



*MEETING WITH*

***PREMIER GREG SELINGER AND THE PROVINCIAL CABINET***

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<b>The Core Challenges for Municipalities .....</b>	<b>1</b>
<i>Municipal Infrastructure Deficit .....</i>	1
<i>Ever Increasing Responsibilities .....</i>	4
<i>Alternate Revenues .....</i>	5
<b>Aboriginal and Northern Affairs .....</b>	<b>8</b>
<i>Service Agreements with First Nations .....</i>	8
<b>Agriculture, Food and Rural Initiatives .....</b>	<b>8</b>
<i>Noxious Weed Issues .....</i>	8
<i>Economic Development Strategy for Manitoba .....</i>	9
<b>Conservation .....</b>	<b>9</b>
<i>WRARS Levy .....</i>	9
<i>Household Hazardous Waste and Electronic Waste Programs .....</i>	10
<i>Problem Beaver Removal .....</i>	11
<b>Culture, Heritage and Tourism .....</b>	<b>11</b>
<i>Library Funding .....</i>	11
<b>Education.....</b>	<b>12</b>
<i>Reduction of Education Tax on Property.....</i>	12
<b>Emergency Measures .....</b>	<b>12</b>
<i>2010 Flooding.....</i>	12
<b>Family Services and Consumer Affairs .....</b>	<b>13</b>
<i>Child Care Funding .....</i>	13
<b>Finance .....</b>	<b>14</b>
<i>Alternate Revenues for Municipalities .....</i>	14
<b>Health.....</b>	<b>15</b>
<i>Health Care Professionals Recruitment, Retention and Training.....</i>	15
<i>Removal of Community Contributions to Health Capital Projects .....</i>	16
<b>Housing and Community Development.....</b>	<b>16</b>
<i>Funding for the Community Places Program .....</i>	16
<b>Infrastructure and Transportation.....</b>	<b>16</b>
<i>Rail Lines in Manitoba.....</i>	16
<i>Infrastructure Funding .....</i>	17
<i>Greyhound Service in Rural Manitoba .....</i>	18
<b>Justice.....</b>	<b>19</b>
<i>Improved RCMP Service .....</i>	19
<i>Mandatory Police Boards.....</i>	19
<b>Labour and Immigration .....</b>	<b>20</b>
<i>Traffic Control for Motor Vehicle Accidents.....</i>	20
<b>Local Government.....</b>	<b>20</b>
<i>Equal Rights for Municipal Officials .....</i>	20
<i>Funding for Mobility Disadvantaged Transportation Program .....</i>	21
<i>Role of the Public Utilities Board and the Municipal Board in Municipal Affairs.....</i>	21
<b>Water Stewardship .....</b>	<b>22</b>
<i>Drainage.....</i>	22
<i>Funding for Conservation Districts .....</i>	22



## THE CORE CHALLENGES FOR MUNICIPALITIES

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. Certainly 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 funding for daycares.

These new realities are having serious repercussions for municipalities as they diligently try to balance growing responsibilities with stagnant revenues. Every day 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.

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 was estimated in 2007 to be in excess of \$123 billion for current needs. Most alarming is how quickly the deficit has been compounding, as it has doubled over the previous 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.<sup>1</sup>

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.<sup>2</sup> 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 for existing infrastructure is over \$7.5 billion, putting the total municipal deficit for existing infrastructure 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 2008 were just over \$760,000.<sup>3</sup>

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

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<sup>1</sup> Mirza, Saeed, "Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure", November 2007 (available at [www.fcm.ca](http://www.fcm.ca))

<sup>2</sup> City of Winnipeg Administrative Report, "Infrastructure and Possible Funding Options" Tabled at July 22<sup>nd</sup>, 2009 Council Meeting (available at [www.winnipeg.ca](http://www.winnipeg.ca))

<sup>3</sup> Province of Manitoba, "Statistical Information 2008 – Municipalities of the Province of Manitoba", P.17

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.<sup>4</sup>

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.<sup>5</sup>

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 traveling 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 167 boil water advisories in Manitoba, many in Manitoba municipalities.<sup>6</sup> This means today, 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 do not have this essential infrastructure.

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<sup>4</sup> Sonnen, Carl, "Municipal Infrastructure- Macroeconomic impacts of spending and level-of-government financing" May 31, 2008 (available at [www.fcm.ca](http://www.fcm.ca))

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

<sup>6</sup> Province of Manitoba "Provincial Boil Water Advisories" – October 19<sup>th</sup>, 2010

## *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.

Municipal officials believe in their community. This is where they live, where they raise their families, where they work and for many 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 Canada<sup>7</sup>. 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 or community infrastructure funding under the Building Canada Fund is nowhere near the total demand, meaning there is no guarantee much-needed projects will ever receive funding.

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.

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



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.

The reality is the property taxation system cannot meet the new demands facing municipalities. Municipalities have been increasing taxes to try to meet these demands however they are falling further and further behind. Over the last 10 years municipalities outside the City of Winnipeg have increased their own taxes levied by over 4 percent a year on average. In 2009 only 13 municipalities outside Winnipeg decreased taxes, while 183 increased taxes, 22 municipalities by over 10 percent. Every year municipalities are going to citizens in their communities and asking them for more and more, yet the infrastructure deficit and budgetary demands continue to rise.

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 projects<sup>8</sup>. As the infrastructure deficit continues to grow, support for this will only increase.

The AMM is also asking for other revenue 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 by corresponding financial support. The sad reality is that while the Province of Manitoba has been a leader 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 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

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

growth revenues. This is the only way municipalities will be able to even begin to address the core challenges they face.

**Therefore the AMM would like to see:**

- 1. A greater investment in municipal infrastructure by all orders of government**
- 2. An end to the downloading of responsibilities to municipalities and a requirement that new mandates come with new funding**
- 3. A commitment to provide new alternate revenues to municipalities**

## **ABORIGINAL AND NORTHERN AFFAIRS**

### *Service Agreements with First Nations*

The Province of Manitoba's responsibility to transfer land to First Nations to fulfill Treaty Land Entitlements (TLE) is entrenched in the Canadian Constitution. Municipalities support this process by providing land for conversion as well as services once the process is complete. However, the conversion process can be lengthy – and therefore costly – to municipalities, providing a clear disincentive to move forward. The Province's *Guide to Municipal Development and Service Agreements* has been a useful tool, however there remains a need to address the high cost of negotiating TLE agreements. This difficulty is exacerbated by the fact that Saskatchewan municipalities receive a far more extensive compensation package than Manitoba municipalities. The complexity of the negotiations process demands a review of the current TLE compensation structure in order to advance TLE negotiations and the associated service agreements in Manitoba.

## **AGRICULTURE, FOOD AND RURAL INITIATIVES**

### *Noxious Weed Issues*

All property owners are responsible for conducting weed control and it is imperative that each order of government fulfills this responsibility to minimize the spread of noxious weeds in Manitoba. Neglect exponentially increases the problem due to the aggressive growth patterns of noxious weeds such as leafy spurge and red bartsia. At present, many municipalities are engaged in

weed districts but greater coordination with provincial efforts is required. This necessarily includes a greater provincial commitment to clean vehicles and equipment used near infested areas. Since many provincial vehicles cover great distances, these vehicles can rapidly spread weed seeds across Manitoba. Greater resources should also be allocated to weed districts since these agencies make a significant contribution to weed control in Manitoba and there is little doubt greater financial support will entice more municipalities to form or join weed districts. Furthermore, the review of *The Noxious Weeds Act* should support a coordinated weed control strategy by equipping municipalities with the authority to effectively control weeds on public and private property. Working together with additional resources, the rapid expansion of noxious weeds can be contained for the benefit of communities across Manitoba.

### *Economic Development Strategy for Manitoba*

The provincial and municipal governments share an interest in creating a solid and diverse economic base from which Manitoba can flourish. For this reason, the AMM was pleased to see recommendations related to improving communication and cooperation among economic development organizations in the 2008 report, *Manitoba Connects*. Much of this report echoed the work of the AMM's Task Force on Economic Development and its 2003 report, *Creating a Vision*. Together, the two consultations provide insight into the need for an enhanced economic development delivery system and confirm that the long-standing issues will not be resolved without intervention. Since municipalities are already engaged in economic development processes, the AMM is prepared to work with the Province towards coordinating and strengthening these efforts for the overall benefit of Manitoba's economic development. This effort requires a commitment of financial resources from both the provincial and municipal governments to ensure we can achieve our shared goals through programming that supports a strong local economy.

## CONSERVATION

### *WRARS Levy*

In recent years, there have been extensive changes to recycling in Manitoba and municipalities support initiatives aiming to increase the overall collection of recyclable material. Incentives

supporting municipal recycling are also appreciated due to the associated reduction in materials entering municipal landfills. While some communities expect to gain from the Waste Reduction and Recycling Support (WRARS) Levy, others are concerned that the levy will place them at a further disadvantage. Often, the latter communities have limited recycling programs in place because they lack the resources required for improvement. Therefore, the WRARS Levy will further diminish the resources available to invest in recycling in those communities. Once all Manitoba landfills are collecting the levy, its full impact should be carefully examined and incentives should be developed to encourage all municipalities to invest in recycling, regardless of the extent of their current collection systems.

Furthermore, since municipalities are not yet aware of how reporting for Class 2 and 3 landfills will be conducted, there is great concern that the new system of estimating garbage tonnage will be costly and time consuming. The Province must be willing to provide financial support to municipalities for this process, otherwise this new levy will be seen as little more than another unfunded mandate from the provincial government.

### *Household Hazardous Waste and Electronic Waste Programs*

With growing awareness of the impact of our actions on the environment, the AMM supports the need to properly dispose of toxic materials. This is particularly important for municipalities as environmental liabilities must be quantified in order to meet the new Public Sector Accounting Board requirements. Therefore, municipalities have a strong interest in the appropriate disposal of household hazardous waste and electronic waste and support the establishment of permanent programs for these products. Since some industry plans propose a municipal role in the collection and storage processes, it will be essential to include municipal input as these plans are implemented. Municipalities are prepared to cooperate with this important initiative, but the industry groups must ultimately fund the collection and disposal of household hazardous waste and electronic waste. The AMM appreciates the opportunity to consult with Green Manitoba to ensure municipal input is considered and looks forward to ongoing participation in this regard.

## *Problem Beaver Removal*

In certain areas of Manitoba, beaver dams and the associated changes in water flow pose a persistent threat to local infrastructure. For this reason, the incentives offered by the Problem Beaver Management Program have been a welcome approach to controlling beaver activity and avoiding the significant cost of restoring washed out infrastructure. Particularly in wet years such as this, there is escalating demand for greater control of Manitoba's beaver population and additional resources to support increased beaver trapping. This includes ensuring sufficient resources are available for the Problem Beaver Management Program to control beavers on Crown land while also offering incentives to increase trapping overall. Municipalities can incur significant damage due to beaver activity on Crown land, yet have no ability to manage beavers in those areas. There are enormous costs associated with rebuilding infrastructure and proactive approaches to avoid these damages must be supported by additional financial resources. For this reason, municipalities are prepared to make an additional contribution that would match a provincial increase in the incentive offered per pelt. By increasing the incentive offered, it is hoped that more extensive trapping would occur and more infrastructure would be protected.

## **CULTURE, HERITAGE AND TOURISM**

### *Library Funding*

Although libraries represent an important educational asset for communities throughout Manitoba, there is an ongoing struggle to secure necessary funding. Part of this struggle stems from the increasing use of technology to access information and the need to respond to questions regarding relevance. Yet, there is so much libraries can offer when equipped with adequate resources. In order to allow Manitoba's libraries to embrace changing public expectations and demands for information, it is time to review the existing per capita funding formula. The 2006 Public Libraries Review Committee supported this contention, however no changes have been made. As established institutions, libraries are well-positioned to engage residents in the ongoing learning that is essential to a thriving community. Therefore a substantial increase in the overall funding for public libraries is required along with a review of the funding formula to ensure declining population does not impact a library's ability to function effectively. In reality, a library's basic operating costs are

not influenced by population. An effective funding mechanism would assist with these expenses while encouraging the further development of library programming and services. Compared to other Canadian provinces, Manitoba municipalities currently contribute the second highest amount to public libraries while the Province contributes the second lowest. Our libraries are falling behind and we urgently need the Provincial Government to complement municipal investments by committing additional funds for public library services across Manitoba.

## EDUCATION

### *Reduction of Education Tax on Property*

The root of municipal issues with the education taxation system is the inability to control the primary source of municipal revenues: property taxes. Municipalities have limited tools at their disposal, and thus rely heavily on property taxes to generate revenue at the local level. However, municipalities do not have full control over this mechanism due to the ongoing reliance on property taxes to fund education. Although recent budgets have made progress in reducing the amount of education funding collected from property taxation, a long-term strategy is still required to achieve an 80:20 funding ratio on operating expenses for education. Municipalities need to gain the flexibility to address local priorities by controlling property tax levels, therefore the Province must identify sustainable new mechanisms that allow all school divisions to reduce their reliance on property taxes to fund education.

## EMERGENCY MEASURES

### *2010 Flooding*

This has been a difficult spring and summer for many parts of the province and in some pockets there have been unusual rainfalls. Many municipalities have incurred significant damage and have turned to the Province and the Federal Government for support in dealing with the cleanup of these weather events. Unfortunately in some cases the interpretation of the guidelines has derailed support and caused undue hardships for many.

In some cases, municipalities are being told that each rainfall constitutes a separate weather event and therefore requires a separate claim. This is terribly inefficient for municipalities, as well as the Province, since the damage caused can be the result of three or four closely linked storms. As well, municipalities are having trouble pinpointing exactly which damage was a result of which weather event since they all happened so close together and there was not time for proper inspections to be done before the next storm occurred.

Municipalities also have concerns with interpretations of what should be covered by home insurance and what is eligible for disaster assistance. Because of heavy rains, many homeowners experienced both overland flooding and sewer backup. The AMM has been told that in many cases EMO is refusing to reimburse homeowners for the portion of their claim not covered by insurance.

In times of disaster, municipalities need to know that the Provincial and Federal Government are willing to work with them to ensure assistance is provided as quickly and efficiently as possible. We are concerned that the recent decision to view each separate storm as an isolated event will result in months and months of paperwork and claims debate, when this time could be much better spent dealing with the real issues affecting impacted municipalities.

Therefore we ask that you review these decisions and work with impacted municipalities and the Federal Government to treat all of these recent heavy rainfalls as one single event for disaster financial assistance purposes.

## **FAMILY SERVICES AND CONSUMER AFFAIRS**

### *Child Care Funding*

Although not a direct municipal service, municipalities have an interest in securing high-quality child care services due to the positive impact on local economic development. A 2007 study estimated that every \$1 spend on child care in Manitoba generates the significant impact of \$1.58 worth of economic activity. However, to achieve the long-term benefits of child care investments, it is necessary to address the ongoing problems plaguing this sector. A primary issue for many communities is the shortage of spaces, therefore greater action must be taken to create entirely



new spaces that will address the gap between supply and demand. In addition, as non-profit organizations, it is difficult for many daycares to afford competitive starting wages and the increasing minimum wage has exacerbated these budgetary constraints. Although the implementation of a pension plan is an important new benefit for staff, a greater investment is still required to increase actual employee wages. Such an investment will assist in addressing the ongoing staffing shortages by attracting individuals to the profession. In general, this issue must be a greater priority with funding allocated to addressing the short- and long-term obstacles facing child care centres in all parts of Manitoba.

## FINANCE

### *Alternate Revenues for Municipalities*

The fundamental problem for municipalities is that they do not have the revenue sources needed to meet the challenges they face. Property tax is the single biggest revenue source for municipalities, and municipalities have been consistently increasing taxes to try to address their growing responsibilities. Over the last ten years, municipalities outside of Winnipeg have increased their municipal taxes levied by over 4 percent. In 2009, only 13 municipalities outside Winnipeg decreased taxes, while 183 increased taxes; 22 municipalities by over 10 percent. There is clearly a problem with the current structure of municipal revenues if municipalities are consistently increasing property taxes yet remain unable to generate sufficient revenue to provide services.

One of the major challenges for municipalities is the regressive nature of existing municipal revenue sources. That is, property tax has little to do with an individual's ability to pay and the revenues generated do not increase with economic growth at the same rate as other revenue sources, such as income tax and retail sales tax. Municipalities need to have access to these types of revenue sources in order to address ever-increasing challenges. At the 2008 Convention, the AMM membership passed a resolution calling on the Province to give municipalities one cent of the current Provincial Sales Tax to be distributed on a per capita basis and dedicated to municipal infrastructure. At that same Convention the membership also passed resolutions asking for a municipal exemption from the Provincial Sales Tax and a share of the Federal GST. These types of revenue sources would assist municipalities in addressing the growing infrastructure deficit along

with many other important municipal issues. It is time to take a close look at how municipal services are funded and make improvements for the benefit of all Manitobans.

## HEALTH

### *Health Care Professionals Recruitment, Retention and Training*

Municipalities experience negative impacts due to the shortage of medical professionals in Manitoba and thus are forced to participate in securing health care services for their communities. This involvement tends to be in the form of financial and other incentives that attract medical professionals to practice in local clinics. Offering these incentives has become a necessity, however it is an inequitable system that places municipalities with limited resources at a serious disadvantage. For this reason, additional resources are required for a comprehensive strategy to train, recruit and retain medical professionals in all areas of Manitoba. Municipalities appreciate the steps the provincial government has taken to date, however shortages remain and further action is urgently needed. For instance, the AMM supports efforts to increase the participation of rural and northern students and those expected to practice family medicine in order to train more individuals likely to practice in rural and northern settings. As well, innovative approaches such as training and certification programs for nurse practitioners, physicians assistants and midwives greatly assists in reducing the reliance on physicians for basic health care services. Initiatives such as these are valuable components of a broader strategy to improve access to health care services and such projects should receive additional funding in the upcoming budget.

In addition, establishing a medical school at Brandon University would complement ongoing efforts to increase the overall capacity for medical training in Manitoba as well as support the increased participation of rural and northern students. The commitment to undertake a feasibility study on this matter must be matched with sufficient resources to complete the study in a timely manner. As well, the Province must be prepared to commit the resources necessary to implement the study's recommendations in order to address the severe shortage of medical professionals in Manitoba.

### *Removal of Community Contributions to Health Capital Projects*

Municipalities have struggled to meet the demands of this inequitable policy for over a decade and it is time to eliminate the requirement for community contributions to health capital projects. Several Provincial Health Ministers committed to review this policy, however no changes have been made. As a result, communities continue to fund projects whose design and costs are unilaterally decided by the provincial government. Communities are also in the unfair position of funding 100 per cent of any change order related to the project even though they have no input into the associated decision processes. The Province has indicated that the policy ensures that requests for facilities will only come from communities that are genuinely in need, however there is no evidence to suggest that communities are unnecessarily requesting new facilities. Therefore, the AMM is seeking the elimination of the community contribution requirement in order to reverse this download and make municipal resources available for other local priorities.

## **HOUSING AND COMMUNITY DEVELOPMENT**

### *Funding for the Community Places Program*

For several years, municipal projects have benefitted from the Community Places Program (CPP), however this program could have a far greater impact with an increased funding allocation. Many municipal applications are for large-scale projects with expenses that quickly rise beyond the \$50,000 maximum, particularly when the program includes requirements such as LEED certification. The CPP is often referenced by the Province as a valuable source of funding for recreation infrastructure projects, however, it is only a valuable resource to the extent that it provides a significant contribution to local projects. For these reasons it is necessary to increase the overall funding allocation for the CPP and re-evaluate the maximum allowable grant per project.

## **INFRASTRUCTURE AND TRANSPORTATION**

### *Rail Lines in Manitoba*

The Province has made strides in recent years to support Manitoba's transportation network, such as the 2007 investment in the Hudson Bay rail line and the Port of Churchill, as well as the ongoing

development of CentrePort Canada. Both hubs boast access to rail as among their key attributes, however, each can only function as effectively as its supporting infrastructure. For this reason, rail lines are critically important and require increased provincial investment in order to capitalize on Manitoba's growing export potential.

Since railways are currently an integral part of Manitoba's transportation network, the advantages of maintaining this infrastructure outweigh the detrimental effects of abandonment. As rail lines are abandoned, there is additional pressure on Manitoba's highway infrastructure. This results in the replacement of a low-emission form of transportation with very high-emission transportation. Rather, the rail network should be viewed as an opportunity to divert heavy traffic from roads, thereby prolonging the life of this infrastructure. Municipalities work towards strategic infrastructure planning and investment, but ongoing rail abandonment makes this difficult. For this reason, many municipalities are actively engaged in preserving rail lines through the support of short line rail companies. This is one example of an initiative that retains the environmental and economic benefits afforded by Manitoba's rail lines. The provincial government should also recognize these valuable services and address the negative economic and environmental impacts of rail line abandonment.

### *Infrastructure Funding*

Manitoba municipalities are continually seeking new ways to tackle the infrastructure deficit through new funding mechanisms. The infrastructure deficit currently affects all types of public infrastructure including water and wastewater treatment systems, roads, bridges, public transportation, airports, railroads and recreation facilities. In recent years, all orders of government have made investments in public infrastructure, yet it is still not enough to make a significant improvement. Rather, Manitoba's municipal infrastructure deficit continues to grow and is currently in excess of \$11 billion. Only through a strategic investment in public infrastructure will governments jointly be able to reverse the rampant trend of infrastructure deterioration.

A fundamental part of this problem for municipalities is the limited resources available for raising local revenues. Municipalities cannot provide the infrastructure investment required using only the

property tax mechanism. Greater investment is needed from all orders of government in the form of a long-term, sustainable and predictable funding program for all categories of public infrastructure.

All orders of government have recognized the need for greater investment and there have been a number of municipal infrastructure programs over the years. However, there is room for improvement in the form of greater investment in these types of programs and a review of the cost sharing allocation to more accurately reflect the collection of revenues. In particular, it has been estimated that municipalities collect only 8 cents of every tax dollar, compared to 42 cents by the provinces and 50 cents by the federal government. A resolution passed at the 2009 AMM Convention suggests that this would be a more appropriate way to devise cost-sharing arrangements. A further improvement to future programs would be the reinstatement of a municipal voice to the selection process. There was widespread concern among municipalities that the AMM did not have the opportunity to participate in the latest Stimulus Funding program. The AMM shared the provincial and federal interest in ensuring the funds were distributed in the most efficient possible manner, and is committed to assisting in future infrastructure selection processes. Therefore, the Province should consider the increasing need for infrastructure investment in Manitoba and develop new mechanisms to address the widespread infrastructure deficit.

### *Greyhound Service in Rural Manitoba*

Bus service is also critically important in remote communities and it is essential for the Province to continue working cooperatively to ensure this service remains throughout Manitoba. Since remote communities have limited transportation options, residents from these areas rely heavily on existing services for issues ranging from health care to commercial development. Therefore, the AMM was pleased to have the opportunity to provide feedback to the consultation of the Manitoba Intercity Bus Project Team regarding continued bus service in rural and northern Manitoba. Municipalities are anticipating hearing the results of this process in the near future and are hopeful the Province will develop long-term solutions to ensure bus service remains in place.

## JUSTICE

### *Improved RCMP Service*

Even with recent provincial government investment in additional police officers, there are still major policing issues in communities throughout Manitoba. Municipalities remain concerned with the escalating cost of police services as well as inefficiencies of service provision. Under the current system, municipalities are paying a disproportionate amount of the policing services in Manitoba, while having little or no control over substantial cost drivers such as salaries. As well, the increasing use of municipal police officers to enforce provincial and federal laws and priorities results in additional costs for municipalities, therefore compensation should be available for providing these services. For a long time, municipalities have been subject to a police funding model that consumes a significant portion of the municipal budget and restricts municipal investment in other important priorities. While effective policing is certainly essential for all communities, the Province must be prepared to seek improvements to the funding mechanism while ensuring police services function as efficiently as possible. One mechanism to resolve these policing concerns is the development of alternative delivery models that include the increased use of clerical staff to allow officers to focus on actual policing duties, rather than paperwork. In addition, although Manitoba may technically have enough officers assigned to each detachment, various circumstances draw officers away from communities and greater efforts must be made to ensure services remain during temporary leave due to training or other matters. Such initiatives will enhance the efficiency of police services and the provincial government must commit additional resources to improve policing in Manitoba.

### *Mandatory Police Boards*

Throughout the process to implement *The Police Services Act* in 2009, there was much concern with the provision requiring every municipality operating a police service to establish and maintain a police board. Municipalities support the need for transparency and accountability in local decision making, however requiring police boards adds unnecessary administration to the management of local police services. Furthermore, other aspects of the new legislation have created oversight mechanisms that offer protections comparable to police boards. Since the recent municipal

elections delayed establishment of police boards, there is still an opportunity to amend the legislation to allow municipalities to establish police boards on a voluntary basis.

## **LABOUR AND IMMIGRATION**

### *Traffic Control for Motor Vehicle Accidents*

While it is clear that responsibility for traffic control at motor vehicle accidents technically rests with the RCMP, the reality is that in the majority of cases municipal firefighters provide this important service. The costs associated with traffic control are significant, particularly in municipalities where major highways and high traffic volumes are present. Municipalities appreciate that local firefighters are willing to fill this gap in service, however structured training and compensation mechanisms must be in place to recognize fire departments' contribution to this aspect of emergency response. For this reason, the AMM continues to seek funding for municipal fire departments engaged in critical traffic control services, including training support to effectively fulfill this role. The upcoming budget presents an important opportunity to resolve this matter after several years of municipal fire departments providing a service that is beyond their scope of responsibility.

## **LOCAL GOVERNMENT**

### *Equal Rights for Municipal Officials*

Members of Parliament and members of the Manitoba Legislature have immunity from the process of liability as a result of any debate or discussion that occurs while they are in session. In contrast, municipal councils do not have this same level of immunity and are therefore vulnerable to legal action resulting from statements made in session. There is no deterrent for trivial claims being brought against members of council, which can result in significant time and financial commitments for municipal staff and councils to respond to these claims. Some municipalities face enough difficulty attracting individuals to run for council and the legislation should not create additional disincentives to municipal council participation.

### *Funding for Mobility Disadvantaged Transportation Program*

The success of established handivan programs has led to the expansion of this important service across many municipalities. Originally conceived as a means of assisting mobility challenged individuals, the program has evolved into an important resource for local seniors. However, the increasing operating costs are threatening the viability of handivan services in many communities. Although provincial funding for the overall program has increased, this has been allocated to new municipalities joining the program. While program expansion is certainly important, there is a further need to change the operating funding formula so that municipalities receive assistance in covering the increasing operating costs. Municipalities appreciated the Province's 2007 capital investment in support of vehicle replacement, however there has been no change to the operating funding for each community. For this reason, the AMM is asking the Province to increase its maximum operating grant beyond the current limit of \$30,000 and to ensure additional resources are available to maintain these important services throughout Manitoba.

### *Role of the Public Utilities Board and the Municipal Board in Municipal Affairs*

Municipal government is becoming increasingly concerned with the greater role the PUB and Municipal Board are playing in municipal affairs. Although municipalities are the local government elected by citizens and given a clear mandate to govern, the PUB and Municipal Board appear to be encroaching on this mandate.

Recently we have seen cases where municipalities have experienced great difficulty in moving ahead with projects as a result of Municipal Board intervention. Municipalities feel strongly that the role of the Municipal Board should be minimal and where they do become involved all efforts must be made to ensure the process is fair and timely. There have been cases over the last few years where Municipal Board hearings have become out of control, causing front page headlines and in one case resulting in a municipality having to turn back infrastructure grant money because the Municipal Board refused to make a decision.



Municipalities are equally frustrated with the PUB and its role in regards to municipalities. Municipalities appreciate the expertise the PUB and its staff bring to the table, however ultimately the final decisions should be left to those elected in their communities to make them. The AMM would like to see the role of the PUB transformed to an advisory board that can provide input and ideas to municipalities, but ultimately leaves the final decision to the elected council.

## **WATER STEWARDSHIP**

### *Drainage*

Drain construction and maintenance are long-standing municipal issues. Even with recent provincial commitments toward improving drainage in Manitoba, there are insufficient resources available to effectively coordinate drainage works across the province. There is an opportunity to remedy this disjointed approach through the implementation of a strategic plan to guide drainage works throughout Manitoba. Developing such a plan will also be useful in maximizing both provincial and municipal drain construction and maintenance funding. At the same time, the AMM expects that a strategic drain management plan will highlight the need for greater investment in drainage infrastructure and the Province must be prepared to increase its investment to ensure drainage systems function effectively.

### *Funding for Conservation Districts*

The AMM appreciated the opportunity to participate in the process to define a vision for the future of conservation districts (CDs) in Manitoba. This very important exercise highlighted the enormous contributions of CDs toward improving water quality. Through many measurable successes, CDs have demonstrated positive impacts on local watersheds and they are well-positioned to further expand on these successes. However, one of the clear issues arising from this process was the need for CDs to access additional resources to ensure their mandates can be fulfilled. The AMM supports the proposed funding formula that was presented to CDs and the CD Commission earlier this year and looks forward to the implementation of these changes along with an increased funding allocation for CDs.