



ASSOCIATION OF
MANITOBA
MUNICIPALITIES

Meeting with the Honourable Scott Fielding
Minister of Finance

AMM Submission for Budget 2022

December 16, 2021

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INTRODUCTION

- ❖ The AMM is pleased to present its pre-budget submission document for Budget 2022 and continue a dialogue with the provincial government about the future of Manitoba.
- ❖ The AMM urges the Province of Manitoba to consider new and existing challenges facing municipalities in its upcoming budget, especially as our economy looks to recover from the COVID-19 pandemic.
- ❖ In this document, the AMM has outlined our main lobbying priorities in three categories: *Successes* in 2020-2021, *Critical Issues* requiring immediate action, and *Important Issues* that have seen some progress, but require more collaboration.

SUCSESSES IN 2020-2021

✓ COVID-19 Assistance

- Department of Municipal Relations

- Department of Finance

- ❖ *The AMM is very pleased with the collaborative effort between the Province of Manitoba, our organization, and other stakeholder groups to continue holding and facilitating regular regional calls throughout the entirety of the pandemic.*

- ❖ *The AMM welcomes the Province of Manitoba flowing 75 per cent of operating grants to municipalities up front for the second year in a row to ease financial pressures due to the pandemic.*

The AMM recommends the government:

- ❖ *Make available greater funding to offset increased operating expenses due to facility closures and public health restrictions; and*

- ❖ *Continue to consult with municipalities and the AMM in ongoing provincial-federal discussions so that local communities can continue to help with economic recovery.*

✓ \$500 Million Manitoba Restart Agreement with \$50 Million for Water and Wastewater Projects

- Department of Municipal Relations

- Department of Infrastructure

- ❖ *The AMM commends the Province of Manitoba for increasing infrastructure investments by an additional \$500 million, with \$50 million dedicated to water and wastewater projects via the Manitoba Water Services Board (MWSB).*

The AMM recommends the government:

- ❖ *Continue to allocate funding for water and wastewater infrastructure.*

✓ \$20 Million Manitoba Accessibility Fund

- Department of Municipal Relations
- Department of Families

- ❖ *The AMM thanks the Province of Manitoba for announcing a new \$20 million endowment fund that will provide grants up to \$50,000 to municipalities to eliminate accessibility barriers;*
- ❖ *The AMM welcomes the continuance of quarterly meetings with departmental staff to discuss accessibility standards and compliance requirements; and*
- ❖ *The AMM is a member of Manitoba's Accessibility Advisory Council.*

The AMM recommends the government:

- ❖ *Support municipalities by continuing to reduce administrative and financial burdens as a result of the Accessibility for Manitobans Act and its corresponding standards; and*
- ❖ *Continue to consult with the AMM to ensure a smooth transition process once the accessibility compliance framework is operationalized.*

✓ \$3 Million Municipal-Fee-for-Service Agreements

- Department of Infrastructure

- ❖ *The AMM commends the Province of Manitoba for formally announcing the updated fee-for-service municipal agreements totaling \$3 million for municipalities; and*
- ❖ *The AMM thanks Minister Schuler and Manitoba Infrastructure (MI) staff for a collaborative process during the development of gravel road maintenance and noxious weed control agreements.*

The AMM recommends the government:

- ❖ *Continue to consult with the AMM and municipalities through the MI-AMM Service Delivery Review Working Group.*

✓ \$750,000 Library Funding

○ Department of Sport, Culture and Heritage

- ❖ *The AMM thanks the Province of Manitoba for announcing over \$750,000 of new funding to support rural public libraries and library services across the province.*

The AMM recommends the government:

- ❖ *Continue to consult with the AMM and municipalities on the provincial plan to sustain local libraries as centers and hubs; and*
- ❖ *Support the implementation of a universal, province wide library card system to increase efficiencies and facilitate library use.*

✓ AMM-Province of Manitoba Strategic Collaboration Working Group

○ Department of Municipal Relations

- ❖ *In response to the AMM's 'Partners in Growth' campaign we thank the Province of Manitoba for establishing a Working Group focused on strategic collaboration.*

The AMM recommends the government:

- ❖ *Continue to work with the AMM to reduce provincial red tape; and*
- ❖ *Review and modernize municipal funding and shared engagement opportunities with municipalities.*

CRITICAL ISSUES – IMMEDIATE ACTION REQUIRED

✓ Fair Share, Alternate Revenues, and PST Rebate

- Department of Finance
- Department of Municipal Relations
- ❖ *Municipalities rely on property taxes to generate revenues while being responsible for 60% of public infrastructure and only receiving less than 10 cents of every tax dollar to complete the job.*
- ❖ *In 2017, the legislative guarantee under The Municipal Taxation and Funding Act to share 1/7 of provincial PST revenues with municipalities was repealed.*
- ❖ *The freezing of municipal operating funding at **2016** levels does not recognize inflationary increases, while provincial initiatives and program funding decisions affecting municipalities are often announced following the municipal budgetary process.*
- ❖ *Each year, municipalities pay more than \$25 million in PST to the provincial government.*

The AMM recommends the government:

- ❖ *Continue to work as ‘Partners in Growth’ with the AMM to ensure long-term stable and predictable funding as a counterbalance to the current five-year freeze;*
- ❖ *Rebate the more than \$25 million in PST paid on an annual basis by municipalities; and*
- ❖ *Move to multi-year budgeting to assist with long-term planning and priority setting.*

✓ **Bill 37: The Planning Amendment and City of Winnipeg Charter Amendment Act**

○ **Department of Municipal Relations**

- ❖ *While we thank the government for actively consulting with the AMM, municipal leaders and other stakeholders through the Bill 37 Working Group, it is vital that the scope of appeals and decisions are statutory as they are elsewhere in Canada.*
- ❖ *Allowing direct appeals on all land-use decisions to the Municipal board overrides the legitimate jurisdiction of elected municipal officials who know their communities best.*

The AMM recommends the government:

- ❖ *Reverse the changes that take autonomy away from municipalities and limit the scope of appeals and parameters to mitigate frivolous appeals to not backlog the current system; and*
- ❖ *Continue to involve the AMM through the Bill 37 Working Group to address policy, guidelines, and regulations that respects municipal authority.*

✓ RCMP Unionization Costs and Police Staffing and Funding

- Department of Justice
- Department of Municipal Relations
- ❖ *Municipalities are already facing tremendous financial pressures due to the ongoing pandemic and are not in a position to absorb any significant costs resulting from the RCMP collective bargaining agreement.*
- ❖ *The AMM welcomes the independent report of the Police Services Act as well as the provincial commitment to include the AMM and other stakeholders to continue identifying solutions to address gaps in the current legislation.*

The AMM recommends the government:

- ❖ *Support municipalities by calling on the federal government to fully absorb any retroactive pay increases to ensure local communities are not negatively affected by these changes;*
- ❖ *Undertake a comprehensive review of policing in Manitoba in consultation with the AMM and municipalities focused on the distribution of policing costs and grant funding to promote a more transparent, fair and sustainable policing model;*
- ❖ *Reduce the financial and administrative burdens in relation to police services due to amalgamation; and*
- ❖ *Review the mandate of police boards to allow local Councils more oversight over municipal police forces, including the establishment of police boards on a voluntary basis.*

✓ **Shared Health Plan for Rural Healthcare and Doctor Recruitment/Retention**

○ **Department of Health and Seniors Care**

- ❖ *As the Province continues to move forward with implementing changes to the healthcare system, including local insights and feedback will be vital to ensure the new system is reflective of municipal needs.*
- ❖ *The AMM welcomes the provincial commitment to establish a Physician Recruitment and Retention program for local communities throughout Manitoba – but local communities continue to struggle to attract and retain health practitioners.*

The AMM recommends the government:

- ❖ *Unveil Shared Health's plan for transforming rural healthcare under Manitoba's Clinical Preventive Services Plan in consultation with the AMM and municipalities; and*
- ❖ *Expedite a comprehensive provincial strategy to recruit and retain physicians throughout Manitoba.*

✓ **Modernize Education Funding**

○ **Department of Education**

- ❖ *The AMM welcomes the provincial commitment to phase-out education property taxes by 50% for residential and property owners over the next two years.*

The AMM recommends the government:

- ❖ *Convene a multi-stakeholder Task Force to comprehensively review and modernize Manitoba's education funding model;*
- ❖ *Re-evaluate the impact of the 2019 Education Property Tax Credit (EPTC) application changes; and*
- ❖ *Rescind the \$5,000 cap on the Farmland School Tax Rebate.*

✓ Essential Cell Service and Broadband Internet Access

○ Department of Economic Development and Jobs

- ❖ *Manitoba continues to experience some of the slowest internet download speeds in the country while cell network coverage remains sparse in many areas.*
- ❖ *The COVID-19 pandemic has heightened the digital divide between communities as well as the immediate need for better broadband access, so residents have the tools and resources available to work from home, access quality healthcare and education services.*

The AMM recommends the government:

- ❖ *Continue to facilitate discussions with cell carriers and other stakeholders to explore options to expand cellular coverage and broadband internet connectivity.*
- ❖ *Consult with the AMM, and municipalities to immediately develop a provincial broadband strategy to expand coverage to ensure all Manitobans have access to high-quality internet and come out of this pandemic stronger than ever.*

✓ Direct Appeals to Municipal Board

○ Department of Municipal Relations

- ❖ *Allowing direct appeals on conditional use applications for aggregate quarry and large-scale livestock operations to the Municipal Board undermines the decisions of local Councils who know their communities best.*

The AMM recommends the government:

- ❖ *Repeal the sections regarding appeals in The Planning Amendment Act.*

✓ Cannabis Taxation Revenue-Sharing

- Department of Finance
- Department of Municipal Relations
- Department of Crown Services
- ❖ *The AMM understands that the Province of Manitoba is not a signatory of the Coordinate Cannabis Taxation Agreement (CCTA), and therefore does not receive the provincial share of the federal cannabis excise tax.*
- ❖ *However, the province collects a cannabis retailer Social Responsibility Fee of 6 per cent on annual revenues from the sale of non-medical cannabis by all provincially-licensed retailers -- but no funding support has been provided to Manitoba municipalities.*

The AMM recommends the government:

- ❖ *Ensure municipalities receive all tools and resources necessary to address increased municipal policing and administrative costs; and*
- ❖ *Co-develop a fair revenue sharing model that respects municipal authority.*

✓ Differential Mill Rates and Simplifying Municipal Tax Tools

- Department of Municipal Relations
- ❖ *The AMM welcomes the Province extending the deadline from 2022 to 2024 as well as meeting one-on-one with municipalities that have not yet transitioned to a single mill rate.*
- ❖ *However, many of the provincial tools currently offered are administratively burdensome and corresponding procedures are met with unnecessary red tape.*

The AMM recommends the government:

- ❖ *Streamline the use of existing tax tools and grant greater tax flexibility and autonomy to municipalities; and*
- ❖ *Continue to consult with our organization and municipalities that have not fully transitioned to a single mill rate to ensure a smooth transition.*

✓ **Enforcement of Weight Restrictions**

- **Department of Infrastructure**
- **Department of Justice**
- **Department of Municipal Relations**
- ❖ *In 2012, By-law Enforcement Officer Special Constable appointments were revoked by Manitoba Justice due to the provincial review of the Police Services Act.*
- ❖ *We thank the Province of Manitoba for establishing a working group with our organization focused on weight restriction enforcement.*

The AMM recommends the government:

- ❖ *Work collaboratively with municipalities to allow local councils the option to enforce certain sections of the Highway Traffic Act to protect municipal infrastructure.*

✓ **Paramedic Self-Regulation**

- **Department of Health and Seniors Care**
- ❖ *The new Manitoba paramedic fees are among the highest fees across Canada.*
- ❖ *Full-time and part-time paramedics should not be treated the same within the new CPMB framework as it will likely have an effect on volunteers in local communities.*

The AMM recommends the government:

- ❖ *Work collaboratively with the AMM to help mitigate financial and administrative burdens so that municipalities can continue to deliver essential services and protect local communities.*

✓ **Cosmetic Pesticide Ban**

- **Department of Conservation and Climate**

- ❖ *In 2016, the AMM welcomed the Province of Manitoba's willingness to comprehensively review the Non-Essential Pesticide Use Regulation.*

The AMM recommends the government:

- ❖ *Recognize and address the financial impacts of the current ban on municipal weed control efforts and municipal budgets;*
- ❖ *Reverse the ban on federally-approved weed control products; and*
- ❖ *Consider implementing measures to ensure the safe use of cosmetic pesticides without banning them, such as public education or restricting access to licensed applicators.*

IMPORTANT ISSUES – MORE COLLABORATION NEEDED

✓ Investing in Canada (Phase 2) and AMM Involvement

- **Department of Central Services**
- **Department of Municipal Relations**
- ❖ *The AMM is very pleased to participate as a member of the Manitoba Local consultative committee (MBLCC) to review applications for the various streams under Phase 2 of the Investing in Canada Infrastructure Program (ICIP).*

The AMM recommends the government:

- ❖ *Make available greater funding for water and wastewater treatment facilities under the Green Infrastructure stream to municipalities;*
- ❖ *Continue to provide municipalities a ‘fair say’ to more effectively respond to local infrastructure priorities and support AMM input in the decision-making process for any application-based infrastructure funding; and*
- ❖ *Streamline processes and increase flexibility for applicants and funding recipients by expanding stacking limits and eligible costs under ICIP.*

✓ Support for Economic Development

- **Department of Municipal Relations**
- **Department of Economic Development and Jobs**
- ❖ *The AMM welcomes the launch of the Rural Manitoba Economic Development Corporation (RMED) in Brandon to reduce red tape, foster economic growth, and provide ‘single-window’ services to rural Manitoba*
- ❖ *The potential of Manitoba’s north is limitless, but it also requires sustained and innovative solutions to ensure communities are ready for investment and to capitalize on new opportunities.*

The AMM recommends the government:

- ❖ *Fully fund RMED so it can become fully operational; and*
- ❖ *Continue to consult with northern communities and the AMM on the implementation of the Look North initiative.*

✓ Community Safety and Local Crime

- **Department of Justice**
- **Department of Municipal Relations**
- ❖ *Manitoba municipalities have been ringing the alarm on increasing crime rates in their communities since the Prairie provinces are experiencing higher rates of rural crime compared to other areas of the country.*
- ❖ *The AMM welcomes the provincial government seeking feedback from rural Manitoba to help combat rural crime in partnership with municipal officials and stakeholders.*

The AMM recommends the government:

- ❖ *Increase support to police services to address rural crime; and*
- ❖ *Ensure municipalities receive all necessary tools and resources to help mitigate illicit drug use in local communities.*

✓ Recycling and Waste Management Initiatives

○ Department of Conservation and Climate

- ❖ *Since 2017, more than \$2 million has been withheld from Manitoba municipalities even though they continue to collect and process newspapers as part of their community recycling programs.*

The AMM recommends the government:

- ❖ *Continue to directly consult with the AMM and municipalities before any changes are implemented on the provincial review on recycling and waste management as well as the transition to full Extended Producer Responsibility (EPR).*

✓ Drainage Licensing and Approvals

○ Department of Conservation and Climate

The AMM recommends the government:

- ❖ *Continue to streamline and reduce provincial red tape to expedite drainage licensing approvals;*
- ❖ *Enhance bunding options for projects on contiguous and non-contiguous parcels of land to mitigate application fee increases; and*
- ❖ *Ensure consistent enforcement by local Water Resource Officers.*

✓ Made-in-Manitoba Climate and Green Plan

○ Department of Conservation and Climate

The AMM recommends the government:

- ❖ *Continue to consult with the AMM and municipalities during the implementation of the Made-in-Manitoba Climate and Green Plan;*
- ❖ *Provide funding to municipalities to support the development and effective implementation of Community Energy Plans (CEPs); and*
- ❖ *Support the AMM's call on the federal government to provide exemptions to municipalities from the federal Carbon Tax.*

✓ Provincial Planning and Assessment Services Staff

o Department of Municipal Relations

The AMM recommends the government:

- ❖ *Immediately fill all vacancies in regional planning and assessment offices to ensure municipalities are receiving timely and accurate services from each of these branches.*

APPENDIX – SUPPORTING AMM RESOLUTIONS

Successes in 2020-2021

COVID-19 Assistance

- None

\$500 Million Manitoba Restart Agreement with \$50 Million for Water and Wastewater Projects

- None

\$20 Million Manitoba Accessibility Fund

- Resolution #41-2017: Accessibility Legislation & Standards

\$3 Million Municipal-Fee-For-Service Agreements

- Resolution #13-2014: Weed Control Districts - Chemical Exemption
- Resolution #13-2011: Cosmetic Pesticide Use Ban
- Resolution #17-2020: Snow Removal Agreements

Library Funding

- Resolution #47-2016 *Standing Policy: Library Funding
- Resolution #15-2011: Increase per Capita Base Rate for Library Funding
- Resolution #22-2008: Library Cards

AMM-Province of Manitoba Strategic Collaboration Working Group

- None

Critical Issues – Immediate Action Required

Fair Share, Alternate Revenues, and PST Rebate

- Resolution #06-2017: Infrastructure Cost-Sharing Formula
- Resolution #01-2015: PST Rebate
- Resolution #03-2015: Flexible and Equitable Debt Ratio Formula
- Resolution #04-2015: Sustainable Taxation and Revenue
- Resolution #05-2015: Service-Based Taxation Models
- Resolution #37-2015: PST Exemption
- Resolution #26-2010: Strategy to Address Municipal Infrastructure Deficit
- Resolution #23-2009: Infrastructure Funding Cost-Sharing
- Resolution #31-2009: Funding for Offloading of Provincial Responsibilities

Bill 37: The Planning Amendment and City of Winnipeg Charter Amendment Act

- Resolution #01-2020: Reaffirming Local Authority over Land-Use Planning
- Resolution #02-2020: Increasing Planning Region Accountability

RCMP Unionization Impacts and Policing Costs

- Resolution #22-2021*: RCMP Unionization Costs
- Resolution #39-2019: RCMP Funding Formula
- Resolution #40-2019: RCMP Staffing
- Resolution #03-2018: Comprehensive Review of Municipal Policing Costs and Structure
- Resolution #37-2017: Amend The Police Services Act
- Resolution #33-2013: Rural and Northern Manitoba Cadet Program
- Resolution #44-2012: Amend Population Base for Policing
- Resolution #45-2012: Provincial Per Capita Funding for RCMP

- Resolution #42-2009: New Police Services Act

Shared Health Plan for Rural Healthcare & Doctor Recruitment/Retention

- Resolution #17-2021*: Medical Staff Retention
- Resolution #35-2018: Rural Healthcare
- Resolution #26-2017: Healthcare Services

Modernizing Education Funding

- Resolution #42-2018: Education Property Tax Credit (EPTC) Application Changes
- Resolution #33-2017: Education Funding Model Task Force
- Resolution #25-2015: Business Education Tax
- Resolution #32-2013: Modernize Education Funding

Essential Cell Service and Broadband Internet Access

- Resolution #41-2019: Essential Cell Service - SP
- Resolution #38-2015: Improve Cellular Reception Services
- Resolution #50-2012: High Speed Internet and Cell Service for Rural Manitoba

Direct Appeals to Municipal Board

- Resolution #04-2018: The Planning Amendment Act

Cannabis Taxation Revenue-Sharing

- Resolution #02-2018: Cannabis Taxation Revenue-Sharing
- Resolution #05-2019: Cannabis Taxation Revenue-Sharing

Differential Mill Rates and Simplifying Municipal Tax Tools

- Resolution #23-2021*: Differential Mill Rates
- Resolution #04-2021*: Assessment and Taxation Tools
- Resolution #08-2019: Municipal Autonomy
- Resolution #38-2019: Maintain Differential Mill Rates – SP
- Resolution #36-2018: Mill Rates – SP
- Resolution #13-2017: Differential Mill Rates

Enforcement of Weight Restrictions

- Resolution #14-2021*: Road Weight Restrictions
- Resolution #38-2017: By-Law Enforcement

Paramedic Self-Regulation

- Resolution #15-2021*: College of Paramedics of Manitoba Fees

Cosmetic Pesticide Ban

- Resolution #13-2014: Weed Control Districts - Chemical Exemption
- Resolution #13-2011: Cosmetic Pesticide Use Ban

Important Issues – More Collaboration Needed

Investing in Canada (Phase 2) and AMM Involvement

- None (refer to AMM Policy Files P-MI-01 & F-IC-01)

Support for Economic Development

- Resolution #35-2017: Strategy to Increase Physical and Electronic Connectivity

Community Safety and Local Crime

- Resolution #19-2019: Methamphetamine Issues
- Resolution #10-2020: Proceeds from Rural Crime

Recycling and Waste Management Initiatives

- None (refer to AMM Policy File P-CWS-04)

Drainage Licensing and Approvals:

- Resolution #27-2019: Drainage Licensing
- Resolution #48-2017: Municipal Drainage
- Resolution #17-2014: Tile Drainage Policy
- Resolution #18-2014: Drainage Upgrades and Solutions
- Resolution #17-2012: Drainage on Crown Lands

Made-in-Manitoba Climate and Green Plan

- None (refer to AMM Policy File P-CWS-08)

Provincial Planning and Assessment Services Staff

- Resolution #07-2018: Standardizing Approval Periods for Planning Processes
- Resolution #08-2018: Assistance for Development Plans
- Resolution #09-2018: Better Coordination for Subdivisions
- Resolution #10-2016: Support for Municipal Planning
- Resolution #39-2015: Increase Assessment Branch Staffing
- Resolution #07-2013: Land Use Planner Positions

NOTE: If required, please contact AMM staff to receive detailed information about AMM resolutions.