



Meeting with

The Honourable Greg Selinger
and the Provincial Cabinet

November 26, 2009

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Today's municipal government plays a greater role in the lives of Canadians than any other time in history. Municipalities no longer simply plow the streets and pick up the garbage. Sure today's municipal corporation still cleans the streets and collects garbage (and recyclables), but it also is sustainably managing growth through everything from state of the art transit systems to environmentally conscious land use and water planning. The pioneers of municipal government would be astonished to see today's council agenda where elected officials are doing everything from recruiting doctors from around the world to providing operating funding for daycares. These new realities are having serious repercussions for municipalities as they diligently try to balance growing responsibilities with stagnant revenues. Everyday municipalities are facing new demands from both citizens and other orders of government and must try to balance these with existing priorities and scarce revenues that remain overly reliant on the ebb and flow of grant programs. The current challenges facing municipalities are overwhelming and there must be a greater effort to address these if we want to see strong vibrant communities throughout our province.

The Core Challenges

While municipal concerns cut across every provincial department, there are two core issues that are most pressing for municipalities today - the ballooning municipal infrastructure deficit and the growing mandate of municipal government, either through intentional and unintentional offloading of responsibilities from other orders of government and unfunded mandates. These two challenges are crippling municipal government and keeping Manitoba communities behind.

Municipal Infrastructure Deficit

It is no secret that municipalities are facing nearly insurmountable infrastructure challenges. We only need to take a look around our communities to see the deteriorating state of our infrastructure. Roads that are nearly impassable due to potholes and heaving, drafty libraries with crippling heating bills, recreation complexes with leaking roofs and water and sewer treatment plants that are running beyond capacity. These are the very foundation of a community, yet their current state leaves communities with little hope for prosperity. For Manitoba communities to thrive in the future these swelling infrastructure challenges must be addressed.

In Canada the municipal infrastructure deficit is in excess of \$123 billion for current needs. Most alarming is how quickly the deficit has been compounding, as it has doubled over the last 5 years. Equally alarming, the \$123 billion is only for the upgrade and repair of current municipal infrastructure, with another \$115 billion required for new infrastructure.¹

These national trends hold true for Manitoba as well. The City of Winnipeg has recently calculated its infrastructure deficit at \$3.8 billion for existing infrastructure and \$3.6 billion for new strategic infrastructure.² Historically the municipal infrastructure deficit outside of Winnipeg has been double that within Winnipeg so it is fair to extrapolate that the deficit outside Winnipeg is over \$7.5 billion, putting the total municipal infrastructure deficit in Manitoba in excess of \$11 billion, or a staggering \$10,000 per Manitoban. It is certainly an insurmountable amount for municipalities to tackle on their own since the total municipal taxes levied in 2007 were just over \$730,000,000.³

There is no doubt the current infrastructure deficit is crippling Manitoba's economy. Adequate infrastructure is an obvious prerequisite for economic development and unfortunately it is greatly lacking in many communities. FCM has investigated this principle in depth and found that an increase in municipal infrastructure spending of \$1 billion in 2008 (at nominal process and allocated to a representative mix of infrastructure) would increase the size of the real economy by roughly 0.13 percent, or \$1.3 billion in nominal terms. While this would erode slightly over time with consistent investment, over a four year period it would still result in meaningful gains to the economy, dropping to a 0.6 percent increase in the final year. The resulting investment would be felt in the employment sector as well, since a great number of industries would benefit. A \$1 billion investment in 2008 would add 11,500 new jobs, which would be felt in industries from labour and material suppliers through to architects and engineers.⁴

¹ Saeed Mirza, "Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure", November 2007 (available at www.fcm.ca)

² City of Winnipeg Administrative Report, "Infrastructure and Possible Funding Options" Tabled at July 22nd, 2009 Council Meeting (available at www.winnipeg.ca)

³ Province of Manitoba, "Statistical Information 2007 – Municipalities of the Province of Manitoba", P.17

⁴ Sonnen, Carl, "Municipal Infrastructure- Macroeconomic impacts of spending and level-of-government financing" May 31, 2008 (available at www.fcm.ca)

Providing adequate infrastructure has both direct and indirect benefits for private-sector manufacturing. Infrastructure is an intermediate input into the production process, with businesses locating where there is access to water, hydro and transportation. New roads reduce fuel costs and haul times. Access to high quality (and adequate) water reduces input costs. There is also evidence that increased investments in public infrastructure allow private companies to use labour inputs more intensively, translating into more jobs.⁵

While the numbers are staggering, of far greater concern is the very real impact this infrastructure deficit is having on the people who live in Manitoba. Manitobans are experiencing longer commutes to work either because of impassable roads or slower speeds. We are also spending more time travelling to neighbouring communities to access recreation opportunities. Many have seen the outmigration of neighbours and friends who tire of dealing with these daily challenges.

Municipal councils want to create vibrant, welcoming communities, but this is nearly impossible with the state of infrastructure today. For example, there remain 89 boil water advisories in Manitoba, many in Manitoba municipalities.⁶ This means in 2009 thousands of Manitobans do not have access to safe drinking water when they turn on the tap. It is unreasonable to think these communities can realistically compete with the rest of Manitoba and Canada if they don't have this essential infrastructure.

Ever Increasing Responsibilities

A second core challenge for municipalities is ever increasing responsibilities. Municipalities are continually being asked to do more and more, either through the intentional or unintentional offloading of responsibilities from other orders of government or through new unfunded mandates being forced on municipalities by the provincial and federal government. These new responsibilities do not come with new revenue sources and result in municipal budgets being stretched thinner and thinner. The sad reality is that as municipalities are being forced to take on more the core municipal responsibilities suffer.

⁵ Brox, James A. "Infrastructure Investment: The Foundation of Canadian Competitiveness - IRPP Policy Matters 2008" August, 2008 (available at www.irpp.org)

⁶ Province of Manitoba "Provincial Boil Water Advisories" – October 26th, 2009

Municipal officials believe in their community. This is where they live, most often where they work and sometimes where they were born. They care greatly about their community and when they see a need they will do everything they can to address it. Many times municipal officials are their own worst enemy, as they step in and act where other orders of government have abdicated their responsibilities. Municipalities step up and do repairs on provincial roads, they recruit physicians from all corners of the world, and they help fund community health facilities. In some cases municipalities are just filling gaps in service unintentionally left by other orders of government and other times municipalities are stepping in because the provincial and federal governments have made it clear their community will not get the service or investment unless they do.

Compounding this is the growing trend of unfunded mandates being heaped on municipalities by the provincial and federal governments. Too often new rules are implemented without adequate thought to how they can possibly be implemented. These unilateral decisions leave municipalities in the untenable position of either scarifying core programs and services or being in non-compliance of provincial rules. Unfortunately we are hearing more and more from municipalities that they are being forced to opt for the latter.

Municipalities cannot keep pace with the rapid increase in the offloading of responsibilities and unfunded mandates. These challenges are pushing municipalities further and further behind.

Alternate Revenues

Now more than ever municipalities need new tools to deal with new responsibilities and new expectations. Currently Manitoba municipalities are more reliant on provincial and federal grants than any other province in Canada⁷. While in some cases these types of programs are necessary (for example large-scale infrastructure projects), it leaves municipalities having to compete against each other for limited dollars and restricts a municipality's ability to properly plan for much needed investment. The amount allocated to grant programs like the recent Municipal Rural Infrastructure Fund is nowhere near the total demand, meaning there is no guarantee much-needed projects will ever receive funding.

⁷ Slack, Kitchen, McMillan, Vaillancourt, "Roles, Responsibilities, Resources and Relationships – Report to the Provincial and Territorial Municipal Associations" June 15th, 2007.

Over-reliance on grants and transfers leaves municipalities without the tools required to meet demands. Many municipal issues, when stripped down to their core, are really issues of access to revenue. For example, the need to remove education tax from property is really a municipal revenue issue, as municipalities see education tax as eroding the property tax base, which is the single greatest source of municipal revenue. Over the last number of years we have seen more and more municipalities speaking out on the need for greater municipal revenue sources.

It is important that the federal and provincial government contributions to municipalities are not forgotten. Federally, municipalities have benefited from a GST rebate, the sharing of the federal gas tax and the Building Canada Fund as well as Stimulus Funding. Provincially, municipalities have benefited from the sharing of provincial income tax, the Building Manitoba Fund, and supports in several other areas. We also appreciate the Province stepping up with their one-third share of recent federal programs. The message the AMM is hoping to convey is not that either order of government has completely forgotten about municipalities, but rather that despite these efforts municipalities still face enormous challenges and more is needed.

Municipalities must have access to new revenue sources. A greater reliance on property taxes and provincial and federal grants has created an ever-widening chasm between municipal revenues and needs, leaving future generations with what is quickly becoming an insurmountable infrastructure deficit. Municipalities are struggling to deliver core services as their budgets begin to crack under increased demands.

A new approach is needed, and for this reason we are asking the Province of Manitoba to collect a one cent municipal tax to be allocated to municipalities for infrastructure and split equally among municipalities on a per capita basis. This will provide municipalities with in excess of \$200 million a year. For a community of 1,000 people, this means roughly an investment of \$185,000 in their local infrastructure, or \$370,000 for a community of 2,000 people. A community such as Thompson could see close to \$2.5 million, while Winnipeg would expect to see over \$117 million. Although this funding alone will not erase the infrastructure deficit in Manitoba, it is a positive first step.

While the AMM is not necessarily asking for a new tax, there is support among Manitobans for a new tax dedicated to municipal infrastructure. Polling done by AMM in 2008 found that 94 percent of Manitobans see infrastructure as a high priority, including a 94 percent positive response rate in Winnipeg. The poll also found that 55 percent of Manitobans think that municipalities do not have the revenue sources needed to cover infrastructure costs alone, including 50 percent in Winnipeg. Most interestingly, the poll found that 54 percent of Manitobans, including 51 percent of Winnipeggers, support an additional one percent municipal tax dedicated to infrastructure renewal projects⁸. As the infrastructure deficit continues to grow, support for this will only increase.

The AMM is also asking for other revenues sources for municipalities, such as a rebate of the Provincial Sales Tax as well as increases to existing sources such as VLT revenues. We would also ask that any new mandates for municipalities be accompanied with corresponding financial support.

The sad reality is that while the Province of Manitoba has been leaders in some municipal areas, it has not been enough. We have the opportunity to visit every municipality in Manitoba within the four year election cycle and it is clear our communities are struggling and we are falling behind.

We understand that providing additional revenues to municipalities may become more difficult as the economy continues to fluctuate. While economic projections can never be taken as absolute fact, they are often a prophetic divining rod on economic times. However what should not be lost is the positive impact infrastructure investment would have for the provincial and national economy. Furthermore, delaying investment in these critical infrastructure projects will have serious long-term consequences for Manitoba's economy.

Municipalities are not looking for new revenue sources to store money away for a rainy day. The storm has arrived. With a national municipal infrastructure deficit in excess of \$123 billion, and Manitoba's share in excess of \$11 billion, there is no shortage of work to be done. If

⁸ Probe Research "Public Attitudes on Infrastructure Renewal Funding in Manitoba" September, 2008.

municipalities are left to deal with this ballooning deficit alone armed only with property taxes and grants, it will continue to grow exponentially. Alternatively, providing municipalities with new revenue sources will not only begin to address this growing deficit, but will help build and strengthen our economy.

The time has come for a new approach to municipal funding. The expectations of today's municipalities are greater than any time in history. Regrettably so are the financial challenges facing municipalities. For municipal government to be sustainable into the future, and for Manitobans to have access to the quality of life they deserve, municipalities need to have access to sustainable growth revenues. This is the only way municipalities will be able to even begin to address the core challenges they face.

General Issues

Although the challenges raised so far and the need for a new source of revenue to deal with them permeate all aspects of municipal government, there are also several issues that require attention in order to assist municipalities in addressing ongoing challenges.

Manitoba Aboriginal and Northern Affairs

TLE Compensation for Municipalities

There are many factors that contribute to the lengthy process for completing Treaty Land Entitlement (TLE) agreements, including the existing compensation package for municipalities. Saskatchewan municipalities receive compensation for at least 25 years after the land is converted and Manitoba municipalities should be eligible for comparable agreements. The Province should review the current TLE compensation structure in order to seek alternative ways to enhance the TLE negotiation process in Manitoba. The current process is too lengthy and improvements must be made.

The lengthy TLE conversion process also generates substantial legal costs for municipalities and further steps must be taken to facilitate the negotiation process. Although the Province published the *Guide to Municipal Development and Service Agreements*, there are outstanding concerns with the high costs of negotiating TLE agreements. A cost-sharing program to assist municipalities in paying these legal costs is required.

Funding for Port of Churchill and Northern Rail Lines

Recent rail line abandonment has increased pressure on provincial and municipal roads. While there are alternatives in southern Manitoba, the same cannot be said in the North where the rail line is often the only link to the rest of the province and the world. For many Northern communities the rail line is their life line, bringing in nearly everything the community needs for survival. Recently, Via Rail announced that rail service between Churchill and Winnipeg would be reduced beginning in December 2009. The AMM is very concerned about this situation and urges the Province to ensure adequate service levels are maintained.

An efficient rail network is essential as the Province looks to capitalize on its competitive advantage with the Port of Churchill. As Canada's only arctic seaport, the Port of Churchill has nearly unlimited potential. The Province has recognized this by making the Port a cornerstone of Centreport Canada. However for this initiative to be a success, greater investment is required in northern rail lines.

Manitoba Agriculture and Rural Initiatives

Noxious Weed Issues

The spread of noxious weeds in Manitoba is a growing concern. There is a serious need to invest greater resources into weed control throughout Manitoba, particularly in Provincial ditches, rights-of-way and road allowances. In May 2009, the Province indicated that a review of *The Noxious Weed Act* was being considered, but that it would take at least a year to complete. The serious impact of noxious weeds demands that this legislation be updated and the Province must move forward with a full review of *The Noxious Weeds Act*. Municipalities are prepared to work with the Provincial Government to develop and implement a coordinated weed control strategy.

Emergency Livestock Disposal Planning

The agricultural sector is a critical part of Manitoba's economy, therefore agricultural emergencies can have a profound effect on the local municipal economy. Although identifying burial sites is an important preparation for a livestock crisis, alternative disposal measures are also required. The purchase of an incinerator would be beneficial for livestock producers and would minimize the amount of material requiring disposal. Municipalities are prepared to work with the Province to prepare appropriate sites and develop the necessary response mechanisms. However, the Province must complete the process of identifying the financial and technical resources required in order for this process to move forward.

Economic Development in Manitoba

In 2008, the Province conducted consultations with key stakeholders to discuss economic development in Manitoba. The AMM was pleased to participate in this process since municipalities play an important role in economic development. In 2003, the AMM tabled a report on this topic entitled *Creating a Vision: AMM's Report on Economic Development*. Many

of these recommendations remain valid and the AMM appreciated the opportunity to discuss these and other important municipal issues during the review. The AMM eagerly invited the Province to share the report recommendations with its membership at AMM's June regional meetings and our membership appreciated the update. We are now looking for the Province to take action on the recommendations and move forward with economic development in Manitoba.

Manitoba Conservation

Recycling

Recycling is an important issue for all Manitobans. Municipalities are keen to deliver recycling programs however the cost is becoming an impediment. We greatly appreciate the commitment of the Province to retain the 80:20 funding ratio through the move to a new industry led system. The next year will be a period of adjustment as Multi Material Stewardship Manitoba takes over responsibility from Manitoba Product Stewardship Corporation. The AMM feels it is very important that the Province does not abandon its responsibilities in this area, both during the transition as well as in the coming years.

While changes are being made to the printed paper and packaging waste stream, household hazardous waste and electronic waste continue to be an issue. The AMM believes these are two very important waste streams and encourages the Province to move forward quickly with a plan to divert them from municipal landfills.

Contaminated Sites

Many communities in Manitoba are struggling with contaminated sites, as these are often located in key areas of the municipality. These sites are usually in commercial areas along major roads and are prime space for development however no one is willing to take on the associated clean up costs. It is critical that greater measures are in place to force clean up when these sites are abandoned in the future and support is needed now to clean up existing sites to allow for future development.

Issues with Permanent Park Residents

Another issue of concern for our members is the impact permanent park residents have on neighbouring communities. Residents in provincial parks pay a nominal fee to the Province, yet receive the bulk of their services from neighbouring municipalities. Under the current system municipal ratepayers are being asked to subsidize the cost of services for park residents which is unfair. The AMM would like to see greater compensation for municipalities that provide services to permanent park residents and believe fee levels in parks should be on par with taxation levels in neighbouring municipalities.

Impact of Cottage Lots on Municipalities

The AMM is concerned with the impact cottage development on provincial land is having on neighbouring communities. Municipalities are increasingly working together to sustainably develop their communities on a regional basis. Concern has been expressed that the Provincial cottage lot draws undermine municipal efforts by creating development in areas not identified in municipal development plans. Opening up these lots and the subsequent requirement to develop them within two years places a strain on an already overburdened municipal infrastructure system. The AMM would like to see greater coordination with local municipalities in advance of any further lot draws in Manitoba.

Onsite Wastewater Management Regulation

An issue that was front and centre over the last year is the changes to the Onsite Wastewater Management Regulation. Municipalities were very disappointed that despite strong opposition and a lack of clear supporting documentation the Province moved forward with the changes it proposed in their entirety. Municipalities understand the need to protect sensitive areas and the proposed changes make sense in some areas of the Province. However there is no support for a province wide ban of sewage ejectors. The AMM therefore requests the Province amend the regulation and only ban sewage ejectors on a case by case basis where they pose environmental or human health concerns.

Water and Wastewater Operator Training

Safe drinking water is critical to all Manitobans. The lessons of Walkerton and North Battleford should not be forgotten and the AMM is fully supportive of ensuring water and wastewater operators are trained to the necessary levels in Manitoba. Our concern stems from the incompatibility of the regulation and the availability of properly trained operators in Manitoba. While the regulation has been in place for six years, little attention has been paid to developing an adequate pool of trained operators. Recent discussions with stakeholders about possible improvements, including potentially creating an apprenticeship program, are positive however we are concerned it is too late in some cases. Right now in Manitoba there are not enough trained operators to fill the necessary positions and municipalities are being forced to apply on behalf of operators for conditional licenses, in many cases because their original conditional license has expired. This is not a tenable solution and improvements are necessary to the system to ensure Manitobans are protected.

Manitoba Culture, Heritage, and Tourism

Funding for Libraries

Libraries are cornerstones of vibrant communities yet they continually struggle to obtain sufficient funding. While the additional funding announced in May 2009 will improve services and resources at Manitoba libraries, the AMM firmly believes the recommendations in the 2006 “Reaching Our Vision” report must be implemented. In particular, increasing the library establishment grant and establishing a funding mechanism to address current trends in population and operating costs will greatly enhance Manitoba’s library system. This report has now been complete for over three years, yet the changes have not occurred. Regardless of the community population, libraries require a certain level of funding to operate the facilities and the Province must explore new methods of distributing funding in order to maintain these important services.

Enhanced participation is critically important and the AMM has long been advocating for a portion of a municipality to be allowed to join a regional library where it is more practical than the whole municipality joining. This issue was included in the report recommendations yet no

action has been taken. The AMM has also more recently been advocating for a single library card in Manitoba which would certainly enhance participation.

Manitoba Education, Citizenship and Youth

Education Tax on Property

A long-standing municipal concern is the need to reduce the reliance on property taxes to fund education. While efforts have been made in recent years to reduce the education property tax, education taxation levels remain high across the province. A long-term plan is needed to address this issue and the AMM has been advocating for an 80:20 funding split of operating costs for education in Manitoba. Property tax remains the largest single source of municipal revenue and as such municipalities must have greater control over property taxation levels.

Anti-Drug Programs in Schools

Substance use and abuse is a complex social problem that requires attention from all orders of government. Municipalities have an important role in defining local crime prevention initiatives and eradicating drug use among young people is key to the overall success of such local strategies. In an effort to reduce crime associated with drug use over the long term, the AMM is promoting the increased use of Drug Abuse Resistance Education (DARE), Lions Quest and similar programming. Employing these well-established programs would allow for consistent messaging regarding drug awareness and avoidance for all Manitoba youths. The Provincial Government has an opportunity through the education system to expose students at the appropriate age to a structured anti-drug campaign in order to address the growing accessibility of a wide variety of drugs in all Manitoba communities. The Province must ensure that such programs are given sufficient attention within the curriculum such that all schools adequately promote drug awareness.

Manitoba Family Services and Consumer Affairs

Increased Investment in Childcare Services

Communities throughout Manitoba are facing severe shortages of childcare spaces that are directly related to years of insufficient capital and operating funding for childcare facilities. Even with recent increases from the Provincial Government, low wages for early childhood educators have led to a critical province-wide staffing shortage that obstructs the provision of high quality childcare services. Municipalities have a vested interest in the local availability of childcare since these services have major impacts on community well-being. Studies consistently show that the provision of local childcare opportunities has a direct impact on increased regional economic development. The AMM appreciates the Province's recognition of this critical need through the recent implementation of the Family Choices agenda to fund more spaces, establish a training and recruitment fund and increase salaries for early childhood educators. Immediate and long-term action by the Provincial Government is required to address the needs of families and childcare facilities throughout Manitoba.

Manitoba Health

Health Professional Recruitment, Training and Retention

The current shortage of health care professionals throughout Manitoba presents a number of challenges that must be addressed through a comprehensive strategy for training, recruitment and retention. An inequitable system has developed whereby municipalities are expected to bid for physicians to work in their communities through financial and other incentives. This creates a disadvantage for communities that lack the financial resources to attract physicians yet continue to experience shortages of health care professionals. Offering sufficient training in Manitoba is critical and the Province has made some progress by creating additional spaces for medical education. As these developments move forward, it is essential to increase the participation of rural and northern students and those expected to practice family medicine in order to meet the needs of all Manitoba communities. Municipalities also appreciate the proliferation of other medical professions – such as nurse practitioners, physician assistants and midwives – that offer alternative means of addressing the current shortage of physicians in Manitoba. This type of

innovative problem-solving offers a valuable contribution and the Province's comprehensive strategy should emphasize these types of solutions.

Community Capital Contributions to Health Projects

The AMM has raised the need to change this policy for a number of years, since it is inequitable and inappropriate for local communities to contribute to the provision of health care services. Several Provincial Health Ministers have committed to reviewing this policy; however it has now been in place for 10 years. This policy is problematic since communities are required to commit to a project whose design and costs have been unilaterally decided by the Province. In addition, communities must fund 100 percent of any change order regarding the health capital project, even if the project does not initially require a community contribution. The Province has indicated that this policy ensures that demand for facilities will only come from communities that are genuinely in need, however there is no evidence that communities are competing to open new facilities. The AMM is seeking the elimination of this policy in order to reverse this downloading and to make additional municipal resources available for other local initiatives.

Funding for Regional Palliative Care

Manitoba's aging population and increasing number of seniors have increased the demand for alternative healthcare services, including care that supports an individual's decision regarding their final moments. Municipalities value local palliative care services due to the distinctive focus on achieving comfort and respect for patients while maximizing quality of life during their final moments. Ensuring these resources are available in a patient's home community also facilitates care and support for the families involved. Although Regional Health Authorities (RHAs) employ a palliative care regional coordinator or director in an attempt to meet the demand for palliative care, there is no dedicated funding for service provision. As a result, RHAs can only provide palliative care services through funding gleaned from other equally important health care services. This results in funding being drawn away from other critical health care programming and RHAs being left to rely on community contributions and volunteers to support palliative care. Dedicated funding should be provided for palliative care in Manitoba as an individual's right to comfort and respect in their final moments should not be at the discretion of an RHA Board.

Manitoba Healthy Living, Citizenship and Youth

Funding for Seniors Initiatives

One of the most important demographic groups for municipalities is older Manitobans. In many cases they are the familial link to a community and once they leave that link is broken. It is critically important that greater opportunities are provided to seniors in all communities to allow them to stay in the place they have often lived their whole lives. The AMM has proudly partnered with the Province on the Age-Friendly Initiative and is looking for the Province to make greater investments in seniors initiatives to help keep seniors active and healthy in their communities.

Investment in Recreation Operation

While much of the focus has been on the maintenance or new construction of recreation centres across Manitoba, a very real challenge for municipalities is the operation of these centres. One of the major cost drivers for recreation centres is hydro, often in excess of 30 per cent of the total operating budget. While initiatives like Manitoba Hydro's PowerSmart program help reduce some of the cost, it is not enough. The AMM would therefore like to see a reduced rate provided to community recreation centres because of their critical importance to the communities they serve.

Manitoba Housing and Community Development

Affordable Housing in Rural Manitoba

The demand for affordable housing is prevalent throughout Manitoba since low-income households are not limited by geographic boundaries. It is important to consider demographic changes since the increasing population of seniors has heightened demand for various housing types. The Province's grant for municipalities to develop supportive housing is beneficial, however increasing construction and labour costs require an increase to the grant allocation. In addition, accessibility of program funding has been an ongoing municipal concern and new housing programs must be accessible by both rural and urban municipalities. As well, the cost parameters set out in the program do not work in the North as they have higher costs due to a

variety of factors. The uniqueness of Northern Manitoba housing should be accounted for in the program.

The AMM understands the Province is currently in discussions with the Federal Government on the next generation of housing funding and we appreciate the willingness of the Province to hear from stakeholders about what is needed. The AMM, through the Federation of Canadian Municipalities, will continue to advocate for a comprehensive national housing strategy.

Manitoba Infrastructure and Transportation

Building Canada Fund

The AMM would like to express appreciation for the commitment of the Province to match funding from the Federal Government in the accelerated Building Canada Fund and subsequent Stimulus Funding. The uptake on the funding was strong in Manitoba which indicates a next generation of funding is required. The AMM would like to see discussions begin immediately with the Federal Government on the next generation of infrastructure funding. The AMM would also like to see a municipal voice returned to the application review process as it is critical that municipalities have a voice in how projects are prioritized.

Rail Line Abandonment

Unfortunately many areas of Manitoba have seen the abandonment of their local rail lines. Rail infrastructure is an important tool for many industries and the removal of this infrastructure creates challenges for those communities that are losing the service. Some communities have banded together to look at operating rail lines on their own with varied success. The AMM believes greater support is needed from the Province to make sure rail remains a viable transportation mode in Manitoba.

Drainage Issues

One of the longest standing issues for municipalities is drainage. While the Province has made some increased investments in recent budgets more is needed. The Province requires a comprehensive water management policy that will compensate for the flood and drought cycles Manitoba experiences. The AMM is appreciative of improvements to the minor works licensing

process and we are optimistic that this will help to make sure work being done by individual landowners is appropriate. However the Province needs to make a greater effort to manage their drains in order for the system to work effectively.

Greyhound Service

For many Manitobans transportation by bus is their only means of connecting to larger centres like Winnipeg, often for necessary medical appointments. This is why the decision by Greyhound to discontinue service was so alarming. The AMM appreciated the quick action by the Province to ensure service continued, however we are concerned with recent suggestions that the end result will be a reduction in service levels. A workable solution must be found that keeps service in all areas of Manitoba.

Manitoba Innovation, Energy and Mines

Funding for Renewable Energy

Biofuels represent an important opportunity for communities to participate in the growing alternative energy industry, while gaining significant economic development benefits. Ethanol and biodiesel production is now underway in Manitoba. Recently, Manitoba became the first province in Canada to implement a biodiesel mandate. Manitoba is currently a leader in this area and it is critical that the Province builds on this advantage by greater investment in ethanol and biodiesel production facilities in Manitoba communities.

As well, wind energy stimulates regional economies throughout the construction process due to the increased jobs for local tradespeople as well as the associated purchase and rental of equipment and materials. Once the turbines are in place, further jobs are created through their operation and maintenance. This creates a training opportunity to support these positions and augment local involvement in the industry. Investing in a locally trained, knowledgeable workforce would also support future efforts to enter the component production market. The Province's commitment to add 1000 megawatts of wind generation capacity by 2015 should consider these spinoff industries and provide incentives for increasing the economic impact of Manitoba's wind energy projects.

Manitoba Justice

The Youth Criminal Justice Act

Since *The Youth Criminal Justice Act* (YCJA) was implemented, communities have experienced increasing pressures on local resources to provide alternative programming. However, there is little recognition of the significant differences between the type of programming required in a large urban centre and a small town or rural community. Furthermore, many communities are concerned that these consequences do not currently deter criminal activity and greater efforts must be undertaken to reduce youth crime rates throughout Manitoba. A review of the YCJA is required to deal more effectively with offenders and repeat offenders, as well as to address the regional capacity of Manitoba municipalities.

Parking Violations

Current legislation allows municipalities to issue tickets for parking and traffic violations, but does not offer sufficient authority to enforce collection of these fines. The AMM has been working with the Province to investigate and review how to give municipalities greater authority to collect unpaid fines. The AMM acknowledges that this is a complex process due to the necessary integration of municipal fine collection information with the Province's collection system. However, this process has been underway for an extensive period of time and municipalities are anxious for the new system to be implemented. The AMM appreciates the Justice Minister's commitment to have this issue resolved in early 2010 and we are looking forward to the changes being implemented.

Municipal Policing Costs

Although community safety and crime prevention are among the top priorities of communities across Manitoba, the current funding structure for police services is unsustainable. Municipalities are absorbing an increasing share of policing costs in addition to undertaking alternative service provision. Municipalities are being asked to pay more and more for policing yet seem to be experiencing reduced levels of service.

Under the current structure, municipalities have little influence over the level of police service obtained yet are required to provide funding as determined by the RCMP. At present, salaries constitute a significant portion of municipal policing budgets and commitments to increase

salaries have a serious impact on municipalities. The AMM supports appropriate remuneration for these essential services, however municipal budgets cannot respond to the demand to increase RCMP salaries, particularly when municipalities have no control over these amounts. The AMM is optimistic that some of the concerns with levels of service will be addressed in the revamped police agreement due in 2012; however the escalating cost of policing remains a major concern for municipalities. The Province must ensure sufficient resources are available through funding mechanisms that support effective policing while maintaining cost efficient service delivery.

Manitoba Labour and Immigration

Mandatory 911 Subscription

Timely response to emergency situations is an invaluable service made possible by the joint efforts of municipalities and the Province. Ensuring that 911 service is consistently accessible throughout Manitoba continues to be a concern for municipalities, particularly in sparsely populated and remote areas. The AMM appreciates recent changes to the Medical Transportation Coordination Centre, as these have helped increase confidence in the system. However it is essential that the Province continues to ensure adequate staff and technical support are available at the Medical Transportation Coordination Centre to manage calls from all Manitoba communities. The AMM would like to see mandatory 911 systems across the Province to ensure all Manitobans have access to this critical service.

Provincial Floor Construction Standards

Increased housing starts over the past few years has led to the widespread use of silent floor construction and other engineered floor assemblies based on their strength and efficient use of materials. Although there are advantages to using this type of construction, there are also significant safety concerns when emergency situations arise. The safety of firefighters entering burning homes with silent floor construction is of particular concern to municipalities. During a fire, engineered wood products lose their structural integrity more rapidly since they do not have the same mass of material and therefore burn at a faster rate. Firefighters have no means of identifying the type of floor system prior to entry; however they should be alerted in some manner based on the greater risk of encountering structural issues in homes with silent floor construction. Making this critical information available prior to entry would greatly reduce the

risks to firefighters and the households they assist. The Provincial Government must be prepared to move forward to enact any changes required to Provincial legislation to ensure homeowners and builders clearly identify homes with silent floor construction.

Manitoba Local Government

Amendments to the Conflict of Interest and Campaign Financing Acts

The AMM is very concerned about the changes brought forward by the Province in Bill 35 – The Municipal Conflict of Interest and Campaign Financing Act. The AMM expressed serious concern with changing the rules for financial disclosure statements in the middle of the current mandate. Despite assurances from three cabinet ministers that the bill would be amended to address our concern, this did not happen. While we are hopeful that this was an isolated instance and will not become a turning point in our relationship with the Province, we remain concerned with the message this legislation sends to both current and prospective elected officials. In many communities it is a challenge to find candidates to run in municipal elections and we are concerned that these new requirements will do nothing to encourage participation and will in fact act as a disincentive to run. The Province must better balance the quest for greater municipal transparency with the realities facing municipalities today.

Mobility Disadvantaged Transportation Funding

A program that is becoming of increasing interest to municipalities is the Mobility Disadvantaged Transportation Program. While originally designed for disabled individuals in a community, the program's success is rooted in the ability to deliver transportation services to a wider segment of the population. For many communities it is cost-prohibitive to run a program exclusively for disabled individuals; however by including seniors and other groups the program is possible. However provincial funding for the program has remained stagnant while costs such as fuel and maintenance have increased significantly. Therefore the AMM would like to see an increase to the program to reflect escalating costs and ensure this valuable service continues in Manitoba communities.

Manitoba Water Stewardship

Water and Land Use Planning

A growing challenge for municipalities is creating a balance between water and land use planning. Municipalities are strong advocates for long-term land use planning and water resource management, and have seen the benefits first hand. However there are inherent challenges in the process, as often municipalities are partners with one group of municipalities for land use planning at the planning district level and another group for water planning based on the local watershed. Despite their best efforts, at times there is incongruence between the plans leaving the local community being pulled in different directions. The Province must work with municipalities to ensure that water and land use planning move forward in a coordinated manner in order for either process to function effectively.

CD Funding

In 2007, the *Conservation Districts Framework for the Future Document* initiated a dialogue on the future strategic direction of the conservation district (CD) program in Manitoba. Municipal governments had major concerns with the direction and tone of the initial document and after extensive consultation, a committee of key stakeholders drafted a revised document which the Minister of Water Stewardship approved in 2009. While the new document addresses many of the issues facing CDs in the future, the decision was made to address funding separately from the document. The AMM is now working with the other stakeholders to develop a workable funding formula for CDs.

What has become apparent through this work is that the CD program in Manitoba is seriously underfunded. The total budget for CDs is nowhere near what is required for CDs to successfully fulfill their mandate. Provincial increases to the overall program have only offset increasing participation levels and very few CDs have seen any increase in program funding. CDs are now being forced to undertake comprehensive integrated watershed management plans which require greater funding for implementation. The Province has repeatedly stated that water resource management is a top priority however there has been little corresponding funding commitments. The Province must increase funding for CDs in order to allow them to meet Provincial expectations.

Funding for Water Initiatives

Municipalities place a high priority on providing clean water and environmentally sustainable wastewater treatment. Due to growing environmental concerns, the Province has enacted various requirements to protect and enhance Manitoba's water resources. *The Drinking Water Safety Act*, *The Water Protection Act*, and the *Water and Wastewater Facility Operators Regulation* are key examples of new water management legislation that redefine the management of municipal facilities. The new legislation governing water and wastewater facilities imposes additional requirements for municipalities at a significant financial cost and assistance is required in meeting these new demands. This financial burden can deter the necessary investments, yet municipalities do not want to compromise the health of the community and the environment. The Province must consider the financial feasibility of the new legislation and be prepared to work with municipalities to fulfill these requirements.

Provincial Flood Proofing Plan

Manitoba's geography is such that there are many flood prone areas that would benefit from greater flood protection. Some areas experience the same flooding on a regular basis, yet municipalities lack the resources to construct sufficient dykes and other measures to avoid these repeated events. To date, Disaster Financial Assistance (DFA) focuses exclusively on temporary, ad hoc initiatives that do nothing to prevent a similar event in the future. The program dictates that any flood protection must be removed once the threat of flooding subsides, thereby leaving communities vulnerable to repeated flooding and requiring continual assistance year after year. The AMM appreciates that DFA was designed to assist in particular circumstances, yet it demonstrates that the available programming is not sufficiently responsive to flooding problems in Manitoba. Therefore, municipalities are asking that the Provincial Government develop a program dedicated to ensuring that permanent flood protection is available for all Manitoba communities.

The AMM appreciates the opportunity to meet with Cabinet and share our key municipal issues. The AMM has always adopted a cooperative approach in dealing with the Province and look forward to building this relationship further in the coming year.