

# ASSOCIATION OF MANITOBA MUNICIPALITIES POSITION PAPER

MINISTER OF ECONOMIC DEVELOPMENT & JOBS | RALPH EICHLER |

MARCH 5, 2021



ASSOCIATION OF  
MANITOBA  
MUNICIPALITIES

The AMM appreciates the opportunity to meet with Minister Ralph Eichler and representatives of Manitoba Economic Development and Jobs.

The AMM encourages the Province to consider municipal concerns as well as the effects of funding decisions on local communities throughout the budget process.

This document outlines the AMM's position and recommendations on a number of important municipal issues relevant to the Economic Development and Jobs portfolio.

## PRIORITY ITEMS:

ECONOMIC  
DEVELOPMENT

ESSENTIAL CELL  
SERVICE AND  
BROADBAND  
CONNECTIVITY

CANNABIS  
TAXATION REVENUE-  
SHARING

## **PARTNERS IN GROWTH**

**The AMM looks forward to working with the Province of Manitoba to strengthen provincial-municipal growth and partnership opportunities.**

## Priority Item #1

### Economic Development

The AMM recommends the government:

- ✓ ***Provide an update on the plan to operationalize Economic Development Offices; and***
- ✓ ***Consult with northern communities and the AMM on the Look North initiative.***

- While the COVID-19 pandemic has resulted in significant economic challenges, the AMM believes it is important now more than ever to develop and implement a comprehensive, province-wide economic development strategy.
- Thus, we continue to call on the Province to implement all recommendations made in the 2016 Rural Economic Development Strategy Report endorsed by the AMM and other key stakeholders.
- The recommendations included providing 'single-window' services to rural Manitoba as the cross-departmental web of services is complex and undermines economic growth and solutions to business problems.
- High-quality and accessible training with provincial accreditation for economic development practitioners is not only in high demand but also essential for business growth and stimulating economic activity in rural communities.
- In direct response to this report, we welcomed the provincial commitment to open a new Economic Development Office (EDO) in Brandon to reduce red tape, foster economic growth, and provide 'single-window' services to rural Manitoba.
- As municipalities are uniquely positioned to lead Manitoba's economic recovery, it is vital that the Province follow through with the provincial commitment to open a new EDO in rural Manitoba to build strategic capacity.
- We urge the Province to continue to support the EDO's Board of Directors so that they can begin to hire staff, secure office space and launch programming to benefit all of Manitobans as municipalities look to recover from COVID-19.
- Moreover, 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 supports the Look North initiative and reiterates its call to implement a northern economic development strategy in consultation with local communities and northern stakeholders.

## Priority Item #2:

### Essential Cell Service and Broadband Connectivity

The AMM recommends the government:

✓ ***Consult with the AMM and municipalities during the development of a provincial broadband strategy.***

- 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 access to high-quality Internet.
- In May 2020, the Province of Manitoba announced a province-wide Request for Proposals (RFP) to leverage Manitoba's under-used fibre optic network to improve broadband services in rural, remote, Indigenous and northern communities.
- The AMM also welcomes the provincial commitment to develop a broadband strategy to expand coverage across Manitoba.
- The AMM is particularly interested in learning more about how Manitoba Hydro's initiative is linked to the overall broadband strategy, and when such a strategy will be unveiled.
- Sustained network infrastructure upgrades are critical for improved public safety, increasing competitiveness of businesses, and maximizing job opportunities.
- We urge the Province to expedite its overall broadband strategy as well as pursue partnerships with municipalities and the private sector for rural telecommunication infrastructure projects.
- It is essential that all orders of government work together to ensure available funds to support broadband connectivity, including funds under the Universal Broadband Fund (UBF), are fully maximized to support projects in local communities.
- Reliable broadband connectivity will be key to future productivity growth and economic development as municipalities look to recover from the COVID-19 pandemic.

## Priority Item #3:

### Cannabis Taxation Revenue-Sharing

The AMM recommends the government:

✓ ***Co-develop a fair revenue-sharing model that respects municipal authority.***

- According to the Federation of Canadian Municipalities (FCM), municipal administration and local policing costs linked to the legalization of cannabis will total \$3-4.75 million per 500,000 residents.
- The AMM understands that the Province of Manitoba is not a signatory of the Coordinated Cannabis Taxation Agreement (CCTA), and therefore does not receive the provincial share of the federal cannabis excise tax.
- However, Manitoba Liquor and Lotteries (MBLL) applies an excise tax placeholder equivalent to the federal rate of \$0.75 per gram that is paid by licensed producers as well as a markup on non-medical cannabis of 9 per cent.
- The Province of Manitoba also collects a cannabis retailer Social Responsibility Fee of 6 per cent on the annual revenues from the sale of non-medical cannabis by all provincially-licensed cannabis retailers.
- Meanwhile, the first full year of legalized cannabis sales resulted in cannabis revenues totalling more than \$51 million – a \$24.5 million increase from the partial year it was first offered for sale in Manitoba, starting in October 2018.
- Since costs should not be downloaded to municipalities, it is imperative that municipalities be included as meaningful participants in revenue-sharing conversations while a revenue-sharing model must be co-developed that respects municipal authority.

## Appendix – AMM Active Resolutions

### **AMM Resolution #05-2019**

#### **Topic: Cannabis Taxation Revenue-Sharing**

Sponsor(s): City of Thompson (Northern District), City of Flin Flon (Northern District)

Department(s): Manitoba Economic Development and Training; Manitoba Finance; Manitoba Municipal Relations

WHEREAS the Government of Canada enacted The Cannabis Act in 2018, making the regulated sale of cannabis legal across the country; and

WHEREAS the Government of Canada agreed to share 75% of cannabis excise tax with the provinces, with the intention that 25% of the excise tax is to be provided for municipalities;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to provide full disclosure of the revenues and expenses related to cannabis sales to every municipality in the province; and

FURTHER BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to provide municipalities with a 25% share of net revenues generated through collection of cannabis excise taxes as intended by the Government of Canada.

### **AMM Resolution #41-2019**

#### **Topic: Essential Cell Service \*Standing Policy**

Sponsor(s): Mossey River Municipality (Parkland District)

Department(s): Manitoba Economic Development and Training

WHEREAS Bell MTS has cancelled the CDMA service; and

WHEREAS this has caused a decrease in service to Mossey River Municipality and its surrounding communities; and

WHEREAS the loss of this cell service has caused a communication barrier to our fire department as the only reasonable way to contact them is via cell phone;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba for improved cell service across the province and make it an essential service.

### **AMM Resolution #35-2017**

#### **Topic: Strategy to Increase Physical and Electronic Connectivity**

Sponsor(s): City of Thompson (Northern District)

Department(s): Manitoba Economic Development and Training; Manitoba Infrastructure

WHEREAS the Province of Manitoba is currently reviewing and establishing strategies to increase economic opportunities throughout the province; and

WHEREAS the AMM has passed resolutions in recent years regarding the need to increase electronic connectivity in all areas of the province; and

WHEREAS the provision of all-weather road access in all areas of the province is a basic need and the Province of Manitoba needs to live up to its socio-economic responsibility for all Manitobans; and

WHEREAS the provision of physical and electronic access are paramount to creating and enhancing economic development opportunities in the province; and

WHEREAS the Province of Manitoba needs to develop a long-term strategy that will address these issues so that all Manitobans have the opportunity to grow the economy;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to develop a long-term strategy that increases physical and electronic connectivity to enable economic development opportunities in all areas of the province.

**AMM Resolution #38-2015**

**Topic: Improve Cellular Reception Services \*Standing Policy**

Sponsor(s): RM of Taché (Eastern District), Rossburn Municipality (Midwestern District)

Department(s): Manitoba Economic Development and Training; Innovation, Science and Economic Development Canada

WHEREAS cellular phone service has become an essential service to the general population and is extremely important in emergency situations;

AND WHEREAS cellular reception in rural areas has often been reported to be erratic and inadequate;

AND WHEREAS municipalities have communicated this concern to major service providers on numerous opportunities;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to improve cellular service across Manitoba.

**AMM Resolution #50-2012 \*Standing Policy**

**Topic: High Speed Internet and Cell Service for Rural Manitoba**

Sponsor(s): RM of Lawrence (Parkland District)

Department(s): Manitoba Economic Development and Training; Innovation, Science and Economic Development Canada

WHEREAS all major urban centres in the Province of Manitoba have had affordable high-speed internet and cell service for the past decade;

AND WHEREAS the Government of Canada recently spoke on the importance of having the proper technology and having options available to rural residents and businesses for affordable technology such as high speed internet and cell service;

AND WHEREAS many rural areas have no access to affordable high speed internet and in many cases do not even have basic cell service;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba and Government of Canada for affordable technology options for high speed internet and cell service in rural Manitoba.



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