

Introduction

THE 2022 ALTERNATIVE Municipal Budget (AMB) finds the City of Winnipeg at a crossroads. After two pandemic years, Winnipeg, like many other cities across North America, is confronting significant challenges as we plan for the COVID recovery and an increasingly uncertain future.

There are the economic hardships brought on by the Covid recession, which placed unprecedented stress on frontline workers, small businesses, and the City budget. Winnipeg must do its part to reduce GHG emissions dramatically over the next 8 years to avoid the worst effects of climate change – which were already acutely felt during the summer drought of 2021.^{1,2,3} A housing crisis has taken hold – Winnipeg has 709 fewer low-income housing units than it did in 2019 and needs 300 new units per year to meet current needs.⁴

These challenges require immediate action and bold leadership from the City, along with the provincial and federal governments. However, for decades Winnipeg’s municipal leaders have dragged their feet on issues like climate change, poverty, and housing, instead choosing to keep taxes low and direct new funding to roads and policing. This approach is not sustainable.

If the City of Winnipeg is going to get serious about confronting the challenges it faces both a new financial strategy and a new policy approach are required. The provincial government has taken a miserly approach to its relations with the City of Winnipeg, cutting financial support and leaving federal money for infrastructure on the table. As we have pointed out in previous editions of the AMB, the City starved itself of revenue via a 14-year tax freeze between 1998–2012. Since 2012 almost all new property

tax revenue has gone to roads and policing, leaving programming and other infrastructure to deteriorate.

Recognizing its financial pressures the City of Winnipeg has continually turned to spending cuts, to the detriment of public spaces and programs. Hours at libraries have been cut along with access to wading pools and splash pads.⁵ In March 2020, the City cut the annual grant funding it gives to community organizations by 10 per cent across the board, placing youth programs and addictions treatment at risk.⁶

Winnipeggers deserve better. In order to live up to commitments around reconciliation, poverty reduction, ecological sustainability, and a just recovery from COVID the City should look to policy solutions long championed by community organizations and community members. Furthermore, the City must begin to raise revenue to invest in public programming and infrastructure. The 2022 AMB provides a realistic blueprint the city can implement to meet the needs set out in its current budget and invest in desperately needed improvements. Our budget is fully costed and takes a progressive approach to raising revenue, placing the largest burden on those with the most to contribute and structuring incentives to meet policy goals.

Budgets are fundamentally about choices. The 2022 AMB offers an alternative fiscal road map which:

- Centres climate justice and prepares the city for a future without fossil fuels
- Reduce funding for the police and invests in community safety through housing, poverty reduction, and recreation
- Creates a city planning framework which links development to policy goals and incorporates Treaty and inherent rights
- Proposes pathways to community economic development which create employment while circulating income throughout local communities
- Implements calls to action of the Truth and Reconciliation commission and the MMIWG2S+ calls for justice within the City's purview
- Combats social isolation and exclusion through accessible recreation programming
- Cares for our parks, green spaces, riverbanks, and urban forests, and views this green infrastructure as key to reducing the impacts of climate change

- Provides alternatives to car culture by expanding our active transit network and offering efficient public transportation
- Proposes a housing strategy which protects low-rent housing stock and reflects the needs of current and future Winnipeggers.
- Places community at the heart of the post-covid recovery

At the same time, the AMB shows us how we can meet those goals while still balancing the budget. We propose new ways the city can raise revenue to rebuild its starved public services and begin to address its longstanding infrastructure deficit.

The AMB Educates, Challenges, and Inspires

The municipal budget is a highly complex document. Funds are divided between operating budgets, capital expenditures, and various reserve funds which are not easily understandable to the public. Further, the budget follows department boundaries which do not necessarily reflect the ways people think about programs and services they demand from the City.

The AMB simplifies the budget in order to give the public a real say over the priorities that make up the City's fiscal policy. We propose changes solely to the City's operating budget, which is what the City spends on an annual basis and makes up the vast majority of spending on municipal services. Although the City of Winnipeg uses a 4-year budget cycle, by balancing the revenue and expenditure in our annual operating budget we provide an alternative fiscal strategy the city could use for years to come. We include changes to the capital budget by including the annual cost of debt financing for infrastructure upgrades.

In order to break down the departmental boundaries that restrict the municipal budget, we propose sixteen chapters which reflect areas of spending the City should act upon. These areas range from water and river management, to waste diversion, to policing, to recreation and libraries. New to the 2022 AMB are chapters on climate and public art. Each chapter is authored by community leaders and experts in their respective areas who have incorporated public input to develop policy priorities over many years. While transforming the way in which the budget is organized, we maintain references to the existing city governance model so that our proposals can be readily implemented by city council.

As much as the alternative municipal budget is an articulation of community priorities for the City, it is an educational tool that can be used to increase democratic engagement with the budget process.

The AMB Challenges

While creating an alternative budget provides the scope to include many more voices in the budget making process, bringing it out from behind closed doors, drafting an alternative budget also presents an opportunity to challenge dominant narratives around municipal policy. Federal, provincial, and municipal leaders have long presented their decisions to reduce expenditures, cut taxes, and slash programs as the only responsible path forward.

Confronting this narrative has been at the heart of alternative budgeting since its inception. Developing an alternative financial plan, rather than merely criticizing specific policy choices, is challenging because it calls for clarity in the exact levels of taxation and spending required for specific policies. It requires us to work through the difficult exercise of balancing spending priorities with limited financial resources. However, alternative budgets are powerful tools that can expand the political terrain we all operate within. By showing that there are alternatives, we give ourselves the space to demand better from our leaders. As Winnipeg approaches an election in October 2022, the AMB provides us with an alternate narrative we can use to demand better from our next municipal leaders.

Challenging the City...

One of the persistent narratives from the City around budget time is that Winnipeggers should expect ‘tough choices’ and ‘pain’ due to revenue shortfalls and necessary service cuts.⁷⁸ While it is true now more than ever that the City’s finances are in a difficult spot, this is fundamentally due to choices taken by successive municipal administrations to keep taxes low to the detriment of public services. Property tax rates were frozen in Winnipeg between 1998 and 2012, and since 2012 property taxes have only increased by 2.33 per cent per year targeted at infrastructure and rapid transit. Adjusted for inflation, the City’s revenue is lower today than it was three decades ago, which is why services face cuts year after year.

While this low tax policy is popular with municipal leaders, it is not the most popular position among Winnipeg’s citizens. According to a Probe Omnibus survey from March 2022, over two-thirds of Winnipeggers are very

or somewhat willing to pay \$100 more per year in property taxes for better roads, more trees, and more affordable housing. Over half of Winnipeggers are willing to pay \$100 more for park improvements, better transit, more recreation, sustainability upgrades to municipal infrastructure, and active transportation infrastructure. The City's own 2021 Citizen Satisfaction Survey found that housing and social services was the most commonly mentioned area to improve quality of life in Winnipeg, above roads and policing.⁹ It is time to challenge the narrative that the City cannot raise revenue and that the only places the City can spend is on roads and policing. It is critical that the City explore progressive revenue generating strategies and use that revenue to improve starved public services.

To raise revenue we propose initiatives such as a platform tax, a parking lot levy, a commuter fee, and a renewed impact fee as well as property tax increases. These initiatives allow us to raise spending across areas of the budget which have long been neglected while reducing incentives for urban sprawl.

Challenging the Province...

The Government of Manitoba has been an uncooperative partner to the City of Winnipeg in recent years, reducing the City's capacity to act on climate change and improve its outdated infrastructure. The cancellation of the 50/50 transit operating grant and the decision not to use the carbon tax to upgrade Winnipeg's transit system have delayed upgrades that are desperately needed for the City to reduce GHG emissions. With only a few years remaining to significantly decarbonize our society, this is a monumental disappointment. The province has also further delayed upgrades to the North End Sewage Treatment Plant through its ideologically motivated insistence that the project proceed as a public/private partnership. This is a project that is decades overdue and desperately needed to improve the health of Lake Winnipeg.

We understand that the City's power to influence the Province's approach is limited, however we wish to remind the Province of its responsibility to work with municipalities to take action on climate change. Promises of a new approach to relations with Winnipeg City Hall were promised with a change in Provincial leadership in 2021. While there has been progress in advancing funding requests for the North End Sewage Treatment Plant and the Transit Master Plan to the Federal government, much more needs to be done to help Winnipeg prepare for a low-carbon future and deal with its crumbling infrastructure.

Policing

As noted in our policing chapter, Winnipeg spends the highest proportion of its budget on policing (27 per cent) of Canada's top 10 major cities. The police budget has ballooned over the last decade, along with instances of police brutality, violence, and police killings. This year the AMB calls for a 10 per cent reduction in the police budget (\$320 million) and a redirection of those funds towards community services. Recognizing that poverty and marginalization are root causes of crime, community safety can be better secured by ensuring all Winnipeggers have access to housing, food, education, transportation and opportunities for self-expression. Alongside the policing chapter, our housing, food security, recreation, transit, and economic development chapters offer policy options for achieving these goals.

Resourcing the Winnipeg Poverty Reduction Strategy

In 2021 the City of Winnipeg took a historic step forward in passing its first Poverty Reduction Strategy. This strategy emerged out of a long community consultation and aligns with many of the longstanding proposals from Make Poverty History – Manitoba. While the Poverty Reduction Strategy lays out a blueprint for combating poverty, the strategy was passed without funding for its implementation. While a small handful of proposals in the strategy received funding, there was no funding made available for staff to ensure ongoing implementation. Throughout the AMB we call for aspects of the poverty reduction strategy to be funded, to ensure this document can live up to its promise. We have included the priority areas for funding from Make Poverty History Manitoba (MPHM) for the City of Winnipeg as listed on MPHM's website.¹⁰ In the Employment and Training chapter we call on the City to increase staff resources to ensure implementation of the Poverty Reduction Strategy.

The AMB Inspires

The 2022 AMB provides an alternative path to the tired status quo that has been pursued for decades by City Hall. For too long Municipal leaders have taken a 'head in the sand' approach to challenges the City faces while squandering the opportunities for change offered by community partners. Winnipeg needs a budget that takes decisive action on climate change,

reconciliation, housing, and poverty reduction. The investments laid out in the AMB do just that.

The AMB inspires us to imagine a city where high-quality public services provide us with mobility, the opportunity to connect with our friends, families and neighbours, good jobs, and a sense of place. Where high quality public spaces provide us with spaces to meet and relax. Where housing and food are available to those who need it.

Whether it be through increasing spending on youth recreation, offering a living wage to all municipal employees, electrifying the transit system and creating a rapid bus grid, preserving our urban forests, or expanding the stock of affordable housing, this budget makes investments that will improve the lives of Winnipeggers for years to come.

Endnotes

- 1 <https://www.ipcc.ch/sr15/chapter/spm/>
- 2 <https://www.cbc.ca/news/canada/manitoba/hot-weather-breaks-records-1.6054926>
- 3 <https://thenarwhal.ca/manitoba-drought-climate-change/>
- 4 <https://www.winnipegfreepress.com/local/advertising-campaign-aims-to-attract-riders-back-to-transit-576281452.html>
- 5 <https://spcw.mb.ca/wp-content/uploads/2020/01/Proposed-Cuts-to-Community-Services.pdf>
- 6 <https://www.cbc.ca/news/canada/manitoba/winnipeg-budget-2020-community-cuts-1.5489467>
- 7 <https://www.cbc.ca/news/canada/manitoba/mayor-premier-city-budget-1.4287741>
- 8 <https://www.cbc.ca/news/canada/manitoba/winnipeg-budget-2022-pandemic-1.6263736>
- 9 <https://www.winnipeg.ca/cao/pdfs/2021CitizenSurvey.pdf>
- 10 <http://makepovertyhistorymb.com/campaigns/winnipeg-without-poverty/>