

THE ASSOCIATION OF MANITOBA MUNICIPALITIES

2008 ANNUAL REPORT

SEPTEMBER 1, 2007 TO AUGUST 31, 2008



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.

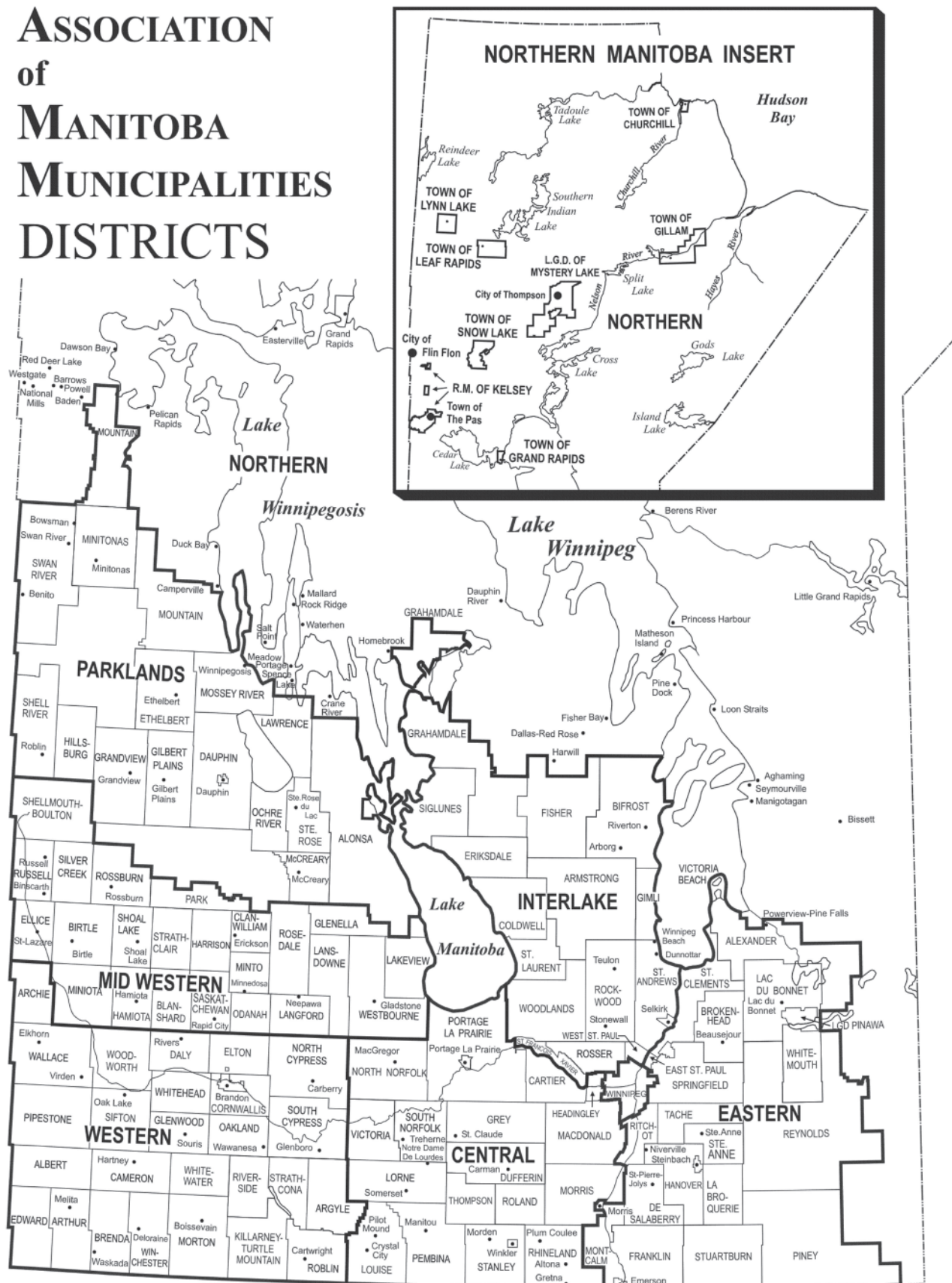


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MAP OF MUNICIPALITIES

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
 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
 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

PRESIDENT'S MESSAGE



On behalf of the Board of Directors of the Association of Manitoba Municipalities, I am pleased to present the 2008 Annual Report. This past year was the tenth in AMM history and reflects the many activities and accomplishments of our organization over the past year.

Our lobbying activities were largely devoted to two main

issues – fiscal balance and water. Movement has been made in both areas and in terms of the Department of Water Stewardship's discussion document, *Framework for the Future*, the movement has been positive. Last December, the release of this document raised alarm bells for municipal leaders throughout Manitoba and as a result, the AMM raised concerns with the implementation of this strategy at every Provincial Cabinet Minister meeting and at the 2008 Lobby Days.

The major concerns were not the high goals and visions proposed for the conservation district (CD) program, but how the Province intended to move forward to reach these goals. The suggestion of increased requirements for CDs with little additional funding caused concern, as did the threat of erosion of existing local authority. However, the Province has since shown a willingness to ensure the strategy addresses the issues raised by the AMM, and invited municipalities to submit their concerns. In addition, a facilitated process between the AMM, the Manitoba Conservation Districts Association, and Manitoba Water Stewardship has begun with an aim to reach consensus on a vision for CDs in Manitoba. This process has been encouraging, as has been the willingness to work together shown by all parties, and the AMM looks forward to continuing on this path.

Late 2007 also raised alarm bells on the fiscal balance front, with the release of the Federation of Canadian Municipalities (FCM) report *Danger Ahead – The Coming Collapse of Canada's Municipal Infrastructure*. This shocking report pointed to the \$123 billion national municipal infrastructure deficit, a figure that had doubled from four years earlier. The Province has shown a willingness to review the municipal roles, responsibilities, resources and relationships (4 Rs) to develop new approaches to municipal financing. The recent signing of the Building Canada Fund framework agreement for Manitoba, and other municipal programs, will provide additional help. But as we all recognize, much more is needed. In fact, the majority of Canadians surveyed by FCM (68%) would have preferred the Federal Government had left the GST at six per

cent and used the remaining funds to help municipalities improve their local infrastructure. And the AMM's own member survey of last spring points to infrastructure being the top concern of our members, with more than half (53%) rating infrastructure as their biggest issue.

A more recent AMM poll of 1,000 Manitobans was even more telling. The vast majority of Manitobans felt that infrastructure projects should receive either the highest (27%) or high (67%) priority from municipalities. Only just better than one-third, however (35%) felt that their municipality could pay for its own infrastructure needs, while more than half (55%) were convinced that their municipality could not afford to cover these projects. And over half (54%) of those surveyed reported they would support the idea of an additional one per cent municipal tax dedicated exclusively for infrastructure renewal projects. We have listened to these concerns and the coming months will see the AMM make a concentrated, unrelenting effort for additional funding and resources for municipalities to tackle their infrastructure needs.

While these issues are significant and time-consuming we also raised dozens of other issues throughout the course of the year. These issues were discussed during our individual meetings with 17 Provincial Cabinet Ministers, with Premier Doer and members of Cabinet in November, and during Lobby Days in April. The coming year will see many more issues raised, as the number of resolutions coming to our Convention this year more than doubled the number the previous year. Clearly, we have much work to do!

On that note, our work would not have been possible without the support of the rest of the Executive team, Vice-Presidents Shirley Kalyniuk and Doug Dobrowolski, and Executive Director Joe Masi. Thank you also to the rest of the Board for their dedication and hard work throughout the year. I would also like to welcome our newest director, Councillor Karen MacKinnon from the City of Flin Flon, who was elected to the second Northern district seat.

I reserve my most heartfelt thanks, as always, for our membership. Your support, encouragement, and belief in our abilities over the past year is truly appreciated and is the driving force behind our efforts. As the title of our history book suggests, speaking "with one voice" is much more rewarding than speaking with many, and our voice is indeed strong and clear, thanks to you.

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

Ron Bell
President

EXECUTIVE DIRECTOR'S MESSAGE



I am pleased to provide the Executive Director's message for our 2008 annual report of the Association of Manitoba Municipalities (AMM). This report outlines the activities of our 10th year, a milestone for the AMM and our membership.

On the financial side, the AMM and Municipalities Trading Company of Manitoba Limited (MTCML) continue to be strong. MTCML sales remained solid and as a result the AMM was able to offer a significant rebate back to our membership. This year's rebate was the largest ever at \$1,300,000, bringing the total rebates to \$3.8 million over the past seven years. We sincerely thank all municipalities for their continued use of our Trading Company, and our MTCML Official Suppliers for their part in our success. I am also pleased to welcome four new Corporate Members this year, further strengthening our service to our members.

In terms of our events and communications, this past year the AMM was able to offer three first-rate and affordable professional development courses for elected officials. Our other events, including the Annual Convention, Municipal Officials Seminar & Trade Show, June District Meetings and Mayors, Reeves and CAOs Meetings were also well attended.

On the communications side of the AMM, our magazine and bulletins continue to improve and keep our membership informed on various initiatives of the AMM. The AMM website at www.amm.mb.ca continues to be a valuable resource for our members and we strive to keep it up to date and easy to navigate.

We took on a number of additional activities in 2008, to commemorate our anniversary and help us to look forward into the future. Fittingly, January saw the launch of our new logo to begin the New Year. We incorporated this new "look" into our stationary, building signage, and all communications material. The new logo has been well received by our membership and others, as it is modern, colourful and depicts Manitoba in its entirety.

The seed for the AMM History Book, *"With One Voice: A History of Municipal Governance in Manitoba"* germinated in early 2007 and after much research, hard work and dedication throughout this past year, has bloomed into an attractive, informative keepsake for our members. This book was a real labour of love for those involved in its production and I hope you enjoy it.

We also commissioned a survey of our membership in 2008, the findings of which will help us to look forward to the next several years and beyond. Highlights of this survey are noted on page 25. Suffice it to say our membership expressed a high degree of satisfaction with the work that we do on your behalf and we take pride in that. But we also recognize there is always more work to be done and the results of this survey will be very beneficial in helping us move forward to accomplish even more in the coming years.

I would like to thank our Board of Directors for its support and guidance throughout the year. Without their great investment of time and effort into the AMM we would not be the successful association we are today.

To our staff at the AMM, I would sincerely like to recognize the excellent work they do on behalf of our Board and our membership. While this year has been particularly challenging given the many extra 10th anniversary tasks on the calendar, they easily rose to the challenge. They are dedicated and professional in the performance of their duties and I could not do my job as Executive Director without their support.

I would like to thank and acknowledge President Ernie Epp and Executive Director Mel Nott of the Manitoba Municipal Administrators Association (MMAA) and all the members of MMAA for their valuable contribution to the AMM. We truly value the partnership and excellent working relationship between the AMM and MMAA.

Lastly, I would like to thank our membership for their continued advice, support and encouragement. You have welcomed our association to your offices on municipal visits, provided us with valuable feedback on various issues facing municipalities and you continue to serve your communities with dedication.

We hope you enjoy this annual report and we look forward to continuing to work on your behalf in the coming year.

A handwritten signature in blue ink that reads "Joe Masi". The signature is fluid and cursive.

Joe Masi
Executive Director

BOARD OF DIRECTORS



Alice Bourguin, Reeve, RM of Rosser - Interlake Rural Director

AMM Administration Committee / AMM Resource Management Committee / Manitoba Water Council

Randy Sigurdson, Mayor, Town of Arborg - Interlake Urban Director

AMM Administration Committee / Vice-Chair, AMM Social & Fiscal Issues Committee / Physician Resource Coordination Office Policy Committee / Manitoba Product Stewardship Board / Manitoba Disaster Appeals Board



George Harbottle, Reeve, RM of Alexander - Eastern Rural Director

AMM Resource Management Committee / Municipal Employees Benefits Board / MPIC Review Committee

Art Rempel, Councillor, City of Steinbach - Eastern Urban Director

AMM Social & Fiscal Issues Committee / Community Investment Support Program / Municipal Excellence Awards Committee



Alan Ransom, Councillor, RM of Morton - Western Rural Director

Vice-Chair, AMM Resource Management Committee / Building Officials Training Certificate Program / Building Standards Board

Maxine Chacun, Councillor, Town of Virden - Western Urban Director

AMM Resource Management Committee / Public Fire Safety & Prevention Advisory Committee / MPIC Review Committee / MPIC Road Safety Committee / MPIC Wildlife Committee



Mel Klassen, Mayor, Town of Altona - Central Urban Director

Chair, AMM Resource Management Committee / AMM Administration Committee / Manitoba Product Stewardship Board / Municipal Employee Benefits Board / Municipal Advisory Committee on Recycling

Ralph Groening, Councillor, RM of Morris - Central Rural Director

Chair, AMM Social & Fiscal Issues Committee / Vice-Chair, AMM Administration Committee / Drainage Guidelines Committee / Office of the Fire Commissioner Advisory Committee / Manitoba Emergency Services College Advisory Committee

BOARD OF DIRECTORS



Eileen Clarke, Mayor, Town of Gladstone - Midwestern Urban Director

AMM Administration Committee / AMM Social & Fiscal Issues Committee / Municipal Excellence Award Committee

Roger Wilson, Reeve, RM of Birtle - Midwestern Rural Director

AMM Resource Management Committee / Conservation District Commission / Conservation Agreements Board / Manitoba Habitat Heritage Board



Rene Maillard, Mayor, Town of Ste. Rose du Lac - Parkland Urban Director

Chair, AMM Administration Committee / AMM Social & Fiscal Issues Committee / Municipal Excellence Awards Committee / Manitoba Disaster Appeal Board / Biodiesel Committee / Municipal Employees Benefits Board / Medical First Response Advisory Committee

Robert Misko, Reeve, RM of Hillsburg - Parkland Rural Director

Chair, AMM Administration Committee / AMM Resource Management Committee / Tire Stewardship Board / Planning Excellence Awards Judging Panel / Aggregate Review Committee



Oswald Sawh, Councillor, City of Thompson - Northern Director

AMM Social & Fiscal Issues Committee

Karen MacKinnon, Councillor, City of Flin Flon - Northern Director

AMM Social & Fiscal Issues Committee



Russ Wyatt, Councillor, City of Winnipeg Director

AMM Social & Fiscal Issues Committee

**Ernie Epp, President
Manitoba Municipal Administrators' Association**

Chief Administrative Officer, Town of Morden



BOARD OF DIRECTORS



The AMM Board of Directors is comprised of the members of the Executive Committee, who shall not hold any other Board position, plus fifteen (15) additional Board Members. The Board Members are comprised of Elected Officials representing one of seven (7) Districts. Parkland, Western, Midwestern, Central, Eastern, and Interlake districts are comprised of one (1) representative from an urban municipality and one (1) representative from a rural municipality in each of the respective Districts. The two (2) representatives from the Northern District may be from any of the member municipalities in that District. The Director for the City of Winnipeg shall be appointed by the council of the City of Winnipeg.

The Association shall have an Executive Committee consisting of a President, a Vice-President Rural, and a Vice-President Urban. The Executive are elected for a one-year term at every Annual Convention.

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.

EXECUTIVE & STAFF



Mayor Shirley Kalyniuk
Urban Vice-President

Councillor Doug Dobrowolski
Rural Vice-President

Joe Masi
Executive Director

Mayor Ron Bell
President



Sitting:

Senior Policy Analyst Rachel Philippe, Executive Director Joe Masi, Director of Policy & Communications Tyler MacAfee, Director of Administration & Marketing Linda Hargest, Administrative Assistant - Board & Administration Julia Green

Standing:

Events Coordinator Donna Belbin, Administrative Assistant - Policy & Communications Erika Rempel, Finance Coordinator Patti de Baets, Communications Coordinator Lynne Bereza

LOBBYING HIGHLIGHTS - FEDERAL

Building Canada Fund

On September 5, 2008, the Building Canada Framework Agreement was signed between the Government of Canada and the Government of Manitoba under Building Canada.

The Framework Agreement includes a number of components including the Communities Component which is similar to the current Municipal Rural Infrastructure Fund program in Manitoba.

The Communities Component will consist of at least \$41 million each in federal, provincial and local funding to provide approximately \$120 million for projects in communities.

Now that the Framework Agreement has been signed, the details of the Communities Component program, including the application process, will be finalized. It is anticipated that the application process will be launched in the fall of 2008.

The Canada-Manitoba Building Canada Framework Agreement is available on the Building Canada website at www.buildingcanada-chantierscanada.gc.ca.



TOP ISSUES FOR 2008

Fiscal Balance

The need to achieve a fiscal balance for municipal revenue guided much of the AMM's lobbying efforts during 2007 and 2008. This issue was explored at the AMM's 2007 Annual Convention through Enid Slack's plenary session on Municipal Roles, Responsibilities, Resources and Relationships (the 4 Rs). As well, the AMM raised the fiscal balance at the annual meeting with Finance Minister Greg Selinger, the Cabinet meeting and Lobby Days.

The core of this issue is that municipalities do not have the resources required to meet expectations for municipal services. Current revenue mechanisms are insufficient and municipalities across Canada are seeking new sources of funding to deliver the necessary level of service.

The Federation of Canadian Municipalities (FCM) demonstrated this nationwide problem through a report released in November 2007: *Danger Ahead – The Coming Collapse of Canada's Municipal Infrastructure*. The report defines the value of Canada's national municipal infrastructure deficit as \$123 billion. It further identifies an additional \$115 billion is required to meet Canada's demand for new infrastructure.

The demand for funding points directly to the need for new revenue sources for Manitoba municipalities. Some progress was made over the past year through the Province's seven per cent increase in the Building Manitoba Fund. The Province also committed to work with the AMM towards a review of the 4 Rs to develop new approaches to municipal financing. In addition, the September 2008 signing of the Building Canada Fund framework agreement for Manitoba provides access to additional funding for infrastructure projects.

However, there is certainly more work to be done to achieve a fiscal balance. The AMM advocates for a shift in education taxes off property to allow greater flexibility for municipal income generation. As well, the AMM is seeking a PST rebate for municipalities, similar to the existing GST rebate from the Federal Government. This would significantly reduce the costs of many major infrastructure projects, thereby freeing up funding for other areas of need. Such changes would initiate a shift away from the current tax and return system toward a new system that allows municipalities to retain resources for local needs.

The AMM is ready to move forward on the 4 Rs review with the Provincial Government and will continue to work with FCM towards fiscal balance for all municipalities.

Water

In December 2007, the AMM's focus turned to water issues following the release of the Provincial Government's discussion document *Framework for the Future*. This document outlined changes to the responsibilities and funding mechanisms currently in place for conservation districts (CDs) in Manitoba. The AMM raised concerns with the implementation of this strategy at every Provincial Cabinet Minister meeting and at the 2008 Lobby Days.

Municipalities agree with the high level goals and visions proposed for the CD program. However, it is how the Province will move forward in arriving at these goals that raises concerns for municipalities. The crucial problem with existing water management structures is that the expectations for CDs go far beyond the available funding capacity. *Framework for the Future* compounds this problem by advocating for a scenario where the Province provides little additional funding, yet substantially increases requirements for CDs.

One of the AMM's main concerns is to preserve the existing local authority, which has been one of the greatest strengths of CDs in Manitoba. CD boards are comprised of local residents who make decisions based on local priorities. However, the proposed funding mechanism neglects local priorities and ultimately leads to the erosion of local authority.

The AMM met with Water Stewardship Minister Christine Melnick to discuss these concerns. She indicated that the Province is committed to taking as much time as needed to ensure that the CD strategy addresses issues raised by the AMM and the Manitoba Conservation Districts Association (MCDA). Manitoba Water Stewardship held public consultations in February 2008 and encouraged municipalities to make written submissions outlining any concerns with the discussion document. The Province published a follow-up document in June, which highlighted municipalities' collective concerns with the proposed framework.

Since that time, the AMM has engaged in a facilitated process with MCDA and Manitoba Water Stewardship to reach consensus on a vision for CDs in Manitoba. This process began in August and results are expected by the end of 2008.

The AMM will continue to raise the need for adequate funding for CDs and the need to preserve local authority as this process continues.

LOBBYING HIGHLIGHTS - PROVINCIAL

The AMM meets annually with every Provincial Cabinet Minister to bring forward important municipal issues, as highlighted in the following pages. The AMM also meets with Intergovernmental Affairs Minister Steve Ashton several times a year, given the close relationship between municipalities and this department.

Manitoba Justice

On December 18, 2007 the AMM met with Minister David Chomiak to discuss issues related to youth crime and *The Youth Criminal Justice Act* (YCJA), municipal policing, and parking violations.

The AMM raised the need for greater deterrents to criminal activity. Minister Chomiak agreed that addressing youth crime and the associated gang problems are a top priority. The Healthy Child Initiative is also exploring solutions since healthy families contribute to reducing youth crime.

The AMM identified the need for additional police resources to ensure communities have adequate safety and crime prevention services. Minister Chomiak indicated that efforts are underway to assess communities' policing needs and develop solutions to the officer shortage, such as additional support staff to assist with clerical duties.

Finally, the discussion focussed on enforcing payment of parking tickets. This process may require legislative amendments and modifications to the Province's computer system. The Province is currently working with impacted municipalities and the AMM to resolve this matter.

Update: In November 2007, the Federal Government announced a review of the YCJA. Justice Canada conducted public consultations regarding the provisions and principles of the YCJA. The Federal Government also introduced Bill C-25 to amend the YCJA to strengthen provisions on pre-trial detention and sentencing. The AMM made a submission highlighting the demand for deterrents to youth crime.

Manitoba Healthy Living

The AMM met with Minister Kerri Irvin-Ross on January 25, 2008 to discuss the Age Friendly Manitoba Initiative (AFMI) and the Joint Use of Schools and Community Facilities Advisory Committee. Each project is progressing, however the AMM raised the need to ensure funding is available for seniors programs throughout Manitoba.

The AMM also discussed funding for recreational and health facilities. The AMM lobbied for a tripartite program dedicated to recreational infrastructure and changes to the Province's Community Places Program. Minister Irvin-Ross indicated that the 2007 Provincial Throne Speech committed additional funding for recreation programs.

As well, the AMM discussed the Province's policy requiring local communities to contribute 10 per cent of the cost of capital health care projects. This burdens municipalities even though the Province is ultimately responsible for health care services. Minister Irvin-Ross committed to having departmental staff discuss this matter with the AMM.

Update: The AFMI has now engaged close to 20 communities in efforts to become more Age-Friendly and aims to involve all municipalities through this process.

Manitoba Culture, Heritage, Tourism & Sport

At a meeting with Minister Eric Robinson on February 7, the AMM raised funding

issues related to libraries and recreation centres. The Joint Use of Schools and Community Facilities Advisory Committee was also discussed.

Minister Robinson indicated that the Province is reviewing library funding within the existing financial restraints. Regarding recreation, the AMM emphasized the need to invest in this infrastructure as well as the programming that brings value to the facilities. Minister Robinson raised the need for a tripartite recreation infrastructure program at a meeting of the federal/provincial ministers responsible for recreation.



The AMM discussed funding issues related to libraries with The Honourable Eric Robinson in February. Pictured: Winkler Public Library

LOBBYING HIGHLIGHTS - PROVINCIAL

Manitoba Labour & Immigration

On February 12, the AMM met with Minister Nancy Allan to discuss mandatory 911 subscription, changes to fire inspection responsibilities, the building code review, and Provincial floor construction standards.

Minister Allan indicated that she has focused on making 911 services available in all communities and Manitoba is almost fully covered.

Regarding fire code inspections, Minister Allan indicated that the Office of the Fire Commissioner is working with communities and will perform inspections if a municipality makes a request.

Minister Allan indicated that the Province is waiting for the National Research Council of Canada (NRC) to complete a review of floor construction standards. Once results are available, the Province will consider changes to Manitoba's standards to address concerns with the fire load capabilities of silent floor construction.

Update: In April, the Province announced consultations on building and plumbing codes for the effective use of water and energy resources. A discussion document outlined recommendations such as low-flush toilets and low-flow faucets in all new homes, and for the Province to investigate economical and environmentally-sensitive handling of greywater.

The NRC report on silent floor construction is slated for release in late 2008 or early 2009.

Manitoba Agriculture, Food & Rural Initiatives

The AMM met with Minister Rosann Wowchuk on February 25, to raise issues related to noxious weeds, land use and water planning, emergency livestock disposal planning, and the Prairie Grain Roads Program (PGRP).

Due to growing concern over noxious weeds, Minister Wowchuk indicated she is prepared to work with the AMM towards a review of *The Noxious Weeds Act*.

The AMM expressed concern with the interaction between land use planning and water management legislation. It is crucial that municipal land use planning authority remain intact and that additional responsibilities for water management are not downloaded to municipalities. Minister Wowchuk indicated that water quality initiatives and the conservation district program are important priorities for the Province, however additional funding is required.

Minister Wowchuk also expressed the Province's support for renewing the PGRP since there is a need for dedicated highway funding in Manitoba.

Update: The Province is working with the Canadian Food Inspection Agency to conduct soil testing on sites throughout Manitoba and determine suitable locations for emergency livestock disposal.

Manitoba Conservation

On February 26, the AMM met with Minister Stan Struthers to discuss recycling issues, contaminated sites, municipal services for park residents, and funding for parks.

Minister Struthers discussed the forthcoming recycling regulations and indicated that the Province supports the 80:20 funding formula.

The AMM expressed a willingness to collaborate with the Province to address the Auditor General's recommendations regarding contaminated sites and landfills. Minister Struthers noted that the Province is working to develop a comprehensive plan since there are 250-300 orphaned sites across Manitoba.

Regarding Provincial parks, the AMM highlighted the impact of cottage lot draws on municipal land use planning and service provision. Minister Struthers indicated that the cottage lot draw system is focusing on Crown lands rather than Provincial parks.

Update: In April, the AMM met with Minister Struthers to discuss the Auditor General report on contaminated sites. He indicated that the Province is already working on many of these recommendations as well as aiming to identify all the contaminated sites by March 2009. The Province will pay to identify and clean up its sites and municipalities will be expected to follow suit. The Province will also enforce remediation requirements for companies that leave behind contaminated sites.



The AMM's Summer, 2008 issue of the Municipal Leader magazine featured a special report focusing on "Greening of Municipalities"

LOBBYING HIGHLIGHTS - PROVINCIAL

In September, President Bell and Executive Director Masi met with Minister Struthers to discuss the recycling regulations. Minister Struthers proposed the creation of a municipal advisory committee to review the regulations and industry business plans.

Manitoba Advanced Education and Literacy

The AMM met with Minister Diane McGifford on March 10 to discuss training for health professionals, water and wastewater operators, and maintenance of wind turbines.

Minister McGifford indicated that a key issue with training health professionals in Manitoba is generating interest in the field and encouraging individuals to apply. The concept of rural students returning to practice in rural areas was also discussed.

The AMM highlighted the need for local training opportunities for water and wastewater operators. Some conditional certificates will expire in 2009, and education opportunities must be available. Minister McGifford indicated that she is willing to work with other key departments to resolve this issue.

The AMM also identified the potential to provide training for maintaining and operating wind turbines. Minister McGifford indicated that the Province is responding to the demand for skilled tradespeople by creating 4,000 apprenticeship positions.

Update: The fall of 2008 welcomes 12 candidates to the inaugural class of the physician assistant masters program at the University of Manitoba. Physician assistants will support improved health care services by allowing physicians to focus on more complex patient needs.

In June, the AMM attended a meeting to explore education options for water and wastewater operators with conditional certificates. Red River College is willing to work with municipalities to design courses that meet operators' needs.

Manitoba Aboriginal and Northern Affairs

Minister Oscar Lathlin had a last minute scheduling conflict, so the AMM met with Deputy Minister Harvey Bostrom and Special Advisor David Chadwick on March 10 to discuss the Treaty Land Entitlement (TLE) process, northern healthy food programs, and funding for the Port of Churchill and northern rail lines.

Deputy Minister Bostrom reviewed the Province's role in converting Crown land to reserve. The Province aims to

complete this process in the next four years, but is only responsible for transferring land to the Federal Government. Delays in the federal process have led the Province to push the Federal Government for timely completion of the TLE process. The Province is also involved when negotiations between municipalities and First Nations are deadlocked, and has developed guidelines to assist in drafting agreements.

The AMM reviewed its resolution on milk prices in rural and northern communities. The Province has broadened its focus beyond affordable milk to encourage various healthy food choices. For instance, resources for community gardens and freezers help provide healthy food for the whole community.

Deputy Minister Bostrom also discussed the recent Federal/Provincial investment of \$68 million in the northern OmniTRAX rail line. The Province is looking to expand shipping through the Port of Churchill which would require greater investment in existing rail services.

Update: The challenge of supplying healthy food in northern communities was highlighted in the Province's climate change plan: Beyond Kyoto. Manitoba's Climate Change Action Fund has been redesigned to support longer-term, community based projects that reduce greenhouse gas emissions. In particular, three-year funding of \$225,000 for the Northern Healthy Foods Initiative will support the development of food self-sufficiency projects in remote communities and decrease reliance on freight shipments of food.

Manitoba Education, Citizenship and Youth

On March 10, the AMM also met with Minister Peter Bjornson to discuss education taxes on property, school drug awareness programs, and public hearings for schools board borrowing requests.

Minister Bjornson reviewed the 2008 Tax Incentive Grant (TIG) intended to give school boards additional revenues while avoiding property tax increases. The Province is committed to achieving an 80:20 split for provincial funding, however the AMM emphasized that this must be for operating costs, not all education expenses.

Minister Bjornson provided an overview of current drug awareness programs in the public school curriculum. For instance, the Province has rewritten the health curriculum to include drug awareness. All schools require drug and alcohol policies and there are opportunities for local input as policies are developed. As well, the Safe Schools Charter states that a school's code of conduct must include a

LOBBYING HIGHLIGHTS - PROVINCIAL

statement that alcohol and illicit drugs are unacceptable. Schools can also access a student services grant to support drug awareness programs.

Regarding public processes for school board borrowing requests, Minister Bjornson discussed the current requirements that allow for public feedback. He indicated that as Minister, he approves any school board borrowing but school boards rarely make such requests. Nevertheless, he committed to explore ways of improving public feedback mechanisms.

Update: The AMM met with the Manitoba Association of School Trustees (MAST) to discuss education funding and MAST's concerns with the TIG. Many school divisions were required to cut programming to be eligible, therefore the \$16 million TIG was not fully allocated.

Manitoba Family Services and Housing

On March 10, the AMM also met with Minister Gord Mackintosh to discuss low-income and supportive housing, a national housing strategy, and rural child care services.

Minister Mackintosh agreed that the Federal Government should make a further commitment to housing. He then provided an overview of the Province's redesigned housing programs and indicated that funding for housing rehabilitation has begun to flow.

Minister Mackintosh also discussed the impact of child care on economic development. There will be an announcement in the upcoming budget since the Province recognizes there are huge benefits for communities with readily available child care.

Update: As this is the second year of the Province's three-year HOMEWorks! program, \$48 million will be allocated to affordable housing in 2008-09. Through the Aging in Place strategy, the Province invested in supportive housing projects in Dauphin and The Pas.

In April, the Province introduced a five-year child care agenda called Family Choices, including funding for 6,500 new child care spaces and an additional 1,300 children in nursery programs. The Province will develop up to 35 more program sites and provide capital to convert surplus school space. More flexible options for child care will be developed through funding for off-hours programs and seasonal spaces.

Manitoba Competitiveness, Training and Trade

On March 25, Minister Andrew Swan met with the AMM to discuss business development in rural areas, technology expansion, and the Trade, Investment and Labour Mobility Agreement (TILMA).

Minister Swan referred to existing satellite Canada/Manitoba Business Service Centres and employment centres for local business retention. These should be coordinated with MAFRI's GO Centres to provide a single window of support. Minister Swan also discussed the progress of the apprenticeship program and the Business Immigration Program.

The AMM highlighted the impact of internet expansion and cell phone accessibility on business development. Minister Swan recognized the benefits, but identified difficulties with implementation due to reliance on private companies.

BC and Alberta have set a precedent in developing TILMA and the AMM indicated that any similar agreements for Manitoba should consider the extensive impacts on municipalities. Minister Swan indicated that the Province is more supportive of a national system rather than regional trade agreements based on existing trade patterns.

Update: The 2008 Provincial Budget announced \$3.8 million to support 1,100 new apprenticeship training seats (part of a commitment to add 4,000 seats over the next four years). As well, a new Apprenticeship Tax Credit offers a \$2,500 tax credit to employers hiring certified journeypersons from apprenticeship programs.

Manitoba Science, Technology, Energy and Mines

The AMM also met with Minister Jim Rondeau on March 25, to discuss recycling programs, biodiesel, ethanol and wind power initiatives, and broadband services for rural Manitoba.

The AMM highlighted the need for sufficient financial resources for Green Manitoba to ensure new recycling programs are effective. As well, the AMM is represented on the Manitoba Product Stewardship Corporation Board and representation should continue under the new programs.

LOBBYING HIGHLIGHTS - PROVINCIAL

Minister Rondeau confirmed that the Province supports the 80:20 funding ratio for recycling programs.

Minister Rondeau indicated that the Province supports biodiesel and ethanol initiatives, however there are challenges to expanding production. Yet there are biodiesel plants in Manitoba and several sectors are making use of biodiesel.

The AMM also raised the need for additional Provincial incentives to expand Manitoba's wind generation and spinoff industries. Minister Rondeau indicated that the Province supports wind power, but Manitoba Hydro prioritizes a steady supply of power and that is not available with wind energy.

Minister Rondeau also discussed increasing broadband access across Manitoba. In the past nine years, approximately 300 new communities have gained access with funding support from the Province. For communities remaining without service, the Province is still working on expansion plans.

Update: The 2008 Provincial Budget committed to an ongoing investment in biofuels such as ethanol, biodiesel and biomass to provide new revenue streams for producers. As well, the Province is committed to working with AMM and municipalities to promote best practices in planning for wind energy.

Manitoba Health

On April 2, the AMM had a full slate of topics to discuss with Minister Theresa Oswald including: recruitment, training and retention of health professionals; capital contributions for health facilities; palliative care; GPS and GIS funding; the review of Regional Health Authorities (RHA); and first responders in cottage areas.

The AMM raised concerns with the adequacy of residency spaces to match the increase in medical student spaces. Minister Oswald indicated that there has been a matching increase in residency spaces to help lower the number of graduates leaving Manitoba. The Province is also working with students who accept resident positions outside of Manitoba and exploring return for service agreements.

Minister Oswald indicated that her department is examining various contribution scenarios to address the issue of



community contributions on health capital projects.

The AMM raised the need to ensure compatible GPS and GIS are available to coordinate municipalities, school divisions, public utilities and regional health authorities. Minister Oswald suggested there is a need for a province-wide standard and the Medical Transportation Coordination Centre has been considering this issue.

The AMM highlighted municipal implications stemming from the RHA review report. Minister Oswald indicated she was generally pleased with the report and her department is devising a strategy to move forward on the recommendations.

The AMM also reviewed concerns with emergency response in areas where seasonal traffic dramatically increases the local population. Minister Oswald indicated that

she would investigate funding for first responders and determine if there are ways to resolve this matter.

Update: Since the AMM met with Minister Oswald the Province has built on its health professionals recruitment strategy. In April, the Province announced a multi-tiered strategy that includes a new incentive program to boost residency opportunities and additional seats in the International Medical Graduates Medical Licensure Program. In May, the Province announced funding for an additional 18 nurse practitioners across Manitoba. In the fall, an additional 40 nursing students will begin training through a new investment of over \$3 million. The Nurses Recruitment and Retention Fund will receive an additional \$500,000 to expand access to various retention strategies. The Medical Student/Resident Financial Assistance Program also increased grants to \$25,000.

Manitoba Infrastructure and Transportation

The AMM met with Minister Ron Lemieux on June 18 to discuss the municipal infrastructure deficit, the Building Canada Fund, drainage issues, the highways capital budget, and rail line abandonment.

Minister Lemieux discussed the tough decisions facing provincial and municipal governments regarding infrastructure funding allocations since it is simply not possible to pursue all projects. He agreed that action is required to address deteriorating infrastructure, but questioned how this

LOBBYING HIGHLIGHTS - PROVINCIAL

could be accomplished. The AMM also raised issues with the Community Places Program and boil water advisories.

The AMM highlighted the need for a coordinated drainage plan. Although the Province created the Department of Infrastructure and Transportation to enhance coordination, Minister Lemieux agreed there are still issues to resolve. The Province is working to formalize a long-term capital plan for drainage that will provide more context for local drainage projects.

There is ongoing demand for highway funding and AMM suggested increasing the grant-in-aid and reinstating the Prairie Grain Roads Program. Minister Lemieux also discussed rail line abandonment and indicated that the Province raised the issue of short line rails as part of the federal level of service review.

Update: The Manitoba Ombudsman has suggested the Province should address rail line abandonment compensation for municipalities. The AMM also agrees since no compensation is required when a provincially regulated company abandons a rail line, even if it was recently acquired from a federally regulated company.

For an update on the Building Canada Fund, see page 12.

Manitoba Finance

The AMM met with Minister Greg Selinger on October 19, 2007 to discuss municipal issues for consideration as the 2008/09 provincial budget is prepared.

After an in-depth discussion on the fiscal balance, the AMM highlighted the need for new funding resources in a variety of priority areas. These included water legislation, drainage, conservation districts, education taxes, infrastructure, recycling, renewable energy, weed control and disaster financial assistance. Also discussed were the Treaty Land Entitlement process, funding for libraries, affordable housing, a municipal exemption from the PST, and health care issues.

The Provincial Budget was announced on April 9, 2008 and provided increases to various programs that target safe and healthy communities. The Building Manitoba Fund provides a share of provincial income and fuel taxes for municipalities and saw an average seven percent increase. However, the rapidly growing infrastructure deficit cannot be addressed by this allocation.

The Budget also introduced new initiatives for community centres and added almost \$1 million to the Community Places Program. A new child care program was announced including an additional \$5 million to provide more child care spaces, a new training and recruitment fund, and higher wages.

Efforts to address the shortage of health care professionals received an additional \$3 million to increase the number of nurses, health-care aides and allied health-care workers for personal-care homes in Manitoba. The Budget also invested in a \$4 million nurse practitioner and doctor recruitment and retention pilot program, and allocated an additional \$7.2 million to educate and hire more doctors.

Overall, President Bell said this year's budget offered funding in some areas but missed the mark in others. Specifically, the increase of three per cent for water stewardship initiatives raises the question of whether this is really a priority. The Province has proposed an increasing role for conservation districts, yet the increase to \$5.3 million is nowhere near enough to support this vital program over the long-term.

As well, the increase in the education property tax credit is appreciated, but does not solve the larger problem of the erosion of the municipal tax base. Municipalities are still left with insufficient resources to meet Manitobans' demands for infrastructure and other municipal services.

Manitoba Finance Minister Greg Selinger and AMM Rural Vice-President Doug Dobrowolski during Selinger's pre-budget visit to the AMM office in October, 2007.



MEETING WITH CABINET

On November 29, 2007 before taking the stage for the Ministerial Forum, members of the Provincial Cabinet met with the AMM Board to discuss a variety of municipal issues. The discussion focused on the AMM's top two issues for 2007: fiscal balance and water.

The AMM highlighted that the time has come for a change in intergovernmental relationships in Canada. Municipal governments in Manitoba enjoy a strong working relationship with the Provincial Government, however more innovative approaches to funding are required. Without a review of the current roles of each order of government and the resources available to fulfill these responsibilities, municipalities will continue to face significant financial constraints. There is a growing recognition by Provincial Governments across Canada of the importance of investing in communities and Manitoba should move forward in examining the roles, responsibilities and resources of municipal government in this province.

With the increasing importance of environmental concerns including water protection, municipal governments have become a key partner in water protection initiatives. However the new legislation governing water protection leaves municipalities with substantial additional costs. The AMM indicated that municipalities will continue to work with the Province to advance water protection initiatives, but the issue of financing must be addressed. The Province should not expect communities to proceed through the difficult and lengthy process associated with Integrated Watershed Management Plans if the necessary funding for implementation is not available. Therefore, the AMM urged the Prov-

ince to provide adequate resources for water initiatives. President Bell thanked the Premier and Cabinet for establishing the Water Control Works and Drainage Licensing Branch in order to ease drainage problems, and for implementing the Community Hosting Fund. Other issues raised during the meeting included:

- Treaty Land Entitlements (TLE) and Municipalities
- Legal Costs of Negotiating TLE Agreements
- Recycling
- Cleanup of Contaminated Sites
- Funding for Libraries
- Recreation Centre Funding
- Education Tax
- Disaster Financial Assistance
- Permanent Flood Protection
- Affordable Housing in Rural Manitoba
- Health Professional Recruitment, Retention and Training
- Community Capital Contributions to Health Projects
- Increased Infrastructure Funding
- Highways Capital Budget
- Reinstate the Manitoba Airports Capital Assistance Program (MACAP) and the Bridge Co-operative Program
- Rail Line Abandonment
- Land Use Planning
- Policing Costs for Municipalities
- The Youth Criminal Justice Act
- Funding for Renewable Energy
- Tripartite Water Funding Program
- Drainage



L to R: Minister Steve Ashton, Minister Eric Robinson, President Ron Bell, Premier Gary Doer, Minister Rosann Wowchuk, Minister Stan Struthers and Minister Christine Melnick immediately prior to the 2007 Ministerial Forum.

LEGISLATIVE OVERVIEW

As always, the AMM closely followed both the Federal and Provincial legislative agendas over the last year. While AMM monitored a number of proposed legislative changes, submissions were made on three bills.

Bill C-8: An Act to amend the Canada Transportation Act

Bill C-8 aimed to update the railway transportation section of The Canada Transportation Act and made strides to strengthen the abandonment process. Many communities in Manitoba have felt the negative effects of rail line closures and the AMM is pleased to see this Bill strengthen some aspects of the process for abandonment.

The challenge for municipalities is that the movement of the vast majority of products will not stop just because the rail line is gone. What was once transported on the rail line will now be moved on municipal roads, increasing the pressure on municipal infrastructure. However the impacts of this shift will be difficult to predict as regular traffic patterns will change with the loss of the rail line. As municipalities work diligently to strategically plan infrastructure investments, the changes brought about by rail line abandonment are counterproductive.

We were also pleased to see a commitment from the Federal Government to convene a Level of Service Review. We believe such a review is necessary to deal with the more fundamental issues that fall outside the scope of Bill C-8. Rail lines are critical components of the overall transportation system in Manitoba and across Canada, and it is imperative that they operate at maximum efficiency.

Update: Since the comments on Bill C-8, the Level of Service Review has begun and the committee is currently working on the scope of the terms of reference. The AMM recommended to the committee that the terms of reference include an in-depth review of the overall discontinuance process for rail lines in Canada.

Bill 13: The Highway Traffic Amendment Act

The AMM also provided support for Bill 13 which amended The Highway Traffic Act to allow the Province and municipalities to recover costs as a result of damage to infra-

structure. Since infrastructure is one of the most pressing needs in Manitoba and is increasingly becoming a financial burden for communities, the AMM sees Bill 13 as a positive step. Bill 13 does not provide the funding necessary to deal with the growing municipal infrastructure deficit alone, however it does provide new tools to prevent municipalities from having to pay to fix damaged infrastructure caused by vehicles or vehicle loads. The new tools will allow municipalities to recover costs, which will at least prevent such instances from adding to the growing infrastructure deficit. In many smaller communities, the cost of replacing a structure such as a bridge would have a major impact on their municipal budget. Bill 13 will allow these communities to recover the replacement costs from those responsible.

Since infrastructure ... is increasingly becoming a financial burden for communities, the AMM sees Bill 13 as a positive step.

Update: On June 12th, 2008 Bill 13 received Royal Assent.

Bill 36: The Municipal Assessment Amendment Act

Another bill the AMM commented on was Bill 36, which makes a number of improvements to the assessment system. Of most interest to municipalities is the shift the bill will allow

through regulation to a two year assessment cycle, which is beneficial to municipalities as property taxes are the single largest municipal revenue source. Reducing the time between assessment cycles will provide a more realistic and predictable revenue stream for municipalities. As municipalities look toward addressing the ever-growing municipal infrastructure deficit, a more predictable revenue stream will be required. A two year cycle will also make property taxes more realistic while avoiding the large fluctuations that can exist with the current four year cycle. More frequent assessments will smooth both increases and decreases in property value, removing some of the volatility that is inherent in the current system for both municipalities and taxpayers.

The AMM was also pleased to see included in the Bill the ability for the assessor and taxpayer to come to an agreement on changes to a property's assessment prior to the start of the board of revision process. The Bill also allows the Municipal Board to assist in resolving issues. Finding workable solutions for all parties without having to move into a formal process not only will save time and money, but undoubtedly will benefit community relations.

Update: On June 12th, 2008 Bill 36 received Royal Assent.

LOBBY DAYS

Urban Vice-President Shirley Kalyniuk, President Ron Bell, Rural Vice-President Doug Dobrowolski, and the rest of the AMM Board of Directors took their top issues to the halls of the Manitoba Legislature during Lobby Days in April.



The AMM blitzed the Manitoba Legislature once again in an effort to inform MLAs about top issues facing municipalities. During the fourth annual “Lobby Days”, held on April 22-23, 2008, the AMM met with the NDP caucus as a group, and with Conservative and Liberal MLAs on an individual basis.

Since the first Lobby Days took place in 2005, the event has become a critical part of the AMM’s annual lobbying activities. The AMM meets annually with each Provincial Cabinet Minister to advocate municipal issues, but the opportunity to meet with members outside Cabinet is less frequent. As AMM President Ron Bell explains, “The government doesn’t end at the Provincial Cabinet. Bringing the entire NDP caucus, as well as the Official Opposition, up to speed about municipal concerns opens the lines of communication. That can only benefit municipalities.”

However, municipalities aren’t the only ones to benefit from Lobby Days. MLAs are elected by the people, and it’s important that *they* are knowledgeable about municipal issues when interacting with their constituents.

This year, fiscal balance and water protection - the AMM’s two most critical issues – were the focus of Lobby Days. It is estimated that Canadian municipalities only receive 8 cents of every tax dollar, with 42 cents going to the provinces and 50 cents to the Federal Government, and that creates a fiscal imbalance. Yet municipalities are being asked to take on a whole gamut of water protection issues, without knowing who is going to pay for these initiatives, or how.

President Bell thinks the message was heard loud and clear. “These two issues have been the highest priority concerns of Manitoba municipalities for two years running. We needed to ensure these topics continue to be high on everyone’s radar and I think we achieved that.”

SPECIAL EVENTS & ANNOUNCEMENTS

MRIF Project Update

Since the Canada-Manitoba Municipal Rural Infrastructure Fund (MRIF) agreement was announced in December 2004, 85 projects have been approved, leveraging more than \$280 million in investments as of August 31, 2008. Fifteen of these projects have now been completed and construction on the remaining projects must be completed by March 31, 2011.

At this time MRIF is fully allocated but continues to make green infrastructure a priority in Manitoba by focusing on projects that protect or enhance the environment, including those that improve water quality; and projects that improve how water, wastewater and solid waste are managed in Manitoba.

The MRIF is building on more than a decade of collaboration between the governments of Canada and Manitoba, reflecting a commitment to continue the successful partnership on sound investments in infrastructure. The MRIF also reflects recognition by Canada and Manitoba of the need to provide long-term funding for modern community infrastructure in Manitoba.

The most recent MRIF funding announcement took place in Brandon on August 25, 2008.

Below: Officials from the Village of St. Pierre-Jolys join Federal Treasury Board Minister Vic Toews, AMM President Ron Bell, Provincial Infrastructure and Transportation Minister Ron Lemieux, and Northern Association of Community Councils President Reg Mead during an MRIF announcement in November, 2007.



Cross-Canada Collaboration

Over the past 16 months, a number of important steps have been taken to forward the relationship between Municipal Associations across Canada and their Provincial-Territorial Ministers.

Firstly, in July 2007, Manitoba Intergovernmental Affairs Minister Steve Ashton invited the AMM to address the annual meeting of Provincial-Territorial Ministers Responsible for Local Government. This was a significant event for the AMM, as it was the first time a municipal association had been invited to participate. Minister Ashton called it "an unprecedented example of working together", and President Bell called the opportunity a good first step towards working with provincial-territorial local government Ministers on an ongoing basis for the future health and prosperity of municipalities across Canada.

Secondly, in May 2008 a forum was held in Quebec City during which a collaborative relationship between Provincial-Territorial Deputy Ministers and Municipal Associations was launched. The relationship will result in a deeper understanding of the issues municipalities face due to shared learning and information exchange; enhanced communication around emerging issues; opportunities for multi-layered collaborations within the organizations; and more influence in the design and funding of future Canada-wide programs for the municipal sector.

Lastly, the AMM involvement at the July, 2007 Manitoba conference of Ministers was welcomed and it was suggested that practice should continue. The annual conference of Ministers for 2008 took place in July in Halifax, and the Union of Nova Scotia Municipalities (UNSM) had the

opportunity to participate, as the AMM did last year. Future years will, hopefully, see other municipal associations having the same opportunity when their province hosts the Ministers.

While it will take time to build the solid foundation of mutual trust and respect that is needed for strong, sustainable relationships to result, these developments represent a significant step toward building that foundation of trust and respect. The AMM is pleased to have been part of the first step back in July, 2007 and we look forward to a growing relationship in the future.

SPECIAL EVENTS & ANNOUNCEMENTS

Throughout 2008, the AMM celebrated a monumental anniversary - a decade as the association representing all incorporated municipalities in Manitoba. It has been 10 years since the former Union of Manitoba Municipalities (UMM) and Manitoba Association of Urban Municipalities (MAUM) determined that they would be stronger speaking with one voice. To highlight this significant anniversary, the AMM planned a year of activities for our membership.

New AMM Logo

In November, the final event of our 9th Annual Convention was the unveiling of a new logo. This logo embraces the vast differences in the Manitoba landscape - and in our members - by highlighting cityscapes alongside trees and water, all found in abundance in our province. Following that up in January with new building signage and stationery, the new logo represents a whole new look and feel for the AMM.

In February, we kicked off a series of contests that would see hundreds of AMM members visit our website for a chance to win great prizes. These included AMM jackets as well as cooler bags and mugs. From "search the AMM website" contests to municipal quizzes to looking through the latest copy of *The Municipal Leader*, our members had a great time hunting for clues and testing their AMM knowledge.

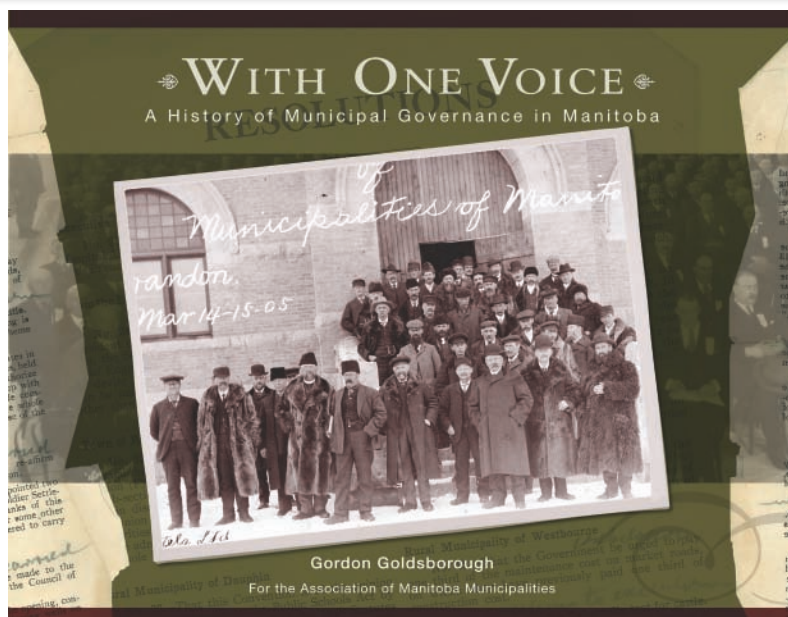
In March, the annual Mayors, Reeves and CAOs meetings took place with an added twist at each - one lucky delegate won a digital camera valued at \$500.

April was the Municipal Officials Seminar and Tradeshow (MOS) with the added bonus of an outstanding fireworks display that was tremendously enjoyed by all!

In May, our Past-Presidents and Honourary Life Members were honoured at a luncheon in Portage la Prairie. We hold

these former officials in high-esteem and value their contribution in years past right through to the present through their contributions to the AMM history book.

Finally, June saw 35 AMM jackets given away during June District Meetings.



AMM History Book

One of the highlights of the year was the writing of the AMM History Book, "With One Voice: A History of Municipal Governance in Manitoba".

Writing a history book spanning a century is an enormous challenge, however, the AMM Board of Directors felt strongly that it is a story that needs to be told. As the order of government "closest to the people", Manitoba's municipal governments have formed the foundation for the growth and development of our province throughout the years. Capturing the colourful history of municipal government in Manitoba, along with that of the Associations involved, is long overdue.

Finding a writer with the time, interest and expertise to undertake this huge project could have stalled the book in its tracks. Fortunately, we had made the acquaintance of Gordon Goldsborough, an avid historian with his own connection to municipal governance. His great-grandfather, John Fletcher Goldsborough, was a delegate at the inaugural meeting of the UMM back in 1905. Gordon offered to write this book for us, and we truly appreciate his months of research and entertaining writing style, which turned what could have been a rather dry subject into a real "story".



SPECIAL EVENTS & ANNOUNCEMENTS

AMM Member Survey

Between April 15 and May 8, 2008, the AMM commissioned Viewpoints Research to undertake a study with our members throughout Manitoba. The purpose of the survey was threefold:

1. To explore the opinions of AMM members regarding the value of various services and activities offered by the AMM;
2. To determine member communities' opinions of the type and scope of communication available from the AMM;
3. To evaluate members' opinions of the Trading Company (MTCML) and explore the level of support for new services being contemplated.

A total of 328 members including Heads of Council and the Chief Administrative Officers were interviewed by telephone for the survey.

Overall, survey respondents were very positive about the AMM and the job it does for Manitoba municipalities. The results were positive across all regions both in rural and urban communities.

Communication

The survey results indicated that both CAOs, Mayors and Reeves felt the AMM does a good job communicating with its members and listening to their issues. Among their greatest concerns were those related to infrastructure and depleting revenues.

More than four out of five respondents said the AMM does an excellent (33%) or good (51%) job dealing with the important issues.

Almost all respondents said they found the publications distributed by the AMM to be informative and also found the website useful and easy to navigate.

Trading Company

Members were generally pleased with the service provided by the MTCML and have a good understanding of the benefits it brings to all member municipalities in the province.

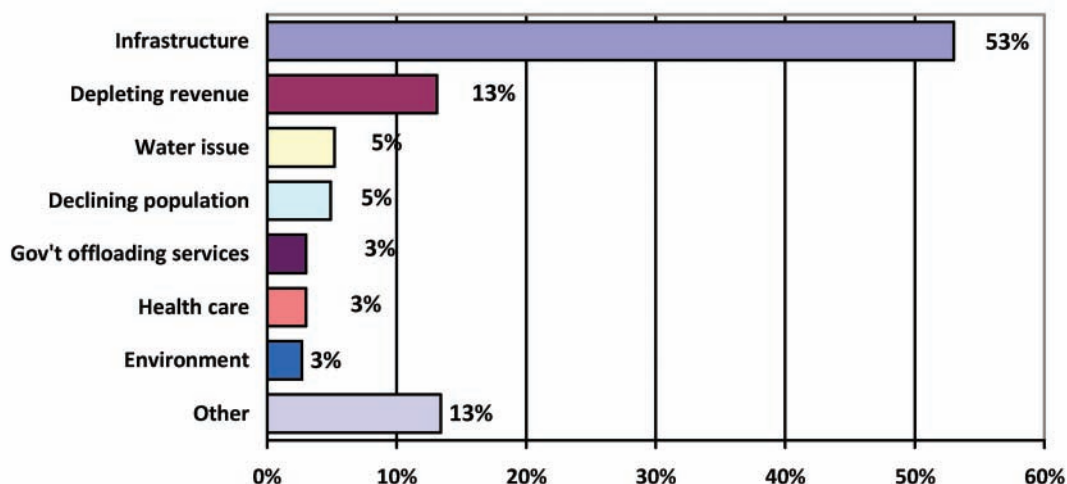
In general, respondents indicated they would like to see the Trading Company offer an even greater variety of products from more suppliers

The AMM as a Lobby Group

Almost all respondents felt the AMM is a successful lobby group and although its profile could be increased among the general population, they understood the main focus of the AMM should be on lobbying and getting results for Manitoba municipalities. Member communities believed the AMM can build on its success by constantly improving communication with its members, increasing its profile in the general population and continuing to act on the important policy decisions decided upon each year at Convention.

All respondents were asked if in general they would say the AMM does an excellent, good, fair or poor job dealing with the issues raised by Manitoba municipalities. More than four out of five respondents said the AMM does an excellent (33%) or good (51%) job dealing with the important issues.

MOST IMPORTANT ISSUE/Chart 1



EVENTS

AMM Annual Convention November 26-29, 2007

A total of 970 delegates attended the AMM's 9th Annual Convention, held at the Keystone Centre in Brandon from November 26-29, 2006. The theme was "Mission: Possible!"

Speakers at this year's convention included keynotes Brian Thwaites, Marc Garneau and Peter Legge; Minister of Justice and Attorney General of Canada Vic Toews; Minister of Intergovernmental Affairs Steve Ashton; Leader of the Manitoba Official Opposition Hugh McFadyen; Leader of the Manitoba Liberal Party Dr. Jon Gerrard; and President of the Federation of Canadian Municipalities Gord Steeves. 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 six Ministers take part. Minister of Intergovernmental Affairs Steve Ashton chaired the forum and was joined by Ron Lemieux (Infrastructure & Transportation), Eric Robinson (Culture, Heritage, Tourism & Sport), Christine Melnick (Water Stewardship), Rosann Wowchuk (Agriculture, Food and Rural Initiatives), and Stan Struthers (Conservation).

Elections

AMM President Ron Bell was again acclaimed to serve a fourth term as AMM President. Rural Vice-President Doug Dobrowolski was also acclaimed, while Urban Vice-President Shirley Kalyniuk defeated Mayor Randy Sigurdson. Both Vice-Presidents entered their second terms on the AMM executive.

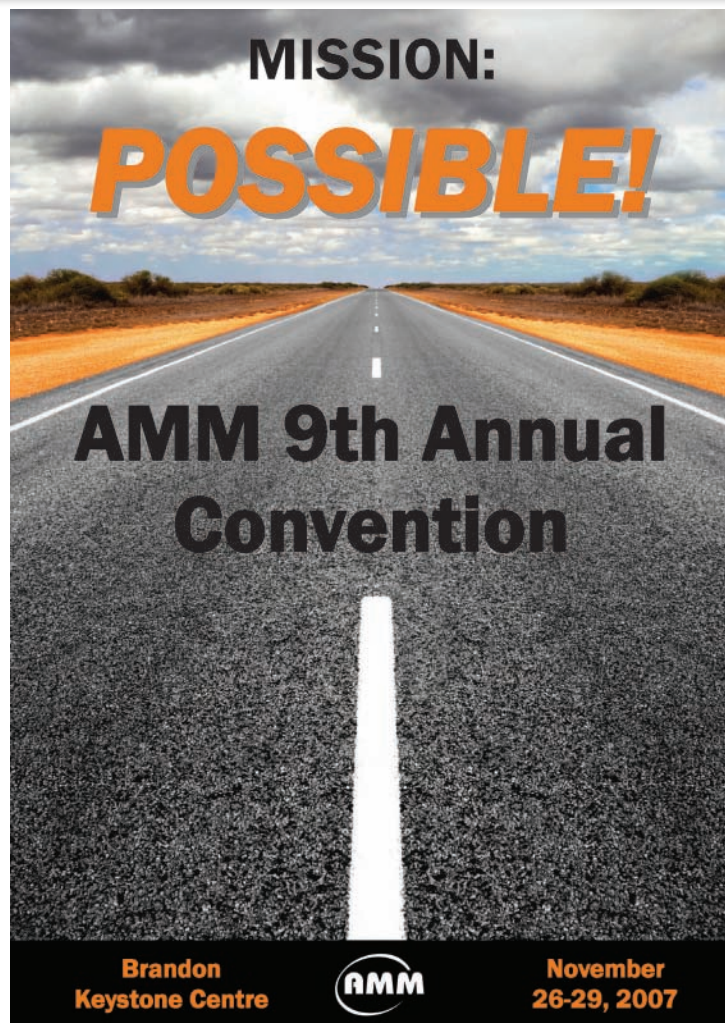
Resolutions

A total of 36 resolutions were debated, with 34 carried and 2 defeated.

Mayors, Reeves & CAOs Meetings March 13-26, 2008

The AMM annual Mayors, Reeves and CAOs meetings were held between March 13 and 26, 2008. The AMM Executive updated participants on the topics of fiscal balance, infrastructure, water issues, the hog pause and CEC report, green issues and healthy communities, among others.

2008 hosts included the RM of Gimli, the RM of Piney, the Town of Swan River, the RM and Town of Russell, the RM of Glenwood and Town of Souris, and the City of Winkler. The Northern District meeting was held via conference call.



Municipal Officials Seminar & Trade Show April 16-17, 2008

A total of 618 municipal officials attended this year's Municipal Officials Seminar & Trade Show, the first time it has been held in April. Delegates enjoyed a wide variety of policy and professional development breakout sessions. Plenary sessions included such topics as *Green Municipal Funds*, *The Hog Review: What it Means for Your Community*, and *Powerful Listening*. Workshops delved into topics such as *Fire Department Operations*, *Incident Command for Agency Executives*, *PSAB Implementation Activities for 2008*, and *Taking Charge of Your Time and Priorities*.

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

A special commemorative fireworks display took place during MOS this year, as a 10th anniversary gift to our members.

EVENTS

June District Meetings June 9-17, 2008

This year's June District Meetings saw 173 municipalities represented, or 87 per cent. The 667 delegates heard presentations on the 2008 Provincial Land Use Policies Review, Municipal General Insurance Programs, and the role of the Provincial Ombudsman. Over 70 resolutions were debated, doubling 2007 totals.

The 2008 meetings were hosted by the RM of Eriksdale, the RM and City of Portage la Prairie, the RM of Wallace and Town of Virden, the RM and Town of Birtle, the Town of Swan River, the City of Thompson, and the LGD of Pinawa.

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 69 municipalities in 2008.

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

AMM Education Program

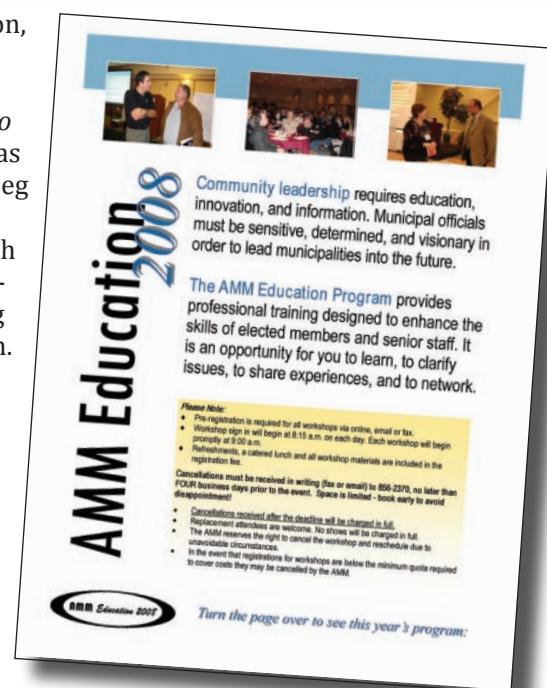
The 2008 Education Program included three stimulating and relevant workshops focusing on communications, leadership and the technical issues of municipal government.

The first session, *Communicating for Results: From Conflict to Cooperation* was held in Winnipeg on February 8, 2008. Priti Shah of PRAXIS Conflict Consulting led this session.

The second session, *High Integrity Politics for Effective Council Relations*, was given by Barbara Bowes of BowesHR and took place in Brandon on April 18.

The year's final session, *What Happens When the Abacus Meets the Blackberry: Understanding the New Public Sector Accounting Board's Financial Statements*, was hosted by the WoW team of Ron Wells and Wendy Wolfe in early October in Portage la Prairie.

Overall, 280 delegates took part in the three 2008 AMM Education Sessions.



COMMUNICATIONS

The Municipal Leader

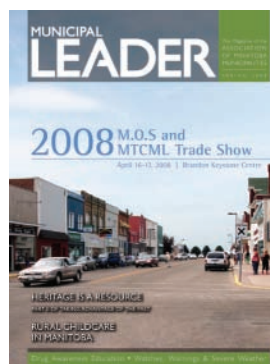
The AMM's quarterly magazine, with a distribution of 1,800, focuses on a wide range of timely issues. In addition to a number of regular features, each issue has some special reports and articles.



Fall 2007 included a profile of a community undergoing change in part two of a three-part series, "Anatomy of an Amalgamation". It also introduced several new AMM directors, outlined an exciting initiative called BizPal, and featured a cutting-edge program aimed at enticing youth back to rural communities. It also included a preview of the 9th Annual Convention.



Winter 2008 offered a Special Report on infrastructure. Arts and Heritage were featured in two submitted articles, as was an initiative focussed on making Manitoba age-friendly. The municipal profile featured not an individual, but a group – the Mayors and Reeves of Manitoba's Capital Region. Finally, the 9th Annual Convention was recapped in detail.

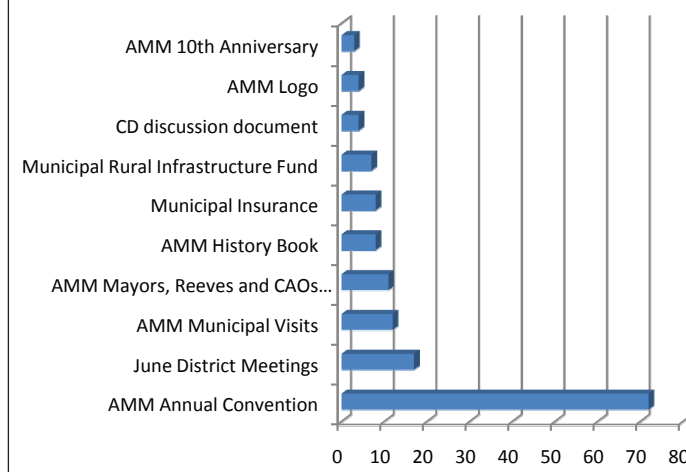


Spring 2008 revisited heritage and also discussed topics ranging from rural childcare in Manitoba, severe weather warnings, and drug awareness education in schools. The Municipal Profile introduced an unusual couple who both serve their local council - he in the mayor's chair, she as a councillor. It also included a preview of the 2008 Municipal Officials Seminar & Trade Show.



Summer 2008 took on a timely special report in "Greening of Municipalities". It covered what happened in the legislature in both the Update from Broadway and the AMM's own Lobby Days. The 2008 Municipal Excellence Award winners were profiled, and we captured the Municipal Officials Seminar and MTCML Trade Show in pictures.

Top 10 Media Issues - 2008



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 70 new subscribers for the reporting year.

AMM Member Advisories

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

AMM in the media

The AMM continually strives to enhance our relationship with local media. Last year, the AMM was mentioned in Manitoba media 210 times, down considerably from 2007 levels. It is important to note, however, that the number of different issues raised did not see a corresponding drop. The AMM was mentioned in the context of 60 different media issues, only 8 issues less than in 2007.

Some of the media interviews granted were a result of the 31 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 72 news stories, or 34 per cent of total media hits. Not surprisingly, the vast majority of media calls related to AMM news and events.

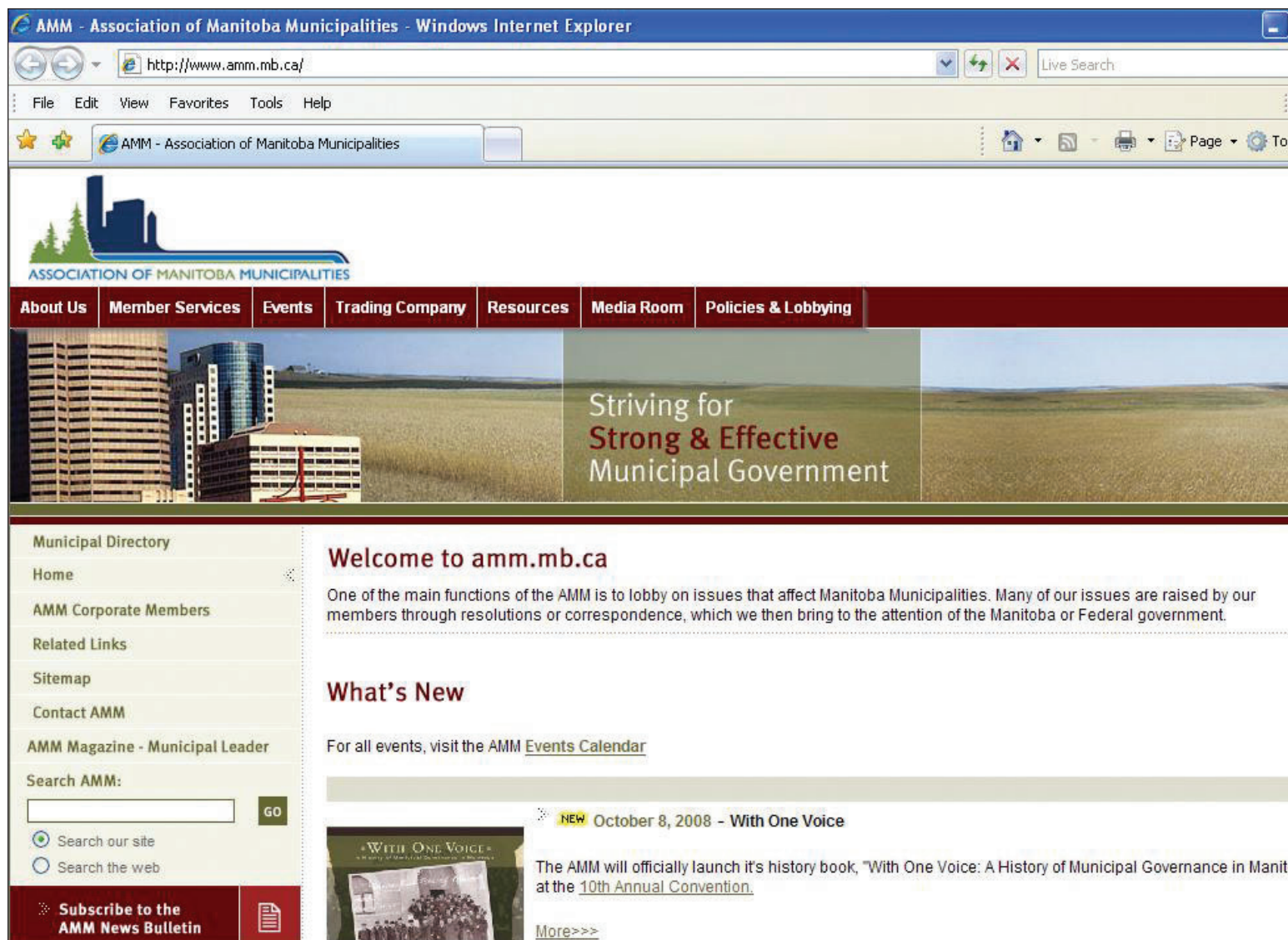
COMMUNICATIONS

AMM Website—www.amm.mb.ca

The number of visitors to the AMM website levelled off in 2008, returning to 2006 levels. However, bandwidth usage maintained a steady rate, suggesting that although the number of “hits” per month did not reach the levels of the year before, the amount of information downloaded by users held steady. The site continues to be the place to find all AMM related material as it is updated on a daily basis. It also provides a venue for members to post job and classified ads, register for events, and during 2008 enter contests related to the 10th anniversary.

A survey commissioned by the AMM in June, 2008 (see page 25 for details) also pointed to a high level of satisfaction with the website, with most AMM members agreeing the site is very (44%) or fairly (49%) easy to navigate and the information is very (59%) or somewhat (39%) useful.

Most AMM members agree the site is very (44%) or fairly (49%) easy to navigate and the information is very (59%) or somewhat (39%) useful.



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 pool of official suppliers continued to change and grow. The products sales were close to the \$23,000,000 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.

This year, the MTCML was able to rebate another \$1,300,000 to our members based on their MTCML sales, bringing the cumulative rebate over the past seven years to \$3,800,000.

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.

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.

MTCML Rebates 2002-2008

2002	\$250,000
2003	\$300,000
2004	\$350,000
2005	\$350,000
2006	\$500,000
2007	\$750,000
2008	\$1,300,000
	\$3,800,000

Fuel Supply Program

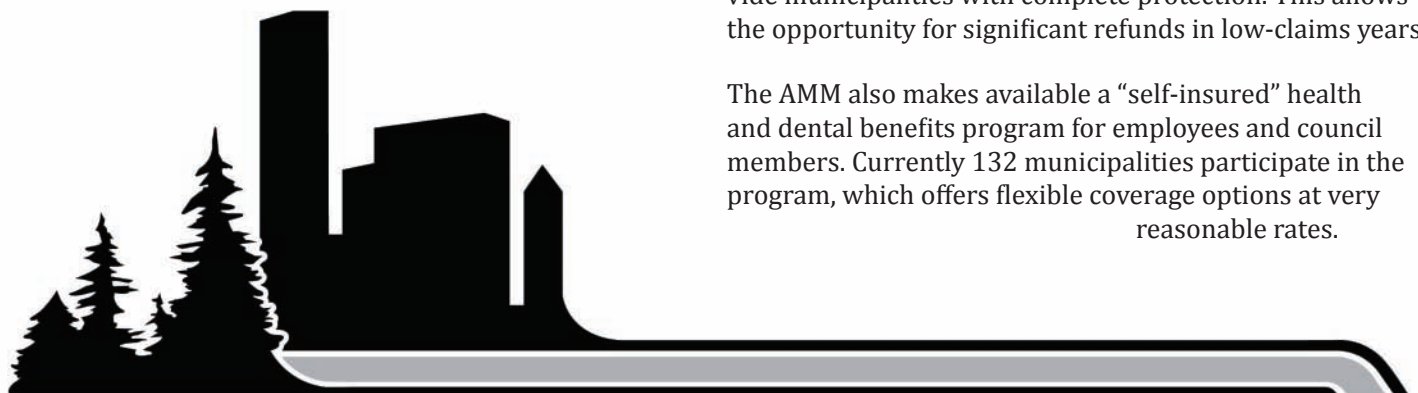
Prairie Fuel Advisors manages the AMM's Fuel Supply Program. Prairie Fuel Advisors helps municipalities in Alberta, Saskatchewan and Manitoba reduce their overall cost of fuels, oils, greases, and lubricants by negotiating better supply contracts for the total volume of these products than individual 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 \$ 5,500,000 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 \$ 5,500,000 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 132 municipalities participate in the program, which offers flexible coverage options at very reasonable rates.



MUNICIPALITIES TRADING COMPANY OF MANITOBA LTD.

MTCML 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.

Corporate Members

Four new Corporate Members joined over the past year, bringing the number up to twenty. These Corporate Members assist the buying group in providing services and hosting events throughout the year.

- Borland Construction
- Custom Truck Sales
- Genivar
- Guertin Equipment
- Hayhurst Elias Dudek
- J.R. Cousin Consultants Ltd.
- Lawson Sales
- Manitoba Aboriginal & Northern Affairs
- Manitoba Heavy Construction Assoc.
- Manitoba Hotel Association
- Manitoba Hydro
- Manitoba Pork Council
- Manitoba Ready Mix Concrete Assoc.
- Mazergroup Construction Equipment
- Miller Environmental Corporation
- PAT Inc.
- People First HR Services Ltd.
- Traffic Safety Education & Consulting of Manitoba
- Tri Core Projects Manitoba Ltd.
- Westcon Equipment & Rentals Ltd.



An AMM Official Supplier's booth at MOS 2008

FINANCIAL STATEMENT



THE EXCHANGE

chartered accountants LLP

AUDITORS' REPORT

To the Members of Association of Manitoba Municipalities

We have audited the statement of financial position of Association of Manitoba Municipalities, General and Trading Accounts as at August 31, 2008 and the statement of income, General and Trading Account, statement of changes in net assets and combined statement of cash flows for the year then ended. These financial statements are the responsibility of the Association's 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 as at August 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
September 16, 2008

100-123 Bannatyne Ave., Winnipeg, MB R3B 0R3
Telephone: (204) 943-4584 Fax: (204) 957-5195
Toll Free: 1-866-EXG-0303
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FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES


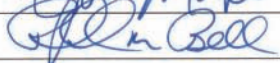
General Account

Statement of Financial Position

August 31, 2008

	2008	2007
ASSETS		
CURRENT		
Cash and short term deposits	\$ 47,678	\$ 220,409
Accounts receivable	321,326	330,041
Prepaid expenses	78,823	31,430
Due from Employee Benefits Reserve	-	5,319
	<u>447,827</u>	<u>587,199</u>
SEGREGATED FUNDS		
Building Reserve (Note 6)	323,933	268,551
Communications Reserve (Note 7)	62,024	40,000
Employee Benefits Reserve (Note 8)	117,490	100,000
Legal Fund (Note 9)	24,992	45,824
	<u>528,439</u>	<u>454,375</u>
PROPERTY AND EQUIPMENT (Notes 2, 10)	<u>386,576</u>	<u>414,770</u>
	<u>\$ 1,362,842</u>	<u>\$ 1,456,344</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 77,995	\$ 78,845
Prepaid revenue	338,217	334,578
Deferred dividend revenue	200,000	250,000
Due to Communications Reserve	20,000	20,000
	<u>636,212</u>	<u>683,423</u>
BUILDING RESERVE (Note 6)	<u>323,933</u>	<u>268,551</u>
COMMUNICATIONS RESERVE (Note 7)	<u>62,024</u>	<u>40,000</u>
EMPLOYEE BENEFITS RESERVE (Note 8)	<u>100,000</u>	<u>100,000</u>
LEGAL FUND (Note 9)	<u>24,992</u>	<u>45,824</u>
	<u>510,949</u>	<u>454,375</u>
NET ASSETS		
Unrestricted	(170,895)	(98,224)
Invested in capital assets	386,576	416,770
	<u>215,681</u>	<u>318,546</u>
	<u>\$ 1,362,842</u>	<u>\$ 1,456,344</u>
LEASE COMMITMENTS (Note 15)		

APPROVED ON BEHALF OF THE BOARD

 Director
 Director

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

General Account

Statement of Income

Year Ended August 31, 2008

	2008	2007
REVENUE		
Membership dues	\$ 318,881	\$ 317,203
Convention	287,984	310,571
Seminar revenue	78,135	84,870
Trade show	70,440	50,000
Rental revenue	34,667	36,000
Education	24,120	17,979
Magazine	10,703	10,365
Miscellaneous	15,275	46,609
Corporate membership	9,500	5,750
Investment income	8,767	5,778
Associate membership	7,200	7,250
Advertising - bulletin	1,700	1,450
Merx revenue	880	720
Pre-conference seminar	-	17,080
Newly elected seminar	-	22,800
	868,252	934,425
EXPENSES		
Functions (Page 12)	337,116	392,024
Executive (Page 12)	348,588	316,597
Other (Page 12)	399,732	334,415
Staffing (Page 12)	657,516	623,696
	1,742,952	1,666,732
Administration dividend, Trading Account	(180,000)	(180,000)
	1,562,952	1,486,732
OPERATING LOSS	(694,700)	(552,307)
OTHER INCOME		
Dividend, Trading Account	580,000	500,000
Unrealized gains (Note 2)	2,733	-
	582,733	500,000
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (111,967)	\$ (52,307)


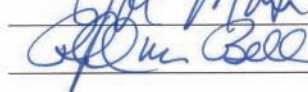
FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES Trading Account

Statement of Financial Position Year Ended August 31, 2008

	2008	2007
ASSETS		
CURRENT		
Cash	\$ 1,796,261	\$ 2,215,003
Accounts receivable	1,572,076	1,455,895
Inventory (Note 2)	19,667	29,019
Prepaid dividend	200,000	250,000
	<u>3,588,004</u>	<u>3,949,917</u>
SEGREGATED FUNDS		
AMM 10th Anniversary Reserve (Note 11)	81,848	76,533
Insurance Reserve (Note 12)	253,146	247,002
Public Sector Accounting Reserve (Note 13)	77,075	100,000
Self-insurance Loss Pool (Note 14)	8,759,270	7,302,637
	<u>9,171,339</u>	<u>7,726,172</u>
	<u>\$ 12,759,343</u>	<u>\$ 11,676,089</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,431,275	\$ 1,975,102
Due to Public Sector Accounting Reserve	-	100,000
Due to Insurance Reserve	-	247,002
Due to AMM 10th Anniversary Reserve	-	50,000
	<u>2,431,275</u>	<u>2,372,104</u>
AMM 10TH ANNIVERSARY RESERVE (Note 11)	81,848	76,533
INSURANCE RESERVE (Note 12)	253,146	247,002
PUBLIC SECTOR ACCOUNTING RESERVE (Note 13)	77,075	100,000
SELF-INSURANCE LOSS POOL (Note 14)	8,011,394	7,302,637
	<u>8,423,463</u>	<u>7,726,172</u>
	<u>10,854,738</u>	<u>10,098,276</u>
NET ASSETS		
Unrestricted	<u>1,904,605</u>	<u>1,577,813</u>
	<u>\$ 12,759,343</u>	<u>\$ 11,676,089</u>

APPROVED ON BEHALF OF THE BOARD

 Director
 Director

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

Trading Account

Statement of Income

Year Ended August 31, 2008

	2008	2007
SALES	\$ 12,561,290	\$ 11,209,613
COST OF SALES	12,359,104	10,980,734
GROSS PROFIT (2008 - 1.6%, 2007 - 2.0%)	202,186	228,879
INSURANCE ADMINISTRATION FEES	733,975	585,707
INVESTMENT INCOME	972,201	1,030,169
	1,706,176	1,615,876
	1,908,362	1,844,755
EXPENSES		
Administration dividend, General account	180,000	180,000
Advertising and promotion	16,235	15,840
Allocation to AMM 10th Anniversary Reserve	-	50,000
Allocation to Public Sector Accounting Reserve	-	101,125
Allocation to Insurance Reserve	-	247,002
Interest and bank charges	-	144
Membership rebate	1,300,000	750,000
Write-down of inventory	-	173
	1,496,235	1,344,284
OPERATING INCOME	412,127	500,471
OTHER EXPENSES		
Dividend, General Account	(580,000)	(500,000)
Unrealized losses (Note 2)	(191,948)	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (359,821)	\$ 471

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

Statement of Changes in Net Assets

Year Ended August 31, 2008

	Unrestricted	Invested in Capital Assets	2008	2007
GENERAL ACCOUNT				
NET ASSETS - BEGINNING OF YEAR				
As previously reported	\$ (98,224)	\$ 416,770	\$ 318,546	\$ 370,853
Adjustment of investments to fair value (Note 3)	9,102	-	9,102	-
As restated	(89,122)	416,770	327,648	370,853
Investment in property and equipment	(17,982)	17,982	-	-
Deficiency of revenue over expenses	(63,791)	(48,176)	(111,967)	(52,307)
NET ASSETS - END OF YEAR	\$ (170,895)	\$ 386,576	\$ 215,681	\$ 318,546

TRADING ACCOUNT

NET ASSETS - BEGINNING OF YEAR				
As previously reported	\$ 1,577,813	\$ -	\$ 1,577,813	\$ 1,577,341
Adjustment of investments to fair value (Page 3)	686,613	-	686,613	-
As restated	2,264,426	-	2,264,426	1,577,341
Excess of revenue over expenses	(359,821)	-	(359,821)	472
NET ASSETS - END OF YEAR	\$ 1,904,605	\$ -	\$ 1,904,605	\$ 1,577,813

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

Combined Statement of Cash Flows

Year Ended August 31, 2008

	2008	2007
OPERATING ACTIVITIES		
Net loss, General Account	\$ (111,967)	\$ (52,307)
Net income, Trading Account	(359,821)	471
Items not affecting cash:		
Depreciation	48,176	35,810
Unrealized losses	189,215	-
Allocation to reserves	70,000	462,808
	(164,397)	446,782
Changes in non-cash working capital	(407,095)	214,355
Cash flow from (used by) operating activities	(571,492)	661,137
INVESTING ACTIVITY		
Purchase of equipment	(19,981)	(24,583)
Cash flow used by investing activity	(19,981)	(24,583)
INCREASE (DECREASE) IN CASH FLOWS	(591,473)	636,554
CASH - BEGINNING OF YEAR	2,435,412	1,798,858
CASH - END OF YEAR	\$ 1,843,939	\$ 2,435,412
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 980,345	\$ 1,035,947
CASH CONSISTS OF:		
General Account	\$ 47,678	\$ 220,409
Trading Account	1,796,261	2,215,003
	\$ 1,843,939	\$ 2,435,412

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 2008

1. DESCRIPTION OF BUSINESS

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. SUMMARY OF 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:

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.

Investments - Held for trading

Investments are classified as held for trading and are stated at market values, unrealized gains and/or losses are recorded on the income statement.

Inventory

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

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%
Computer hardware	30%
Computer software	100%
Office equipment	10%
Photocopier	20%
Sign	10%
Vehicles	25%

(continues)

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

3. CHANGE IN ACCOUNTING POLICY

In April 2005, The Accounting Standards Board issued two new Handbook sections on financial instruments that affect the Corporation, Section 3855 and Section 3861. Section 3855 Financial instruments - Recognition and Measurement address when financial instruments should be recognized and how they should be measured. Section 3861 Financial Instruments - Disclosure and Presentation provides standards for how financial instruments should be classified on financial statements and the disclosure requirements.

The Association adopted both of the sections for the fiscal year ended August 31, 2008. These standards were applied retroactively without restatement of comparative financial statements. As at September 1, 2007 the Association recorded a non-cash credit of \$9,102 to net assets to the General Account and \$686,613 to the Trading Account for the change in accounting for financial assets which are classified as held-for-trading and are measured at fair value instead of cost.

4. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash and short-term deposits, accounts receivable, reserves, 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.

5. OPERATING LEASE COMMITMENT

The Association generates revenue by leasing a portion of its building to an unrelated company. The lease expires April 30, 2013.

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

2009	\$	32,000
2010		32,000
2011		32,000
2012		32,000
2013		21,333

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 2008

6. BUILDING RESERVE

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

7. 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.

8. 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.

9. 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.

10. PROPERTY AND EQUIPMENT

	2008		2007	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Building	\$ 377,799	\$ 100,127	\$ 375,689	\$ 92,592
Computer hardware	253,241	251,441	251,123	235,724
Computer software	44,601	42,105	39,609	39,609
Land	90,000	-	90,000	-
Office equipment	121,256	117,237	121,256	105,112
Photocopier	17,905	17,905	17,905	17,905
Sign	19,890	9,301	9,128	7,850
Vehicles	35,411	35,411	35,411	26,559
	\$ 960,103	\$ 573,527	\$ 940,121	\$ 525,351
Net book value	\$ 386,576		\$ 414,770	

11. AMM 10TH ANNIVERSARY

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.

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

Notes to Financial Statements

Year Ended August 31, 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. 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.

14. SELF-INSURANCE LOSS POOL

	2006/2007 and Prior Pool	2007/2008 Pool	2008	2007
Balance, beginning of year	\$ 5,549,469	\$ 1,753,168	\$ 7,302,637	\$ 7,549,520
Current year loss pool additions	-	5,343,005	5,343,005	4,023,349
	5,549,469	7,096,173	12,645,642	11,572,869
Insurance claims paid	(1,576,630)	(3,057,618)	(4,634,248)	(4,270,232)
Balance, end of year	\$ 3,972,839	\$ 4,038,555	\$ 8,011,394	\$ 7,302,637

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 (2007 - \$500,000) per claim of certain types of claims, up to a maximum of \$4,000,000 (2007 - \$4,000,000) in aggregate for the year.

	2008	2007
The segregated cash is recorded at fair value as:		
Bank	13,041	34,835
Great West Life - Loss Pool Fund	8,746,229	7,267,802
	\$ 8,759,270	\$ 7,302,637

15. LEASE COMMITMENTS

The Association leases a vehicle that expires February 1, 2011. Under the lease, the Association is required to make the following lease payments:

2009	\$ 4,515
2010	4,515
2011	2,258

FINANCIAL STATEMENT

ASSOCIATION OF MANITOBA MUNICIPALITIES

General Account

Schedule of Expenses

Year Ended August 31, 2008

	2008	2007
Functions		
Convention	\$ 224,776	\$ 260,343
Education	20,376	25,364
Housing conference	3,647	12,605
Municipal seminar	52,598	50,262
Newly elected officials seminar	-	11,462
Pre-conference seminar	-	4,258
Resolutions committee	3,628	3,083
Trade show	32,091	24,647
	\$ 337,116	\$ 392,024
Executive		
Communication allowance	\$ 2,750	\$ -
Board - stipend	44,004	42,004
Board - sundry	599	1,665
Meeting expenses	301,235	272,928
	\$ 348,588	\$ 316,597
Other		
AMM 10th anniversary	\$ 15,227	\$ -
Association fees	2,450	3,267
Audit fees	9,483	9,047
Bank charges	222	213
Building repairs and maintenance	39,051	24,630
Building reserve	50,000	50,000
Communication	9,280	-
Communications reserve	20,000	20,000
Depreciation	48,176	35,810
Donations and gifts	23,131	6,698
Insurance	4,897	4,263
Legal	8,390	18,066
Office	53,778	60,883
Postage and stationery	42,930	37,205
Promotion materials	11,896	8,419
Property taxes	29,932	28,890
Telephone	20,534	20,794
Vehicle expenses	10,355	6,230
	\$ 399,732	\$ 334,415
Staffing		
Management expenses	\$ 26,001	\$ 20,896
Staff expenses	11,638	17,762
Salaries	524,707	513,517
Employee benefits	88,231	67,396
Workers compensation	353	535
Employee benefits reserve	-	(5,319)
Staff training and recruitment	6,586	8,909
	\$ 657,516	\$ 623,696

ASSOCIATION OF MANITOBA MUNICIPALITIES

1910 SASKATCHEWAN AVENUE WEST
PORTAGE LA PRAIRIE, MANITOBA R1N 0P1

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