380	\$ -	\$ 5,845,380	\$ 3,140,793
Current year loss pool additions	-	<u>3,529,296</u>	<u>3,529,296</u>	<u>4,447,229</u>
	5,845,380	3,529,296	9,374,676	7,588,022
Insurance claims paid	696,247	1,032,971	1,729,218	1,292,056
Amounts rebated	1,000,000	-	1,000,000	417,122
Other costs	-	-	-	<u>33,464</u>

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

This joint loss pool is responsible for paying the first \$500,000 (2003 - \$500,000) per claim of certain types of claims, up to a maximum of \$4,100,000 (2003 - \$5,125,000) in aggregate for the year.

The segregated cash is recorded at cost as:

Bank	\$ 37,423	\$ 9,859
Great West Life - Loss Pool Fund (market value \$6,656,047, 2003 - \$5,861,095)	<u>6,608,035</u>	<u>5,835,522</u>
	<u>\$ 6,645,458</u>	<u>\$ 5,845,381</u>

5. OPERATING LEASE COMMITMENT

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

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

2005	\$ 36,000
2006	36,000
2007	36,000
2008	27,000

6. LEGAL FUND

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

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

7. EMPLOYEE BENEFITS RESERVE

This reserve was originally established to fund a human resource position and was augmented by the transfer of the general reserve in MAUM at December 31, 1998. tion, and the reserve is not to exceed \$100,000.

8. BUILDING RESERVE

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

*F*INANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT SCHEDULE OF EXPENSES YEAR ENDED AUGUST 31, 2004

	<u>2004</u>	<u>2003</u>
FUNCTIONS		
Municipal seminar	\$ 27,308	\$ 34,537
Trade show	22,986	23,804
Resolutions committee	3,485	2,713
Meeting expense	-	868
Pre-conference seminar	1,000	2,661
Education	20,021	9,599
Housing conference	-	6,927
Newly elected officials seminar	-	6,986
Convention	<u>175,778</u>	<u>232,286</u>
	<u>\$ 250,578</u>	<u>\$ 320,381</u>
EXECUTIVE		
Board - stipend	\$ 33,186	\$ 34,020
Board - sundry	3,349	1,776
Meeting expenses	309,771	327,705
Recoverable expenses	<u>-</u>	<u>51</u>
	<u>\$ 346,306</u>	<u>\$ 363,552</u>
OTHER		
Association fees	\$ 3,039	\$ 2,967
Audit fees	11,875	9,320
Bank charges	45	45
Building repairs and maintenance	19,670	17,422
Building reserve	50,000	50,000
Depreciation	47,492	41,330
Donations and gifts	4,309	3,034
Insurance	2,926	3,879
Legal	7,880	16,407
Office	65,777	55,780
Postage	24,000	20,000
Printing and stationary	13,956	15,613
Promotional materials	8,828	720
Property taxes	25,806	26,322
Telephone	19,425	18,569
Vehicle expenses	<u>3,523</u>	<u>5,116</u>
	<u>\$ 308,551</u>	<u>\$ 286,524</u>
	<u>2004</u>	<u>2003</u>
STAFFING		
Management expenses	\$ 10,445	\$ 11,867
Staff expenses	13,356	14,738
Salaries	441,160	387,264
Employee benefits	63,367	55,315
Workers compensation	566	720
Employee benefits reserve	4,915	10,000
Staff training and recruitment	<u>5,000</u>	<u>9,659</u>
	<u>\$ 538,809</u>	<u>\$ 489,563</u>

ASSOCIATION of MANITOBA MUNICIPALITIES DISTRICTS

