

2007 ANNUAL REPORT

ASSOCIATION OF
MANITOBA
MUNICIPALITIES

September 1, 2006 to August 31, 2007



MISSION STATEMENT

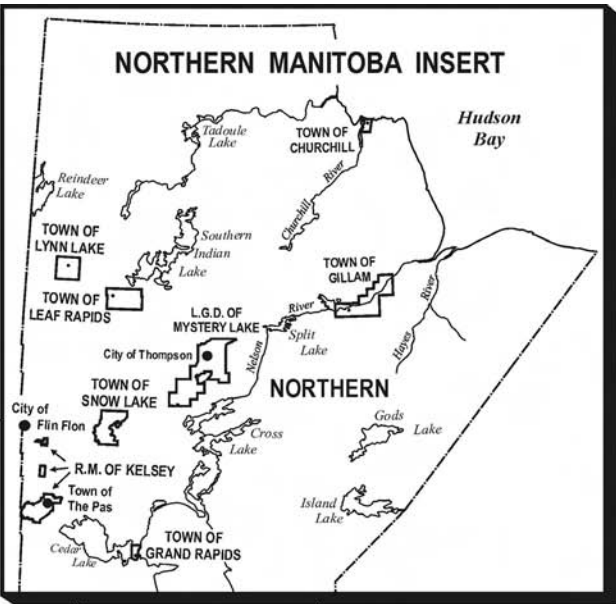
**THE ASSOCIATION OF MANITOBA MUNICIPALITIES
IDENTIFIES AND ADDRESSES THE NEEDS AND
CONCERNS OF ITS MEMBERS IN ORDER TO ACHIEVE
STRONG AND EFFECTIVE MUNICIPAL GOVERNMENT**



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**ASSOCIATION
of
MANITOBA
MUNICIPALITIES
DISTRICTS**



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
Lac du Bonnet, Town
Leaf Rapids, Town
Lynn Lake, Town
MacGregor, Village
Manitou, Town
McCreary, Village
Melita, Town
Minitonas, Town
Minnedosa, Town
Morden, Town
Morris, Town
Mystery Lake, LGD
Neepawa, Town
Niverville, Town
Notre-Dame-de-Lourdes, Village
Oak Lake, Town
Pilot Mound, Town
Pinawa, LGD

Plum Coulee, Town
Portage la Prairie, City
Powerview, Village
Rapid City, Town
Rivers, Town
Riverton, Village
Roblin, Town
Rossburn, Town
Russell, Town
Selkirk, City
Shoal Lake, Town
Snow Lake, Town
Somerset, Village
Souris, Town
St. Claude, Village
St. Lazare, Village
St. Pierre-Jolys, Village
Ste. Anne, Town
Ste. Rose du Lac, Town
Steinbach, City
Stonewall, Town
Swan River, Town
Teulon, Town
The Pas, Town
Thompson, City
Treherne, Town
Virden, Town
Waskada, Village
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
Killarney-Turtle Mountain
La Broquerie
Lac du Bonnet
Lakeview
Langford
Langford
Lansdowne
Lawrence
Lorne
Louise
Macdonald
McCreary
Miniota
Minitonas
Minto
Montcalm
Morris
Morton
Mossey
Mountain
North Cypress
North Norfolk
Oakland
Ochre River
Odanah

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

THERE ARE 198
MUNICIPALITIES
IN MANITOBA.

EACH ONE IS A
MEMBER OF THE
AMM.

PRESIDENT'S MESSAGE



*"THESE
VICTORIES ARE
EVEN SWEETER
BECAUSE THEY
ARE THE DIRECT
RESULT OF
STRONG,
MEMBER-
DRIVEN
LOBBYING."*

On behalf of the Board of Directors of the Association of Manitoba Municipalities, I am pleased to present the 2006/2007 Annual Report. This past year was the ninth in AMM history and reflects the many activities and accomplishments of our organization over the past year.

The year's lobbying activities were largely devoted to addressing the need for more infrastructure funding. We welcomed the Federal Government's 2007 Budget announcement of a Building Canada Fund (BCF), including the four-year extension of the federal gas tax program. We worked tirelessly with the Federation of Canadian Municipalities (FCM) to ensure these funds improve the state of infrastructure for municipalities. Because the BCF will replace a number of existing infrastructure funding programs, we believe it will be an improvement, but without a detailed announcement we have been left with more questions than answers. It is my hope that by the time you read this an announcement will have been made so that this funding can begin to flow to our members.

Another top issue this year was fiscal balance, as we continued to draw attention to the growing disparity between municipal responsibilities and municipal revenues. There is indeed strength in numbers, and we partnered with Provincial and Territorial Municipal Associations across Canada to further explore this issue. The group hired Dr. Enid Slack to develop a comprehensive report on the roles, responsibilities, resources and relationships of Canada's municipal governments with their provincial and territorial governments. Dr. Slack will present her findings at the AMM 9th Annual Convention, and her report is sure to form the basis of our future lobbying activities toward achieving fiscal balance.

The AMM also spoke out on municipal challenges on the national stage over the past year. We were invited to present to the Senate Standing Committee on National Finance in

May and, in what was hailed as an "unprecedented example of working together", to address the annual meeting of Provincial-Territorial Ministers Responsible for Local Government in July. We used both opportunities to focus on infrastructure and fiscal balance – clearly our two top issues for 2006/2007.

While these national lobbying activities are indeed significant, a number of smaller victories we claimed here at home deserve mention. This year, the Province announced it would now cover the costs of inter-facility patient transfer, resolving an issue that had been on the AMM's books since 1999. The successful Neighbourhoods Alive! program was expanded to five additional communities, and communities hosting travelers stranded by inclement weather can now obtain financial assistance. These victories are even sweeter because they are the direct result of strong, member-driven lobbying.

We lobbied all provincial political parties during Lobby Days in April, and watched the Provincial Election unfold with great interest. We congratulate Premier Doer and his government on their re-election and look forward to following up on the many election promises, made by all parties during that campaign, that will benefit municipalities.

On a final note, I would like to bid farewell to former AMM Directors Bert Lagimodiere and William Danylchuk. Their contributions to the AMM were many and we wish them well in the future. Thank you also goes to the rest of the Board for their continued dedication and hard work throughout the year.

Finally, my greatest thanks, as always, goes to our membership. Your support over the past year is truly appreciated and is what drives us to do the important work that we do. As you read through this Annual Report, take pride in the accomplishments we achieved together during 2006/2007. You have earned it.

A handwritten signature in blue ink, appearing to read "Ron Bell".

Ron Bell, President

EXECUTIVE DIRECTOR'S MESSAGE

It is with pleasure that I present the Executive Director's message for the ninth Annual Report of the Association of Manitoba Municipalities.

It is always pleasant to begin with good news, and this past year was indeed excellent in terms of finances. Both the AMM and the Municipalities Trading Company of Manitoba Ltd. (MTCML) continue to be strong, as illustrated in the financial statements on pages 36-42. MTCML sales were strong enough, in fact, to result in our largest member rebate to date - \$750,000. This brings the cumulative rebate total to \$2.5 million since 2002. Thanks to all of our members for their continued use of the MTCML, and to our Official Suppliers for offering our membership excellent products and services at the best possible prices.

Another issue we spent a great deal of time on last year was Public Sector Accounting Board Generally Accepted Accounting Practices – otherwise known as PSAB GAAP. Effective January 1, 2009 all governments in Canada, including local governments, must adopt PSAB GAAP. The AMM and Department of Intergovernmental Affairs undertook a joint venture to help municipalities adopt PSAB GAAP, including hiring a project manager and setting up a number of training sessions. This is an initiative of great importance to municipalities, and the AMM is committed to providing support to our members over the next year as we approach the implementation date.

Our lobbying activities reached well beyond North America last year, as President Bell, Vice-President Dobrowolski and I traveled to El Salvador in January. The purpose of this mission was to help our counterparts at The Corporation of Municipalities of the Republic of El Salvador (COMURES) to develop a lobbying and communications strategy that will assist their organization with improving their communities. This exchange, initiated by COMURES in 2005, is sponsored by the FCM and totally funded by the Canadian International Development Agency (CIDA). It is the

AMM's way of sharing our knowledge and experience with others, and in the end, both organizations ultimately benefit.

While our lobbying activities routinely call upon us to look forward, we also spent some time last year reflecting on our history by initiating a very special project. This project will culminate in late 2008 with a complete "History Book" about the activities of the AMM and our predecessors, the Union of Manitoba Municipalities (UMM) and the Manitoba Association of Urban Municipalities (MAUM) over the past century. We spent a large part of the past year communicating our plans to our members and calling upon you to share your memorabilia for possible inclusion in the book. The finished product will showcase the history that we all share and we look forward to presenting it to you at next year's convention.

The AMM is nothing without its people, and to that end I would like to sincerely thank our Board of Directors for their support over the past year. We said farewell to some directors and welcomed others, but all Board members, past and present, have made a valuable contribution to our organization. I appreciate the opportunity to work for and with such a diverse and dedicated group of municipal officials.

My thanks also go to our staff who have done an excellent job throughout the year. They are an outstanding group of professionals who enjoy the work they do on your behalf.

Last but not least, I must extend a warm thank you to our membership for their continued support, encouragement and involvement. Your dedication to serving your communities is what motivates us to move forward on the many issues detailed in the pages of this annual report. I hope you enjoy it.



Joe Masi, Executive Director



"WHILE OUR LOBBYING ACTIVITIES ROUTINELY CALL UPON US TO LOOK FORWARD, WE ALSO SPENT SOME TIME REFLECTING ON OUR HISTORY LAST YEAR BY INITIATING A VERY SPECIAL PROJECT."

BOARD OF DIRECTORS



CENTRAL DISTRICT

Mel Klassen, Mayor, Town of Altona

AMM Administration Committee

AMM Resource Management Committee

Manitoba Product Stewardship Board

Ralph Groening, Councillor, RM of Morris

AMM Resource Management Committee

Drainage Guidelines Committee

Livestock Facilitated Community Consultation Program

Sport Manitoba Committee

MTS Buried Cable Committee



INTERLAKE DISTRICT

Randy Sigurdson, Mayor, Town of Arborg

AMM Administration Committee

Vice-Chair, AMM Social & Fiscal Issues Committee

Physician Resource Coordination Office Policy Committee

Manitoba Product Stewardship Board

Alice Bourgouin, Reeve, RM of Rosser

AMM Administration Committee

Chair, AMM Social & Fiscal Issues Committee

Manitoba Water Council

AMM/Government Working Group on Economic Development



MIDWESTERN DISTRICT

Roger Wilson, Reeve, RM of Birtle

Vice-Chair, AMM Resource Management Committee

Conservation District Commission

Conservation Agreements Board

Manitoba Habitat Heritage Board

MPIC Review Committee

Eileen Clarke, Mayor, Town of Gladstone

AMM Resource Management Committee

BOARD OF DIRECTORS

EASTERN DISTRICT

Art Rempel, Councillor, City of Steinbach
Chair, AMM Administration Committee
AMM Social & Fiscal Issues Committee
Community Investment Support Program
"Tools for Change" Working Group & Awards Committee

George Harbottle, Reeve, RM of Alexander
AMM Resource Management Committee
Municipal Employees Benefits Board



WESTERN DISTRICT

Maxine Chacun, Councillor, Town of Virden
AMM Social & Fiscal Issues Committee
Public Fire Safety & Prevention Advisory Committee
MPIC Review Committee
MPIC Road Safety Committee
MPIC Wildlife Committee

Alan Ransom, Councillor, RM of Morton
AMM Resource Management Committee
Office of the Fire Commissioner Advisory Committee
Manitoba Emergency Services College Advisory Committee
Building Officials Training Certificate Program
Building Standards Board



PARKLANDS DISTRICT

Rene Maillard, Mayor, Town of Ste. Rose du Lac
AMM Administration Committee
AMM Social & Fiscal Issues Committee
"Tools for Change" Working Group & Awards Committee
Medical First Response Advisory Committee
Manitoba Disaster Appeal Board
Biodiesel Committee
Municipal Employees Benefits Board

Robert Misko, Reeve, RM of Hillsburg
Vice-Chair, AMM Administration Committee
Chair, AMM Resource Management Committee
Hudson Bay Route Association
Tire Stewardship Interim Board
Planning Excellence Awards Judging Panel
Aggregate Levy Committee



BOARD OF DIRECTORS & STAFF



NORTHERN DIRECTOR

**Oswald Sawh,
Councillor
City of Thompson**

*AMM Social & Fiscal
Issues Committee*



CITY OF WINNIPEG DIRECTOR

**Russ Wyatt
Councillor
City of Winnipeg**

*AMM Social & Fiscal
Issues Committee*



MANITOBA MUNICIPAL ADMINISTRATORS' ASSOCIATION (MMAA)

**Dale Lyle, President
City Manager
City of Portage la
Prairie**



AMM STAFF

(Back Row L to R): Julia Green, Administrative Assistant, Board & Administration; Patti de Baets, Finance Coordinator; Erika Rempel, Administrative Assistant, Policy & Communications; Donna Belbin, Events Coordinator; Lynne Bereza, Communications Coordinator; Kimberly Ballance, Senior Policy Analyst

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



AMM EXECUTIVE

CLOCKWISE FROM LEFT:

Urban Vice-President
Shirley Kalyniuk,
Mayor
Town of Rossmore

*AMM Administration
Committee*
*AMM Resource
Management
Committee*
*AMM Social & Fiscal
Issues Committee*
*Provincial/Local
Consultative
Committee on
Infrastructure*
*Aging Friendly Rural/
Remote Communities
Initiative Steering
Committee*

President
Ron Bell, Mayor
Town of Birtle

*AMM Administration
Committee*
*AMM Resource
Management
Committee*
*AMM Social & Fiscal
Issues Committee*
*Provincial/Local
Consultative
Committee on
Infrastructure*
*Federation of
Canadian
Municipalities*
*Federal Gas Tax
Oversight Committee*
*Infrastructure Council
of Manitoba*

Executive Director
Joe Masi

*Joint Use Facilities
Committee*
*Public Sector
Accounting Board
(PSAB) Steering
Committee*

Rural Vice-President
Doug Dobrowolski,
Councillor
RM of Macdonald

*AMM Administration
Committee*
*AMM Resource
Management
Committee*
*AMM Social & Fiscal
Issues Committee*
*Provincial/Local
Consultative
Committee on
Infrastructure*
*Lake Winnipeg
Stewardship Board*
*Manitoba Disaster
Appeals Board*

POLICY & LOBBYING

LOBBYING HIGHLIGHTS—FEDERAL

ONE OF THE MOST IMPORTANT TASKS FOR THE AMM EACH YEAR IS TO GET KEY MUNICIPAL ISSUES ON THE PROVINCIAL AND FEDERAL RADAR. TO ACCOMPLISH THIS GOAL, THE AMM USES A VARIETY OF METHODS AND TOOLS, INCLUDING MEETING WITH MINISTERS AND OTHER ELECTED OFFICIALS, COMMENTING DURING REVIEWS OF LEGISLATION OR ON PROPOSED DIRECTIONS, AS WELL AS MEETING WITH OTHER KEY STAKEHOLDER GROUPS.

FEDERAL BUDGET CONSULTATION

The Federal Budget Consultation session in Portage la Prairie was held on October 6, 2006. The AMM presented to the Finance Committee its areas of concern including fiscal balance, infrastructure programming and disaster financial assistance.

The AMM urged the Federal Government to engage provincial/territorial and municipal governments in a review of the roles, responsibilities and resources of all Canadian municipal governments. Lobbying efforts also focused on the need for increased resources through the Municipal Rural Infrastructure Program (MRIF), the Prairie Grain Roads Program (PGRP), the National Water Supply Expansion Program (NWSEP), and to develop a tripartite program for recreation infrastructure funding. The AMM also urged the Federal Government to allocate funding for a national early warning system for severe weather events, maintain levels of funding for disaster financial assistance, and raise the compensation rates for the use of municipal equipment and labour in disaster recovery efforts.

Federal Budget Day, March 19, 2007, saw the government's intention to take a fair and principled approach to fiscal balance. This included making support for provinces and territories long term, predictable and principles-based. This will be completed through renewed and strengthened equalization

transfers; a commitment to equal per capita support for the Canada Health Transfer and Canada Social Transfer; and over \$16 billion in new funding for infrastructure, including \$8.8 billion that will be available to municipalities through the Building Canada Fund (BCF).

The budget also saw increased investments to preserve the environment and modernize the health care system. This included the creation of the National Water Strategy which will provide \$93 million over two years to improve the quality of water in Canada's rivers, lakes and oceans. As well, a \$2 billion investment will be made over seven years to support renewable fuel production, including biofuels.

VERTICAL FISCAL BALANCE – SENATE STANDING COMMITTEE ON NATIONAL FINANCE

The AMM presented to the Senate Standing Committee on National Finance on May 16, 2007. This was an opportunity for the AMM to discuss the issue of fiscal balance on the national stage.

The AMM addressed the issue of vertical fiscal balance. The presentation indicated that municipal governments only have access to limited resource streams and therefore do not have the revenue tools they need to meet new expectations and responsibilities. The decay of community infrastructure and a reduction in program delivery is a direct result of limited

POLICY & LOBBYING

LOBBYING HIGHLIGHTS—FEDERAL

resources and increasing responsibilities. This is not sustainable and consequently it is necessary to undertake a review of municipal government to create a fiscal balance between all orders of government.

The AMM recommended that the Committee develop a long-term plan to eliminate the municipal infrastructure deficit and clarify roles and responsibilities of all orders of government. These

strategies will begin to address the problems associated with vertical fiscal balance.

CHAIRMAN OF THE STANDING COMMITTEE ON TRANSPORT

The AMM met with the Honourable Merv Tweed, MP Brandon Souris and Chairman of the Standing Committee on Transport, on August 13, 2007 to discuss ongoing concerns regarding rail line abandonment, including:

- harmonization of federal and provincial discontinuance legislation
- changes to the timelines for discontinuance
- compensation requirements specified under the federal legislation
- impacts on road infrastructure following rail line abandonment and the associated costs for municipal and provincial governments
- economic development opportunities that will be lost with rail line abandonment, and
- environmental impacts that are not adequately addressed through the federal or provincial discontinuance processes.

Northern rail lines were also specifically discussed, as increased road infrastructure funding will not be suitable in northern Manitoba as there is only a limited road network. Rail companies need to provide appropriate levels of service so shipping and passenger transportation is adequate.

AMM POSITION PAPERS AND PRESENTATIONS ARE AVAILABLE FOR DOWNLOAD AT WWW.AMM.MB.CA

Mr. Tweed indicated that the Federal Government will be reviewing The Shipping Act in Fall 2007 to examine levels of

service requirements. This will be an opportunity for the AMM and its membership to address rail concerns at the national level.

PRAIRIE ASSOCIATION OF RURAL MUNICIPALITIES AND PRAIRIE URBAN MUNICIPAL ASSOCIATION

The AMM continues to be involved in activities with the urban and rural municipal associations in Saskatchewan and Alberta. This partnership strengthens the lobbying activities of prairie municipalities.

For the first time on May 3-4, 2007 all five prairie municipal associations came together to address common issues. This meeting addressed a number of the AMM's key concerns including fiscal balance, the Prairie Grain Roads Program and water protection initiatives.

The AMM will continue to meet with neighbouring municipal associations, both urban and rural, to strengthen the voice of western Canadian municipalities.

POLICY & LOBBYING

LOBBYING HIGHLIGHTS—FEDERAL

FEDERATION OF CANADIAN MUNICIPALITIES

Another effective lobbying avenue for the AMM is the Federation of Canadian Municipalities (FCM). As the principal voice for municipalities at the Federal level, FCM is an important avenue for the AMM to advance Manitoba municipal issues.



Here are a few highlights from the AMM's involvement with the FCM over the last year.

FCM BOARD OF DIRECTORS

Manitoba is well represented on the FCM Board with five seats, including an automatic seat for the AMM President. The FCM Board meets four times a year and helps set the focus of the organization's national lobbying efforts.

This year Manitoba has an additional voice on the Board as the current FCM President is Manitoba's own Gord Steeves, Councillor for the City of Winnipeg.

FCM LOBBY DAYS

One of the main activities of the FCM each year is its Lobby Days. Similar to the AMM Lobby Days, the FCM organizes small group meetings with Members of Parliament and municipal representatives to help highlight municipal issues.

In conjunction with the FCM's Lobby Days, the AMM organizes a Manitoba evening where Manitoba Members of Parliament have an opportunity to discuss Manitoba municipal issues with some of the Manitoba delegates.

FCM CONVENTION

Like the AMM Convention, the FCM Convention is a key event on the municipal calendar. It provides a great venue to develop a better understanding of key issues from across the country through workshops, seminars, and networking with delegates from all provinces and territories.

FCM PRAIRIES, YUKON, NORTHWEST TERRITORIES & NUNAVUT REGIONAL COMMITTEE – MANITOBA MEMBERS

PRESIDENT RON BELL, AMM

COUNCILLOR BOB BODNARUK, RM OF SPRINGFIELD

COUNCILLOR MARC MARION, RM OF DESALABERRY

COUNCILLOR JEFF MCCONNELL, TOWN OF VIRDEN

COUNCILLOR GORD STEEVES, FCM PRESIDENT -CHAIR / PRÉSIDENT(E) CITY OF WINNIPEG

COUNCILLOR RUSS WYATT, CITY OF WINNIPEG

POLICY & LOBBYING

FISCAL BALANCE

The issue of fiscal balance consumed a substantial amount of lobbying time and effort last year. It is an ongoing concern for municipalities nationwide and is currently the top concern of the AMM. What is fiscal balance? Essentially, fiscal balance occurs when each order of government is able to provide the services required within their jurisdiction and pay for those services with revenue generated by the appropriate order of government.

Municipal government has taken on additional responsibilities for the betterment of the local community. Currently municipalities have been required to take on a number of responsibilities stemming from The Water Protection Act and The Drinking Water Safety Act. Yet there are limits to how much municipalities can do with their current revenue streams. “Municipalities are now expected to do more—because of offloading from other orders of government, increased global competition for human capital, and rapid growth—with the same limited revenue tools they have been using since the 19th century” (FCM, 2006).

Strong communities are the foundation of a strong province and country. The AMM advocates for municipal governments to look at ways of improving how they do business to ensure strong, sustainable communities across Manitoba. We hear firsthand the challenges communities face and see the implications provincial actions have on municipalities. We believe it is time to take a closer look at the resources available to municipalities and take stock of the roles and responsibilities of municipal government in Manitoba.

STRONG COMMUNITIES ARE THE FOUNDATION OF A STRONG PROVINCE AND COUNTRY.

The AMM has brought forward the issue of fiscal balance at the 2006 AMM Convention through an informative plenary session with Enid Slack. Fiscal balance was also discussed at our annual Cabinet meeting, Lobby Days and Provincial Ministers meetings. A presentation on it was given to the Standing Senate Committee on National Finance and to the Provincial/Territorial Ministers responsible for

Local Government. The FCM has also assisted in coordinating a nationwide study on the roles, responsibilities and resources of municipal governments to assist in lobbying efforts. This project will assist the AMM in strengthening our

lobbying position with the Provincial and Federal Governments.

Fiscal balance is an ongoing concern for municipalities in Manitoba. The AMM believes that Manitobans and Canadians are paying enough tax to support municipal, provincial and national services. However, there needs to be an equitable sharing of the revenues and a rational distribution of responsibilities among all orders of governments.

Municipalities are not asking for a handout, but rather for a long-term partnership that serves the needs of all Canadians. Fiscal balance will remain a top priority for the 2007/08 year in order to ensure that municipalities in Manitoba are working toward a fair system of revenue distribution. The AMM will continue to work in coordination with the Federation of Canadian Municipalities and the Provincial and Federal Governments in search of fiscal balance for all municipalities.

WHAT IS FISCAL BALANCE? ESSENTIALLY, FISCAL BALANCE OCCURS WHEN EACH ORDER OF GOVERNMENT IS ABLE TO PROVIDE THE SERVICES REQUIRED WITHIN THEIR JURISDICTION AND PAY FOR THOSE SERVICES WITH REVENUE GENERATED BY THE APPROPRIATE ORDER OF GOVERNMENT.

POLICY & LOBBYING

LOBBYING HIGHLIGHTS—PROVINCIAL

MEETING WITH CABINET

The AMM met with Premier Doer and members of the Provincial Cabinet on December 19, 2006. This presentation marked the first, and most important, lobbying event for the AMM for the year.

The top issue raised with the Premier was a hot button topic for municipalities all across Canada – fiscal balance. Money is the life-blood of governments, and municipalities need greater assistance to meet the demands placed on them. Across Canada, municipalities receive only eight cents out of every tax dollar – it is simply not enough. The AMM requested a serious examination of the roles, responsibilities and resources of municipal governments in Manitoba.

Water and planning issues were also raised during the meeting. Water protection has become one of the most important issues for all Manitobans. While the AMM is supportive of The Water Protection Act, there are a number of issues that need to be addressed, particularly in regards to implementation.

President Bell thanked the Premier and Cabinet for resolving some long-standing issues, including the decision to fund inter-facility patient transfers. General issues raised during the meeting included:

- *Treaty Land Entitlements and Legal Costs of Negotiating TLE Agreements*
- *Education Tax*
- *Recycling*
- *Need for Water and Wastewater Operator Training Opportunities*
- *Increased Funding for Recreational Infrastructure*
- *Funding for Libraries*
- *Disaster Financial Assistance*
- *Artificial Flooding*
- *Affordable Housing in Rural Manitoba*
- *Municipal Exemption from Provincial Sales Tax*
- *Physician Recruitment, Retention and Training*
- *Highways Capital Budget*
- *Sufficient Funding for Urban Highways*
- *Reinstatement of the Manitoba Airports Capital Assistance Program (MACAP) and the Bridge Co-Operative Program*
- *Rocky Mountain Doubles*
- *Crime in Communities*
- *Policing Costs for Municipalities*
- *Funding for Renewable Energy*
- *Tripartite Water Funding Program*
- *Drainage and Conservation Districts*

PREMIER DOER
AND PRESIDENT
BELL AT THE
MANITOBA
LEGISLATURE



POLICY & LOBBYING

LOBBYING HIGHLIGHTS—PROVINCIAL

MANITOBA WATER STEWARDSHIP

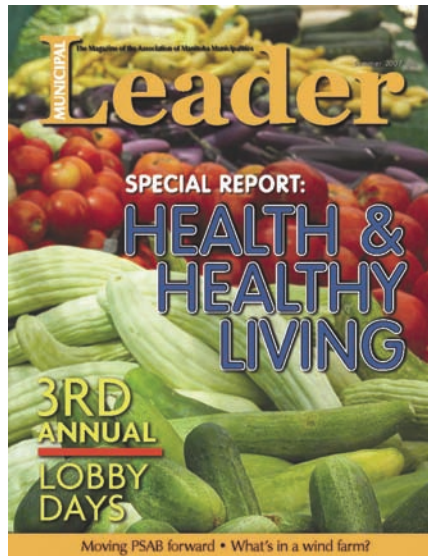
On January 8, 2007 the AMM met with the Honourable Christine Melnick to discuss the water quality management zone regulation, the Water Council and drainage concerns.

The AMM addressed a number of concerns with the Water Quality Management Regulation, including the fact that the regulation has the ability to impact municipal responsibilities and increase financial expenditures. The Water Council was discussed with emphasis on the need for municipal representation. Drainage issues were raised with Minister Melnick to address ongoing concerns with the licencing and enforcement process.

The AMM also met with senior staff from Manitoba Water Stewardship on May 23, 2007 to discuss the AMM Water Issues Paper, drainage licencing and enforcement, technology for water treatment and the roles of the numerous water-related stakeholder groups in Manitoba. This open dialogue between the AMM and Water Stewardship staff enabled each group to have a better perspective on relevant issues, concerns and projects.

UPDATE: Following ongoing lobbying by the AMM, the Province announced that a new Water Control Works and Drainage Licencing branch would be created within the Depart-

ment of Water Stewardship. This new branch will have a total of 25 staff, including 14 new water resource officers who will be located at various points in rural Manitoba, that will be responsible for drainage and licencing. As well the Province is amending the Offence Notices Regulation under The Summary Convictions Act to allow for more efficient and timely enforcement for certain offences under The Water Rights Act.



The Summer 2007 Municipal Leader focused on Healthy Living

The Water Council was appointed on March 15, 2007 with Alice Bourgouin, Reeve of the RM of Rosser and AMM Interlake Rural Director, accepting a position on the high-level policy committee.

MANITOBA HEALTHY LIVING

The AMM met with the Honourable Kerri Irvin-Ross on January 25, 2007 to discuss the joint use of facilities,

funding for recreation centres, seniors independent living and seniors issues.

The AMM urged the Minister to enhance equitable access to community and school facilities in the Province with a primary focus on physical activity opportunities for children and youth, improve funding for recreation infrastructure and programs across Manitoba, and increase funding to Manitoba community resource councils and other seniors independent living programs across the province to

THIS YEAR THE AMM HAD THE OPPORTUNITY TO MEET WITH ALL OF THE KEY PROVINCIAL MINISTERS.

THESE MEETINGS WERE IMPORTANT AS THEY ALLOWED THE AMM TO ENSURE KEY MUNICIPAL ISSUES WERE FRONT AND CENTRE HEADING INTO THE MAY PROVINCIAL ELECTION.

POLICY & LOBBYING

LOBBYING HIGHLIGHTS—PROVINCIAL

strengthen the support system available to seniors who choose to live independently.

MANITOBA INFRASTRUCTURE AND TRANSPORTATION

On February 8, 2007 the AMM met with the Honourable Ron Lemieux. Topics of discussion included increased funding for infrastructure, the highways capital budget, drainage concerns, and rail line abandonment.

The AMM urged the Minister to increase funding for infrastructure through partnerships with the Federal Government to ensure that municipalities are able to provide basic infrastructure services, given increasing capital and operating costs.

Drainage licencing and enforcement were also a focus of the conversation as municipalities have demonstrated there have been numerous concerns with the efficiency and effectiveness of these projects. As well, the AMM urged the Minister to consider a ten-year moratorium on rail line abandonment and to raise local concerns with the Federal Government.

UPDATE: The AMM recently met with Minister Lemieux to further discuss rail line abandonment. The Minister indicated that greater harmonization of the Federal and Provincial processes needs to be achieved. He will be working to raise the issue to the national level.

MANITOBA SCIENCE, TECHNOLOGY, ENERGY AND MINES

The AMM met with the Honourable Jim Rondeau on February 8, 2007 to lobby on the topics of biodiesel and ethanol initiatives, wind power, increases to the mining aggregate fee and recycling initiatives.

The AMM talked to the Minister about promoting opportunities for Manitoba communities to establish and expand the biodiesel and ethanol industries, and the need to expand

efforts to stimulate growth in Manitoba's wind energy sector. As well, there was extended discussion on the need to increase the mining aggregate rate to better reflect the actual costs for site

remediation and the need to adequately support recycling initiatives province-wide.

UPDATE: The AMM has been lobbying for an aggregate fee change for a number of years now, and we are hopeful that the rate will be increased shortly.

Minister Rondeau has announced that a new biodiesel testing facility has opened in Selkirk to ensure that the biodiesel industry will be able to ensure quality control of its product as required by legislation. On the ethanol front, the Husky Energy ethanol production facility in Minnedosa will soon have an annual production capacity of 10 million litres, allowing Manitoba to reach its ethanol production goal.

The AMM urged the Minister to increase funding for infrastructure through partnerships with the Federal Government.

POLICY & LOBBYING

LOBBYING HIGHLIGHTS—PROVINCIAL

There has been movement toward implementing a province-wide tire recycling program as the Industry Funded Organization has released its program plan for comment. As well, the Packaging and Printed Paper Regulation is pending enactment.

MANITOBA CONSERVATION

On February 19, 2007 the AMM met with the Honourable Stan Struthers to discuss recycling initiatives, provincial park issues, water and wastewater operator training, and the hog industry pause.

The AMM expressed to the Minister that there is a need to adequately support recycling initiatives province-wide in order for them to be sustainable and successful. The Minister was also told that municipalities need to see continued support for the provincial park system, and a taxation and collection system for permanent provincial park residents to ensure that local municipalities and school divisions receive the appropriate share of costs for the services they provide. The AMM also discussed the need to provide training opportunities for water and wastewater operators within Manitoba, and the review of the hog industry.

The AMM met with the senior staff from Manitoba Conservation on May 23, 2007 to discuss water and wastewater operator training, recycling initiatives, remediation of contaminated sites funding, provincial park issues and beaver control. This dialogue between the AMM and Manitoba Conservation staff enabled each group to have a better perspective on relevant issues, concerns and projects.

UPDATE: Manitoba has been pursuing an extended producer responsibility (EPR) model for recycling. Currently, Tire Stewardship Manitoba has released a tire recycling program plan for public comment. The Province is also addressing the next waste stream, with the Packaging and Printed Paper Regulation pending enactment.

MANITOBA FAMILY SERVICES AND HOUSING

The AMM met with the Honourable Gord Mackintosh on February 20, 2007 to lobby for municipal housing needs in Manitoba and an expanded Neighbourhoods Alive! program.

The AMM told the Minister that municipalities were pleased that the Provincial Government had expanded the Neighbourhoods Alive! program province-wide. However, the AMM wanted to ensure that the funding would be maintained for the original communities of Winnipeg, Brandon and Thompson. The AMM also raised the inequities that exist in provincial housing programs and the need to increase funding access to all communities across Manitoba.

**PRESIDENT BELL
SPEAKS AT THE
NEIGH-
BOURHOODS
ALIVE!
PROGRAM
EXPANSION
ANNOUNCEMENT
IN PORTAGE LA
PRAIRIE.**



POLICY & LOBBYING

LOBBYING HIGHLIGHTS—PROVINCIAL

UPDATE: Following the AMM's meeting with Minister Mackintosh, Manitoba Family Services and Housing invited the AMM to participate in a consultation session to develop a new set of housing programs. The AMM discussed the need to increase funding access to all municipalities.

Recently the Province of Manitoba announced a new set of housing programs. The AMM conducted a survey of its membership to determine if the new programs would meet the needs of municipalities, which appears to be the case.

MANITOBA INTERGOVERNMENTAL AFFAIRS

The AMM met with the Honourable Steve Ashton on February 20, 2007 to talk about a major issue facing municipalities – fiscal balance. This topic was raised to address the disconnect between responsibilities of all orders of government and associated resources required. Concerns with the growing infrastructure deficit and the need for appropriate growth revenues were integral to this discussion.

The AMM also addressed the topics of the Neighbourhoods Alive! program, the impact of the Hog Industry Production Review, water initiatives, disaster financial assistance funding, mining aggregate fees and the capital region.

MANITOBA LABOUR AND IMMIGRATION

On February 20, 2007 the AMM met with the Honourable Nancy Allan to discuss municipal concerns regarding centralized 911 call centres, funding for mutual aid districts,

provincial floor standards, costs of fires originating on crown lands and the impact of new workplace legislation on municipalities.

The AMM discussed the need for province-wide 911 coverage, adequate staffing in centralized call centres, and the possibility of allowing mutual aid districts to exceed the current funding maximum while maintaining access by all mutual aid districts. As well, firefighter and resident safety was addressed in the dialogue on provincial floor standards and a review was requested for resources used to extinguish fires that start on crown lands. The new workplace legislation was also discussed.

MANITOBA ABORIGINAL AND NORTHERN AFFAIRS

On April 10, 2007 the AMM met with the Honourable Oscar Lathlin to discuss Treaty Land Entitlement (TLE) concerns, rail line abandonment and the Northern Healthy Foods Initiative.

The AMM discussed the need for a review of TLE compensation in order to seek alternative ways to enhance the TLE process in Manitoba. As well, the AMM advised the Minister on the needs of northern municipalities to ensure that full recognition was given to the essential services provided by the northern rail network in order to ensure that rail services continue.

The AMM also requested an update on the Northern Healthy Foods Initiative and urged the Minister to increase funding to programs that ensure remote and northern communities have access to affordable, nutritious food and beverages.

POLICY & LOBBYING

LOBBYING HIGHLIGHTS—PROVINCIAL

UPDATE: The AMM has recently met with the Minister of Infrastructure and Transportation, Ron Lemieux and the Honourable Merv Tweed, MP Brandon Souris and Chairman of the Standing Committee on Transport, to further discuss rail line abandonment. Northern rail line concerns were addressed as increased road infrastructure funding is not suitable in northern Manitoba as currently there is only a limited road network.

MANITOBA AGRICULTURE, FOOD AND RURAL INITIATIVES

The AMM met with the Honourable Rosann Wowchuk on April 10, 2007 to talk about a change to the education tax rebate system, economic development in rural Manitoba, and land and water planning and management.

The AMM urged the Minister to improve the efficiency of the Education Tax Refund system by providing the refund through an adjustment in the municipal tax levy. As well, the AMM advocated for increased coordination of economic development service delivery and increased access to funding mechanisms that are responsive to community needs. Finally the AMM lobbied for greater coordination among all provincial departments regarding the implementation of new land and water planning legislation.

MANITOBA EDUCATION, CITIZENSHIP AND YOUTH

On April 10, 2007 the AMM met with the Minister of Education, Citizenship and Youth, the Honourable Peter Bjornson to address the ongoing concern of education tax on property. The AMM addressed the problems associated

POSITION PAPERS FROM THESE MEETINGS ARE AVAILABLE ON THE AMM WEBSITE AT WWW.AMM.MB.CA

with the current education taxation system. As well, the AMM inquired about the budget pledge to move to an 80:20 funding split over five years, and stressed that this funding commitment must be for operating costs. Minister Bjornson was pleased with the AMM's resolution for an 80:20 funding split and saw this as an area for increased cooperation and coordination.

MANITOBA HEALTH

The AMM met with the Honourable Theresa Oswald on September 19, 2007 to discuss the review of the Regional Health Authorities, physician education, recruitment and retention, municipal capital contributions to health projects, West Nile virus (WNV), funding for regional palliative care and concerns about the centralized 911 call centre.

The AMM addressed the needs of municipalities in relation to the RHAs, including public input and financial implications. The Province's plan for dealing with the current physician shortage was discussed at length to ensure that medical professionals are available province-wide. This included the new process for assessing International Medical Graduates. The AMM spoke about the need to eliminate municipal capital contributions for health projects and the responsibility of the Province to cover these costs.

POLICY & LOBBYING

LOBBYING HIGHLIGHTS—PROVINCIAL

HEALTH
MINISTER
THERESA
OSWALD
RESPONDS TO A
DELEGATE'S
QUESTION
DURING THE
2006 AMM
ANNUAL
CONVENTION.

West Nile virus was also addressed in order to assess the Province's responsibility to cover the costs of mandatory spraying. This issue was particularly timely given the number of people who have been infected with WNV during this summer.

The AMM also urged the Minister to provide funding for palliative care, as currently there is no dedicated funding for this important element of health care. Finally the AMM addressed the concerns with the centralized 911 call centre system.



The AMM spoke about the need to eliminate municipal capital contributions for health projects and the responsibility of the Province to cover these costs.

EVERY YEAR THE AMM MEETS WITH VARIOUS GROUPS AND ORGANIZATIONS TO DISCUSS AREAS OF MUTUAL INTEREST AND TO GET UPDATES ON KEY INITIATIVES. HERE ARE A FEW EXAMPLES OF SOME OF THE GROUPS THAT THE AMM MET WITH IN 2007.

- Assessing Officers Association
- Assembly of Manitoba Chiefs
- Canadian Food Inspection Agency
- Canadian Wind Energy Association
- Ducks Unlimited Canada
- Keystone Agricultural Producers
- Manitoba Aerial Applicators Association
- Manitoba Association of School Trustees
- Manitoba Chamber of Commerce
- Manitoba Conservation Districts Association
- Manitoba Fire Chiefs
- Manitoba Heavy Construction Association
- Manitoba Hydro
- Manitoba Telecom Services
- Provincial Ombudsman
- Public Utilities Board
- RCMP
- Recreation Connections

POLICY & LOBBYING

LOBBYING HIGHLIGHTS—PROVINCIAL



PRESIDENT BELL
IS INTERVIEWED
BY CJOB'S
RICHARD
CLOUTIER ON
BUDGET DAY
2007.

MANITOBA FINANCE

The AMM met with the Honourable Greg Selinger, Minister of Finance on October 26, 2006 to discuss fiscal balance and priority issues for municipalities that should be addressed in the 2007/08 provincial budget.

Priority areas included water issues, education tax on property, increased funding for policing, infrastructure, recycling initiatives, and the municipal exemption from Provincial Sales Tax. Other issues discussed included recreation and library funding, the Manitoba Airports Capital Assistance Program (MACAP), the Bridge Cooperative Program, and funding for weed control, drainage and renewable energy projects.

Budget Day, April 4, 2007 saw a commitment of a five-year plan to increase provincial funding of education to 80 per cent of the total costs. Commitments were also made to increase police officers and doctors as well as create new environmental initiatives and

improve access to healthy foods. All of these will help build strong, vibrant communities.

The AMM remains concerned with the lack of resources for the implementation of the requirements of the Water Protection Act. This budget was expected to present a clear and adequate funding plan to deal with water-related initiatives in Manitoba. While stricter standards have been mentioned, the budget failed to make a firm commitment to assist with the funding of the proposed requirements.

While the infrastructure commitments made in the budget, including the annual investment of approximately \$400 million in highways, will help, they are lacking in light of the total needs in communities. The budget failed to deliver on the long-term plan needed to address the growing municipal infrastructure deficit in this province.

POLICY & LOBBYING

LOBBYING HIGHLIGHTS - SUBMISSIONS

EACH YEAR THE AMM MONITORS ISSUES THAT IMPACT MUNICIPALITIES. THIS YEAR'S LEGISLATIVE SESSION WAS SLOW DUE TO THE PROVINCIAL ELECTION. HOWEVER, THE AMM MADE SUBMISSIONS ON A NUMBER OF ISSUES.

THE WATER PROTECTION ACT – NUTRIENT MANAGEMENT REGULATION

The AMM made a submission to the Provincial Government on January 22, 2007 regarding the proposed Nutrient Management Regulation.

A number of public forums were held where Manitobans were able to express their views on the proposed regulation. The AMM participated in this process and made a submission following the publication of the final draft. The AMM Board supported the general concept of the proposed regulation, however there were issues that needed to be addressed in order for it to be viable for municipalities in Manitoba.

The AMM continues to raise concerns regarding communication on the overall long-term provincial water protection plan. Seeing the plan only in small pieces makes it more difficult to understand both the benefits and the hazards of the regulations.

HOG PRODUCTION INDUSTRY REVIEW

The AMM made an initial submission to the Clean Environment Commission (CEC) on February 2, 2007. On April 25, 2007 the AMM presented a more thorough position to the CEC.

The Province of Manitoba required the CEC to investigate current environmental protection measures in place relating to hog production

in Manitoba to determine their effectiveness for managing hog production in an environmentally sustainable manner.

The AMM indicated the role of municipalities is to address local concerns regarding land use. The Provincial Government is responsible for environmental perspectives. Concern with the impact on municipal planning and the public process associated with both environmental assessments and the technical review committee were also raised.

**Communication
between RHAs and
communities needs to
improve in order for
RHAs to adequately
address local concerns.**

safety inspections, repairs and upgrades. The Grade Crossing Regulation under the Act requires increased municipal responsibility and resources from municipalities. The AMM expressed concern with the increased offloading to municipalities from other orders of government. The AMM indicated that railway crossings are the responsibility of the Federal Government and should not be offloaded to municipalities.

THE RAIL SAFETY ACT REVIEW

On May 10, 2007 the AMM submitted comments to the Railway Safety Act Review Secretariat. The Rail Safety Act specifies the requirements for railway crossing

safety inspections, repairs and upgrades. The Grade Crossing Regulation under the Act requires increased municipal responsibility and resources from municipalities. The AMM expressed concern with the increased offloading to municipalities from other orders of government. The AMM indicated that railway crossings are the responsibility of the Federal Government and should not be offloaded to municipalities.

REGIONAL HEALTH AUTHORITY (RHA) REVIEW

The AMM made a submission to the RHA Review Committee on August 15, 2007 to address a number of issues.

POLICY & LOBBYING

LOBBYING HIGHLIGHTS—SUBMISSIONS

Communication between RHAs and communities needs to improve in order for RHAs to adequately address local concerns. This includes the requirement for municipalities to contribute to health capital projects without input on what the funding will be used for. Health care services are the responsibility of the Provincial Government and offloading of this responsibility is not acceptable.

Increased accountability was also addressed, as there is a lack of public accountability through the RHA Boards.

The AMM brought to the attention of the Committee that the AMM membership has had resolutions about the training, recruitment and retention of medical professionals for a number of consecutive years. This indicates the need for increased provincial attention in this area.

TIRE RECYCLING SUBMISSION AND PACKAGING AND PRINTED PAPER SUBMISSION

On February 26, 2007 the AMM commented on the proposed Stewardship Regulation Guidelines for Product Stewards in relation to the Packaging and Printed Paper Stewardship Regulation to address the issues of program coverage area, timelines, consultations and complexity.

As well, the AMM made a submission on August 2, 2007 regarding the Tire Stewardship Manitoba (TSM) Scrap Tire Program Plan to raise some issues concerning continued consultation, province-wide implementation and tire stockpiles.

NATIONAL MUNICIPAL WASTEWATER EFFLUENT STRATEGY SUBMISSION

Following a consultation session for the development of a national Municipal Wastewater Effluent Strategy held by the Canadian Council of Ministers of the Environment and Manitoba Conservation, the AMM made a submission on March 1, 2007 to address a number of municipal concerns. This included concerns related to infrastructure funding, testing requirements and frequency, priority lists for implementation, timelines for implementation, harmonization of legislation, enforcement and jurisdictional requirements.

PARK DISTRICT SERVICE FEE REVIEW

On March 16, 2007 the AMM made a submission to Manitoba Conservation regarding the review of the Park District Service Fee. The AMM monitors this issue as it relates to the services provided by municipalities to residents living within provincial parks.

PRESIDENT BELL IS INTERVIEWED BY LOCAL MEDIA FOLLOWING THE AMM'S PRESENTATION TO THE CLEAN ENVIRONMENT COMMISSION ON APRIL 25, 2007.



POLICY & LOBBYING

LOBBYING HIGHLIGHTS—LOBBY DAYS

The AMM met with 30 members of the Manitoba Legislative Assembly during the AMM's third annual "Lobby Days" held April 17 and 18, 2007.

The purpose of the two-day blitz of the Manitoba Legislature is to meet not only with Cabinet Ministers, but also with other MLAs to ensure they are aware of the priorities of Manitoba's municipalities. The AMM met with MLAs from all three parties represented in the Manitoba Legislature.

During this year's meetings, the AMM briefed the MLAs on two top municipal priorities: fiscal balance and water issues. AMM President Ron Bell was pleased with this year's Lobby Days. "With an election on the horizon, we needed to ensure these topics were high on everyone's radar and I think we achieved that."

The briefs presented to MLAs during Lobby Days are available on the AMM website at www.amm.mb.ca.



President Bell listens as Central Urban Director Mel Klassen presents the AMM's two top municipal priorities — fiscal balance and water issues.

"With an election on the horizon, we needed to ensure these topics were high on everyone's radar...I think we achieved that."

President Ron Bell



L TO R:
INTERLAKE
URBAN
DIRECTOR
RANDY
SIGURDSON;
MLA FOR
TUXEDO
HEATHER
STEFANSON;
LEADER OF THE
MANITOBA PC
PARTY HUGH
McFADYEN;
FORMER
NORTHERN
DIRECTOR BERT
LAGIMODIERE;
AND RURAL
VICE-PRESIDENT
DOUG
DOBROWOLSKI

SPECIAL EVENTS

AMM MISSION TO EL SALVADOR

President Ron Bell, Rural Vice-President Doug Dobrowolski and Executive Director Joe Masi spent January 12-25, 2007 on a trip to El Salvador that was anything but a vacation. The mission was to develop a work plan that will assist the AMM's El Salvadoran counterparts, The Corporation of Municipalities of the Republic of El Salvador (COMURES), to move ahead with a lobbying strategy and commitment aimed at helping their organization improve their communities.



L to R: Executive Director Joe Masi, Rural Vice-President Doug Dobrowolski, Canadian Ambassador to El Salvador St phanie Allard-Gomez, President Ron Bell, and Micheline Caron, FCM.

COMURES first visited the AMM in 2006 to see how it operates and to determine how the AMM may be able to assist them in developing their lobbying abilities. The purpose of the January 2007 trip was to chart the course for the next several years. The plan involves COMURES returning to Canada for a more in-depth study on the AMM's lobbying and communication activities, after which the AMM will return to El Salvador.

The Federation of Canadian Municipalities (FCM) sponsors international activities for its members through their International Centre for Municipal Development (ICMD). All funding for the exchange comes from the Canadian International Development Agency (CIDA).

President Bell acknowledged that while the time commitment is significant, the benefits for both organizations will be substantial. "It is exciting to be able to share our knowledge

and experience with others," he said. "Despite our differences we have the same goals for our organizations – to achieve strong and effective municipal government. It is what we constantly strive for ourselves, and if we can help COMURES to achieve that we will both be better associations for it."



PRESIDENT BELL WITH A MEMBER OF COMURES' STAFF

"Despite our differences we have the same goals for our organizations – to achieve strong and effective municipal government." President Ron Bell

SPECIAL EVENTS

MRIF PROJECT UPDATE

The initial Canada-Manitoba Municipal Rural Infrastructure Fund (MRIF) agreement, announced in December 2004, invested a total of \$120

million in communities across Manitoba. This year, an additional \$25 million will be provided to MRIF through matching funds from the Governments of Canada,

Manitoba and local contributions as part of the commitment to help small communities meet their pressing infrastructure needs. This additional funding will bring the total federal and provincial investment and matching local contributions in MRIF projects to \$145 million.

Of the funds, 80 per cent are earmarked for communities with a population under 250,000, including 197 municipalities and 50 unincorporated Northern Community Coun-

cils in rural and northern Manitoba. The remaining 20 per cent of funds are awarded to communities with populations over 250,000.

**As of August 31, 2007,
67 projects totaling over
\$113 million have been
announced.**

Applications are assessed by the Rural/Northern Federal-Provincial-Local Consultative Committee (FPLCC) on Infrastructure.

This is a six-member committee consisting of the President and two Vice-Presidents from the AMM, the President and a member of the Northern Association of Community Councils (NACC), and an official from Manitoba Aboriginal and Northern Affairs.

As of August 31, 2007, 67 projects totaling over \$113 million have been announced. The most recent funding announcement took place in Anola on July 16, 2007.



FPLCC on Infrastructure members (L to R): Manitoba Aboriginal & Northern Affairs representative Jeff Gordon, NACC President Reg Mead, AMM President Ron Bell, AMM Urban Vice-President Shirley Kalyniuk, AMM Rural Vice-President Doug Dobrowski

PROVINCIAL-TERRITORIAL MINISTERS

In an unprecedented example of working together, the Association of Manitoba Municipalities (AMM) accepted the invitation of the Province of Manitoba to address the annual meeting of Provincial-Territorial Ministers Responsible for Local Government on July 14, 2007. The AMM was invited to present so the Ministers could hear firsthand about the key issues and challenges facing municipalities in Manitoba and across Canada.

"This is a very significant event for the AMM," said AMM President Ron Bell. "While these Ministers meet annually to discuss issues that relate to their common goal of strong and viable municipalities, they do not typically invite municipal associations to participate. We were pleased to be invited and to provide the Ministers with input on municipal issues and concerns."

"This is another example of our successful partnership with the Association of Manitoba Municipalities and as host province of the Provincial-Territorial annual meeting, we were extremely pleased the AMM accepted our invitation to be part of the event," said Steve Ashton, Manitoba Minister of Intergovernmental Affairs.

The AMM used the opportunity to focus on two of the most significant challenges facing municipalities across Canada – infrastructure and the municipal 3R's - the roles, responsibilities and resources of municipal governments. Bell explains: "The harsh reality is that municipalities, for a number of varying reasons, have taken on more and more responsibility over the years but haven't seen the accompanying resources."

"This is another example of our successful partnership with the Association of Manitoba Municipalities..."

*Steve Ashton, Manitoba Minister of
Intergovernmental Affairs*

Bell notes this opportunity was a good first step towards working with provincial local government Ministers on an ongoing basis for the future health and prosperity of municipalities across Canada. "Municipalities are more than willing to work with the Province to find solutions to these challenges. No single order of government can do this alone. We need to work together and we think this meeting has started the dialogue."



L TO R:

MANITOBA
INTERGOVERN-
MENTAL AFFAIRS
MINISTER STEVE
ASHTON

AMM PRESIDENT
RON BELL

SASKATCHEWAN
GOVERNMENT
RELATIONS
MINISTER HARRY
VAN MULLIGAN

MEMBER SERVICES

AMM EVENTS

AMM ANNUAL CONVENTION NOVEMBER 27-30, 2006

A record-breaking 1,014 delegates attended the AMM's 8th Annual Convention, held at the Winnipeg Convention Centre from November 27-30, 2006. The theme was "*Leadership Builds Municipalities*".

The event kicked off with a pre-conference seminar. A total of 427 delegates took in this informative session.

Speakers at this year's convention included keynotes Kit Grant and Jeffrey Simpson; Minister of Justice and Attorney General of Canada Vic Toews; Minister of Intergovern-

mental Affairs Steve Ashton; Leader of the Manitoba Official Opposition Hugh McFadyen; Leader of the Manitoba Liberal Party Dr. Jon Gerrard; and Gloria Kovach, President of the Federation of Canadian Municipalities. Premier Gary Doer presented his annual address to delegates at the gala banquet. Delegates also had the opportunity to attend several workshops and plenary sessions.

MINISTERIAL FORUM

This year's Ministerial Forum saw Premier Doer and seven

Ministers take part. Minister of Intergovernmental Affairs Steve Ashton chaired the forum and was joined by Ron Lemieux (Infrastructure), Peter Bjornson (Education), Theresa Oswald (Health), Rosann Wowchuk (Agriculture, Food and Rural Initiatives), Scott Smith (Competitiveness, Training and Trade) and Stan Struthers (Conservation).

ELECTIONS

AMM President Ron Bell was again acclaimed to serve a third term as AMM President. An election took place for both Vice-President positions. Mayor Shirley Kalyniuk defeated Mayor Randy Sigurdson with 374 votes to Sigurdson's 349. For the position of Rural Vice-President, Councillor Doug Dobrowolski received 428 votes while Reeve Alice Bourgouin received 296.

RESOLUTIONS

A total of 38 resolutions were debated, with 22 carried, seven defeated, and six withdrawn. Three were AMM standing policy.



ABOVE:
THE
HONOURABLE
VIC TOEWS
ADDRESSES
AMM
DELEGATES.



RIGHT:
AMM
MEMBERS AT
THE 8TH
ANNUAL
CONVENTION.

MEMBER SERVICES

AMM EVENTS



MUNICIPAL OFFICIALS SEMINAR & TRADE SHOW (MOS) FEBRUARY 27-28, 2007

A total of 674 municipal officials attended this year's Municipal Officials Seminar & Trade Show. Delegates enjoyed a wide variety of policy and professional development breakout sessions. Plenary sessions included such topics as *Public Private Partnerships*, *Green Manitoba*, *Growing Opportunities*, *Municipal Leadership* and *Managing Unresolvable Issues*.

In conjunction with MOS, the Municipal Trading Company (MTCML) held its largest trade show event of the year. This one-day trade show included over 100 booths.

MAYORS, REEVES & CAOs MEETINGS MARCH 5-20, 2007

The AMM annual Mayors, Reeves and CAOs meetings were held between March 5 and 20, 2007. The AMM Executive updated participants on the topics of fiscal balance, infrastructure, water and planning issues, green issues and healthy communities, among others.

2007 hosts included RM of Lac du Bonnet, RM of Macdonald, RM of South Cypress and Village of Glenboro, RM of Langford and Town of Neepawa, Town of Lynn Lake, Town of Winnipeg Beach, and RM of Ste. Rose.

JUNE DISTRICT MEETINGS

JUNE 7-15, 2007

This year's June District Meetings saw 171 municipalities represented, or 86 per cent. The 720 delegates heard presentations on the Public Sector Accounting Board (PSAB) requirements, fire protection and emergency response responsibilities of municipalities, and municipal insurance. Resolutions debated totaled 51.

The 2007 meetings were hosted by the Town of Lynn Lake, Town of Arborg, RM of St. Clements, Town of Morden, RM of Morton and Town of Boissevain, RM and Town of Shoal Lake, and RM and Town of Grandview.

MUNICIPAL VISITS

Each year the AMM travels extensively throughout Manitoba, meeting with local councils to hear firsthand about the issues facing these communities. The AMM visited 47 municipalities in 2007.

The AMM's goal is to meet with each municipal council during their four-year term.

AMM EDUCATION PROGRAM

AMM members were offered four outstanding education sessions in 2007. The first session, *Human Resources for Elected Officials* was held in Brandon. A panel of experts led 127 participants through this session.

The second and third sessions featured municipal governance expert *George Cuff* in both Winnipeg and Brandon. The AMM subsidized the sessions so the fee was only \$20. A total of 140 AMM members attended.

The year's final session, *Governance Success with Gord McIntosh*, took place in Portage la Prairie and was attended by 130 delegates.

"I WAS AT THE GEORGE CUFF PRESENTATION. THIS MAN REMINDED ME OF WHY I GOT INTO MUNICIPAL GOVERNANCE TO BEGIN WITH. HE WAS DIRECT, TO THE POINT AND PULLED NO PUNCHES. HOW REFRESHING TO LISTEN TO SOMEONE SPEAK IN A FRANK AND UNDERSTANDABLE MANNER.

IN A TIME WHERE WE ARE LOOKING FOR ANSWERS, THIS MAN REMINDS US THAT WE HAVE THEM IF WE CAN STAY THE TRUE COURSE."

*Councillor
Dave Quinn
City of
Portage
la Prairie*

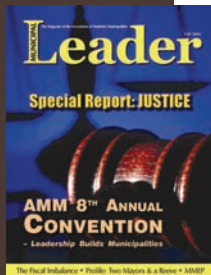
MEMBER SERVICES

COMMUNICATIONS

THE MUNICIPAL LEADER

The AMM's quarterly magazine, with a distribution of 1,800, focuses on a wide range of timely issues. In addition to a number of regular features, each issue has some special reports and articles.

This past year also featured numerous articles geared towards those newly elected in the October 2006 municipal election.



The Fall 2006 issue included a special report on "Justice". Also featured was a profile on three long-standing elected officials in "Two mayors and a reeve", a comprehensive look at the fiscal balance issue, and a preview of the 8th Annual AMM Convention.



Winter 2007 previewed the 2007 MOS and Trade Show, and introduced the "Changing face of the AMM board". A new series titled "Anatomy of an Amalgamation" was also introduced. For the newly elected, "What does the AMM do for you?" explained our role in the Manitoba municipal arena.



Spring 2007 explored a broad topic in its "Quality of Life" special report. It also featured a profile of a municipality much changed in last year's municipal election, the RM of Gimli. The 2007 New Council Seminars were recapped, as was the 2007 Municipal Innovation Award.



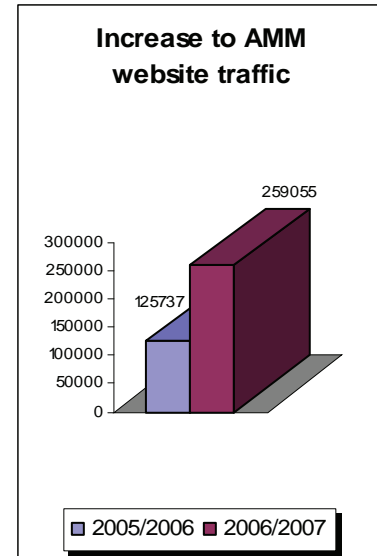
Summer 2007 took on an ambitious special report in "Health & Healthy Living". It also touched on wind energy, profiled two interesting municipal ideas, and recapped both Lobby Days and the AMM Education program. It also explained the Public Sector Accounting Board (PSAB) process for municipalities.

AMM WEBSITE—WWW.AMM.MB.CA

The AMM website continued to gain popularity as illustrated in the graph below, with monthly visits to the website more than doubling over the previous year.

Monthly averages increased from 10,478 visitors per month in 2005/2006 to 21,588 visitors per month in 2006/2007.

The website also added on-line registration forms for AMM events this past year.



BI-WEEKLY NEWS BULLETIN

The AMM's bi-weekly news bulletin is a popular and efficient way to deliver timely information on AMM issues. The bulletins are distributed via email to each municipal CAO who in turn distributes them to council, for a total reach of 1,379. An additional 400+ bulletins are distributed to MLAs, Cabinet Ministers, fraternal organizations, and recipients who subscribe using a form posted on the AMM website. This figure includes 83 new subscribers for the reporting year.

AMM MEMBER ADVISORIES

The AMM distributes Member Advisories to communicate issues of immediate importance to AMM members. Five advisories were distributed to AMM members last year.

MEMBER SERVICES

COMMUNICATIONS

AMM IN THE MEDIA

The AMM continually strives to enhance our relationship with local media. Last year, the AMM was mentioned in Manitoba media 320 times, just slightly below 2005/2006 levels, but significant in the number of issues discussed. The AMM was mentioned in the context of 68 different media issues.

Some of the media interviews granted were a result of the 35 news releases and media advisories distributed throughout the year, while others were a product of increased awareness of the AMM's lobbying efforts.

The AMM Annual Convention was the top AMM story last year. It was mentioned in 86 news stories, or 41 per cent of total media hits.

TOP 10 MEDIA ISSUES 2006/2007

1. 8th Annual Convention
2. Municipal Election
3. Provincial Budget
4. Inter-facility Patient Transfer
5. Provincial Election
6. Federal Budget
7. June District Meetings
8. Municipal Innovation Award
9. AMM History Book
10. MRIF

AMM COMMENTARY

Part of the AMM's media strategy for 2006/2007 involved writing several "commentary" pieces for broad distribution throughout Manitoba print media.

The first was a call to the Provincial Budget. *Budget Needs to Build Communities* focused on the need for the April 4, 2007 Provincial Budget to build communities by making a commitment to dealing with the infrastructure deficit in this province.

The second, titled *Budget 2007 promising, but more to do* reacted to the Provincial Budget's failure to deliver on a long-term plan to address the growing municipal infrastructure deficit in Manitoba. On the plus side, the AMM was pleased to see Budget 2007 provide a promise from the Province to increase provincial funding of education.

Finally, *Municipalities are growing up* aimed to break through the vast media attention around the provincial election. This commentary highlighted the fiscal balance issue by illustrating the many ways local government impacts a typical day for a Manitoba family.



MEMBER SERVICES

TRADING COMPANY

This year, the MTCML was able to rebate another \$750,000 to our members based on their MTCML sales, bringing the cumulative rebate over the past six years to \$2,500,000.

The Municipalities Trading Company of Manitoba Ltd. (MTCML) allows AMM members to purchase products and services at lower prices through the power of bulk buying.

This past year was another great success. Sales remained consistent and the stable pool of official suppliers continued to change and grow. The products sales were just over the \$18,800,000 mark this year.

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.

MTCML REBATES 2002-2007

2002	\$250,000
2003	\$300,000
2004	\$350,000
2005	\$350,000
2006	\$500,000
2007	\$750,000
	\$2,500,000

MTCML OFFICIAL SUPPLIERS

Official Suppliers are very important to the success of the MTCML. These suppliers offer hundreds of products and services that municipalities use. The Trading Company has individual contracts with each supplier, ensuring 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 AMM events and communications.



OFFICIAL SUPPLIERS

Acklands Grainger
Airmaster Sales Ltd.
Armtec Ltd.
Bridgestone (Tires)
Canada Culvert
CD Awards
Darwen Road Technologies Ltd.
Denray Tire
Dust Free Road Maintenance
Everest Supply & Services Inc. **NEW**
Fort Distributors Ltd.
Goodyear (Tires)
Grand & Toy
Guardian Traffic Services
Hayhurst Elias Dudek
Kal Tire
MTS
Michelin (Tires)
Norquay Printers Ltd.
Orkin PCO Swat Team
Prairie Fuel Advisors Inc.
Shippam & Associates
Souris Rock Shop
Tirecraft
Westcon Equipment & Rentals
Westgro Horticultural Supplies Inc. **NEW**

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

MEMBER SERVICES

TRADING COMPANY

CORPORATE MEMBERS

Sixteen Corporate Members assist the buying group in providing services and hosting events throughout the year. They include:

***Borland Construction
Genivar
Guertin Equipment
Hayhurst Elias Dudek
J.R. Cousin Consultants Ltd.
Manitoba Aboriginal & Northern Affairs
Manitoba Heavy Construction Assoc.
Manitoba Hydro
Manitoba Ready Mix Concrete Assoc.
Manitoba Pork Council
Mazer Group Construction Equipment
Miller Environmental Corporation
P.A.T. Inc.
People First HR Services Ltd.
Tri Core Projects Manitoba Ltd.
Westcon Equipment & Rentals Ltd.***

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 administered by a company that has expertise in the program area.

FUEL SUPPLY PROGRAM

Prairie Fuel Advisors manages the AMM's Fuel Supply Program. Prairie Fuel Advisors helps municipalities in Alberta, Saskatchewan and Manitoba reduce their overall cost of fuels, oils, greases, and lubricants by negotiating better supply contracts for the total volume of these products than individual municipalities can obtain on their own.

This equates to approximately 44,000,000 litres per year for the three provinces.

INSURANCE PROGRAM

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

The AMM also makes available a "self-insured" health and dental benefits program for employees and council members. Currently 131 municipalities participate in the program, which offers flexible coverage options at very reasonable rates.

"There's such a wonderful cross-section of our population involved in municipal government..."

***Bob Omeniuk
Canada
Culvert***

"Whether it's about new products or new ways of doing what they're already doing, municipal clients want to learn."

***Jim Freedy
Dust Free
Road
Maintenance***

"Municipal officials and staff are very interested in learning more and always have lots of questions."

***Ken Fingler,
HED Insurance***



FINANCIAL STATEMENT



THE EXCHANGE

chartered accountants

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, 2007 and the statements of income, General 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, 2007 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.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
September 17, 2007

100-123 Bannatyne Ave., Winnipeg, Manitoba R3B 0R3
Telephone: (204) 943-4384 Fax: (204) 957-5195
E-mail: info@exg.ca Website: www.exg.ca

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT STATEMENT OF INCOME YEAR ENDED AUGUST 31, 2007

	2007	2006
REVENUE		
Membership dues	\$ 317,203	\$ 297,488
Associate membership	7,250	6,450
Convention	310,571	278,756
Rental revenue	36,000	36,000
Merx revenue	720	1,160
Education	17,980	41,929
Newly elected seminar	22,800	-
Miscellaneous	46,609	1,083
Trade show	50,000	44,175
Seminar revenue	84,870	76,100
Interest earned	5,778	2,703
Corporate membership	5,750	7,000
Pre-conference seminar	17,080	-
Magazine	10,365	11,697
Advertising - bulletin	1,450	1,250
	<u>934,426</u>	<u>805,791</u>
EXPENSES		
Functions, page 13	392,024	289,361
Executive, page 13	316,598	354,866
Other, page 13	334,415	322,697
Staffing, page 14	623,696	598,148
	<u>1,666,733</u>	<u>1,565,072</u>
	<u>(180,000)</u>	<u>(180,000)</u>
	<u>1,486,733</u>	<u>1,385,072</u>
Administration dividend, Trading Account		
OPERATING LOSS	552,307	579,281
OTHER INCOME		
Dividend, Trading Account	500,000	600,000
NET INCOME (LOSS)	<u>\$ (52,307)</u>	<u>\$ 20,719</u>

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT BALANCE SHEET AS AT AUGUST 31, 2007

ASSETS

	2007	2006
CURRENT		
Cash and short-term deposits	\$ 220,409	\$ 68,632
Accounts receivable	330,041	257,057
Prepaid expenses	31,430	61,994
Due from Employee Benefits Reserve	5,319	-
	<u>587,199</u>	<u>387,683</u>
SEGREGATED FUNDS		
Legal Fund, note 6	45,824	49,181
Employee Benefits Reserve, note 7	100,000	100,000
Building Reserve, note 8	268,551	206,910
Communications Reserve, note 9	40,000	20,000
	<u>454,375</u>	<u>376,091</u>
PROPERTY AND EQUIPMENT, notes 2 and 3	414,770	427,997
	<u>\$ 1,456,344</u>	<u>\$ 1,191,771</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	78,845	84,048
Due to Employee Benefits Reserve	-	8,078
Prepaid revenue	334,578	332,701
Deferred dividend revenue	250,000	-
Due to Communications Reserve	20,000	20,000
	<u>683,423</u>	<u>444,827</u>
LEGAL FUND, note 6	45,824	49,181
EMPLOYEE BENEFITS RESERVE, note 7	100,000	100,000
BUILDING RESERVE, note 8	268,551	206,910
COMMUNICATIONS RESERVE, note 9	40,000	20,000
	<u>454,375</u>	<u>376,091</u>
NET ASSETS		
UNRESTRICTED	(98,224)	(57,144)
INVESTED IN CAPITAL ASSETS	416,770	427,997
	<u>318,546</u>	<u>370,853</u>
	<u>\$ 1,456,344</u>	<u>\$ 1,191,771</u>

APPROVED ON BEHALF OF THE BOARD:

Joe Mar Director

John M. Bell Director

FINANCIAL STATEMENT



ASSOCIATION OF MANITOBA MUNICIPALITIES

TRADING ACCOUNT BALANCE SHEET AS AT AUGUST 31, 2007

	2007	2006
CURRENT		
Cash	\$ 2,215,003	\$ 1,730,226
Accounts receivable	1,455,895	1,553,919
Inventory, note 2	29,019	26,973
Prepaid dividend	250,000	-
	<u>3,949,917</u>	<u>3,311,118</u>
SEGREGATED FUNDS		
Self-insurance loss pool, note 4	7,302,637	7,549,520
Public Sector Accounting Reserve	100,000	37,500
AMM 10th Anniversary Reserve	76,533	25,000
Insurance Reserve	<u>247,002</u>	<u>-</u>
	<u>7,726,172</u>	<u>7,612,020</u>
	<u>\$11,676,089</u>	<u>\$10,923,138</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,975,102	\$ 1,671,277
Due to Public Sector Accounting Reserve	100,000	37,500
Due to AMM 10th Anniversary Reserve	50,000	25,000
Due to Insurance Reserve	<u>247,002</u>	<u>-</u>
	<u>2,372,104</u>	<u>1,733,777</u>
SELF-INSURANCE LOSS POOL, note 4	7,302,637	7,549,520
PUBLIC SECTOR ACCOUNTING RESERVE, note 10	100,000	37,500
AMM 10TH ANNIVERSARY RESERVE, note 11	76,533	25,000
INSURANCE RESERVE, note 12	<u>247,002</u>	<u>-</u>
	<u>7,726,172</u>	<u>7,612,020</u>
	10,098,276	9,345,797
NET ASSETS	<u>1,577,813</u>	<u>1,577,341</u>
	<u>\$11,676,089</u>	<u>\$10,923,138</u>

UNRESTRICTED

APPROVED ON BEHALF OF THE BOARD:

 Director
 Director

ASSOCIATION OF MANITOBA MUNICIPALITIES

TRADING ACCOUNT STATEMENT OF INCOME YEAR ENDED AUGUST 31, 2007

	2007	2006
SALES	\$11,209,613	\$11,556,313
COST OF SALES	<u>10,986,669</u>	<u>11,326,171</u>
GROSS PROFIT (2007 - 2.0%, 2006 - 2.0%)	222,944	230,142
INSURANCE ADMINISTRATION FEES	585,707	564,870
INVESTMENT INCOME	<u>1,030,169</u>	<u>654,711</u>
	<u>1,838,820</u>	<u>1,449,723</u>
EXPENSES		
Administration dividend, General Account	180,000	180,000
Advertising and promotion	15,840	9,079
Allocation to AMM 10th Anniversary Reserve	50,000	25,000
Allocation to Public Sector Accounting Reserve	101,125	37,500
Allocation to Insurance Reserve	<u>247,002</u>	<u>-</u>
Miscellaneous	(5,936)	(6,620)
Interest and bank charges	144	67
Membership rebate	750,000	499,625
Write-down of inventory	<u>173</u>	<u>3,978</u>
	<u>1,338,348</u>	<u>748,629</u>
OPERATING INCOME	500,472	701,094
OTHER EXPENSE		
Dividend, General Account	<u>(500,000)</u>	<u>(600,000)</u>
NET INCOME	<u>\$ 472</u>	<u>\$ 101,094</u>

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

STATEMENT OF NET ASSETS YEAR ENDED AUGUST 31, 2007

	Invested in Capital Assets	Unrestricted	Total 2007	Total 2006
<u>General Account</u>				
BALANCE, beginning of year	\$ 427,997	\$ (57,144)	\$ 370,853	\$ 350,134
Investment in capital assets	24,583	(24,583)	-	-
Net income (loss)	(35,810)	(16,497)	(52,307)	20,719
BALANCE, end of year	<u>\$ 416,770</u>	<u>\$ (98,224)</u>	<u>\$ 318,546</u>	<u>\$ 370,853</u>
<u>Trading Account</u>				
BALANCE, beginning of year	\$ -	\$ 1,577,341	\$ 1,577,341	\$ 1,476,247
Net income	-	472	472	101,094
BALANCE, end of year	<u>\$ -</u>	<u>\$ 1,577,813</u>	<u>\$ 1,577,813</u>	<u>\$ 1,577,341</u>

ASSOCIATION OF MANITOBA MUNICIPALITIES

COMBINED STATEMENT OF CASH FLOWS YEAR ENDED AUGUST 31, 2007

	2007	2006
CASH PROVIDED BY (USED IN):		
OPERATIONS		
Net income, Trading Account	\$ 472	\$ 101,094
Net income (loss), General Account	(52,307)	20,719
Add: non-cash charges		
Depreciation	35,810	38,072
Allocation to Reserves	462,808	140,578
	446,783	300,463
Change in non-cash working capital balances	214,354	9,211
Cash flows from operations	661,137	309,674
INVESTMENTS		
Purchase of property and equipment	(24,583)	(13,057)
INCREASE (DECREASE) IN CASH	636,554	296,617
CASH, beginning of year	1,798,858	1,502,241
CASH, end of year	<u>\$ 2,435,412</u>	<u>\$ 1,798,858</u>
REPRESENTED BY:		
General Account	\$ 220,409	\$ 68,632
Trading Account	2,215,003	1,730,226
	<u>\$ 2,435,412</u>	<u>\$ 1,798,858</u>
SUPPLEMENTAL DISCLOSURE:		
Interest received	<u>\$ 1,035,947</u>	<u>\$ 657,414</u>

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2007

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 a program which offers member municipalities group discounts on various products and services. This program operates through the Municipalities Trading Company of Manitoba Ltd. (MTCML), which is represented in these financial statements by the Trading Account. 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 Municipalities Trading Company of Manitoba Ltd.

(b) Inventory

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

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Property And Equipment

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

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

(d) Revenue Recognition

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

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

The Trading Account's sales are normally recognized when the products are shipped, at which time title passes to the customer.

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

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2007

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated Depreciation	2007 Net Book Value	2006 Net Book Value
Land	\$ 90,000	\$ -	\$ 90,000	\$ 90,000
Building	375,689	92,592	283,097	289,357
Office equipment	121,256	105,112	16,144	17,121
Sign	9,128	7,850	1,278	1,809
Computer hardware	251,123	235,724	15,399	12,005
Computer software	39,609	39,609	-	-
Vehicle	35,411	26,559	8,852	17,705
Photocopier	17,905	17,905	-	-
	<u>\$ 940,121</u>	<u>\$ 525,351</u>	<u>\$ 414,770</u>	<u>\$ 427,997</u>

4. SELF-INSURANCE LOSS POOL

	2005/2006 And Prior Pool	2006/2007 Pool	2007 Total	2006 Total
Balance, beginning of year	\$ 7,549,570	\$ -	\$ 7,549,520	\$ 6,940,559
Current year loss pool additions	-	4,023,349	4,023,349	4,036,435
	<u>7,549,570</u>	<u>4,023,349</u>	<u>11,572,869</u>	<u>10,976,994</u>
Insurance claims paid	2,000,051	2,270,181	4,270,232	3,427,474
	<u>\$ 5,549,469</u>	<u>\$ 1,753,168</u>	<u>\$ 7,302,637</u>	<u>\$ 7,549,520</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 (2006 - \$500,000) per claim of certain types of claims, up to a maximum of \$4,000,000 (2006 - \$4,100,000) in aggregate for the year.

The segregated cash is recorded at cost as:

	2007	2006
Bank	\$ 34,835	\$ 22,230
Great West Life - Loss Pool Fund (market value \$8,181,148, 2006 - \$8,339,734)	<u>7,267,802</u>	<u>7,527,290</u>
	<u>\$ 7,302,637</u>	<u>\$ 7,549,520</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:

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 Manitoba Association of Urban Municipalities at December 31, 1998. Since that time, it has been used to fund superannuation, and the reserve is not to exceed \$100,000.

8. BUILDING RESERVE

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

9. COMMUNICATIONS RESERVE

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

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2007

10. PUBLIC SECTOR ACCOUNTING RESERVE

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

11. AMM 10TH ANNIVERSARY RESERVE

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

12. INSURANCE RESERVE

This reserve has been established to fund potential cost increases for municipal insurance in years where there are high claims.

13. FINANCIAL INSTRUMENTS

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

ASSOCIATION OF MANITOBA MUNICIPALITIES

GENERAL ACCOUNT SCHEDULE OF EXPENSES YEAR ENDED AUGUST 31, 2007

	2007	2006
FUNCTIONS		
Municipal seminar	\$ 50,262	\$ 35,330
Trade show	24,647	22,587
Resolutions committee	3,083	2,603
Pre-conference seminar	4,258	-
Education	25,364	26,417
PSAB	12,605	-
Newly elected officials seminar	11,462	-
Convention	260,343	202,424
	<u>\$ 392,024</u>	<u>\$ 289,361</u>
EXECUTIVE		
Board - stipend	\$ 42,004	\$ 44,004
Board - sundry	1,666	2,020
Meeting expenses	272,928	308,842
	<u>\$ 316,598</u>	<u>\$ 354,866</u>
OTHER		
Association fees	\$ 3,267	\$ 2,972
Audit fees	9,047	9,490
Bank charges	213	25
Building repairs and maintenance	24,630	36,271
Building reserve	50,000	50,000
Communications reserve	20,000	20,000
Depreciation	35,810	38,072
Donations and gifts	6,698	4,723
Insurance	4,263	4,214
Legal	18,066	12,981
Office	60,883	57,555
Postage	27,673	21,945
Printing and stationery	9,532	8,332
Promotional materials	8,419	2,315
Property taxes	28,890	27,722
Telephone	20,794	20,079
Vehicle expenses	6,230	6,001
	<u>\$ 334,415</u>	<u>\$ 322,697</u>
	2007	2006
STAFFING		
Management expenses	\$ 20,896	\$ 23,690
Staff expenses	17,762	18,075
Salaries	513,517	474,544
Employee benefits	67,396	65,622
Workers compensation	535	598
Employee benefits reserve	(5,319)	8,078
Staff training and recruitment	8,909	7,541
	<u>\$ 623,696</u>	<u>\$ 598,148</u>



ASSOCIATION OF MANITOBA MUNICIPALITIES

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