

# Imagine a Winnipeg...



## ALTERNATIVE MUNICIPAL BUDGET WINNIPEG 2018



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CANADIAN CENTRE  
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**Imagine a Winnipeg...: Alternative Winnipeg  
Municipal Budget 2018**

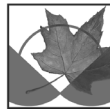
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IN LABOUR ISSUES

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## **Table of Contents**

<b>1</b>	<b>Introduction</b>
<b>5</b>	<b>Revenue</b>
<b>18</b>	<b>Expenditures</b>
19	City Planning
24	Good Governance and Transparency
27	Housing
32	Employment and Training
37	Food Security
41	Recreation
46	Public Library Services
50	Greenspace
55	Making Assiniboine Park Accessible
58	Environment
70	Transit
78	Active Transportation
83	Police Services
<b>88</b>	<b>Capital Budget</b>



# Introduction

Climate change; stagnant global economic growth; political polarization; growing inequality. Our city finds itself dealing with all these issues, and more, at once.

Winnipeg cannot control the broader macro pressures it has to deal with, but it can prepare for the changes that are coming. It can meet climate change with policy to mitigate damage, slow the rate of change, and build resilience. It can stimulate and grow the local economy while making sure that marginalized citizens are included. It can put the brakes on wrong-headed practices like urban sprawl or over-spending on policing, while redirecting resources to deal with the root causes of crime and our infrastructure deficit, and smooth out the inequalities that keep our city from realizing its full potential.

The 2018 Alternative Municipal Budget (AMB) is a community response that shows how the city can deal with all these issues *and* balance the budget.

The AMB Educates, Challenges and Inspires  
It is often noted that budgets are about choices. The Alternative Municipal Budget takes that truism a step further: our document educates, challenges and inspires.

Our budget dares to imagine a Winnipeg where:

- All women and their children have the resources and services they need to thrive.
- Where First Nation and Métis citizens feel at home on their own lands, where they participate as full partners in the Winnipeg project.
- We care for and extend our green spaces, river banks, rivers and urban forests with the understanding that if we look after them, these living spaces will look after us.
- We lead the way in changing Canada's entrenched car culture through electrifying and expanding our transit system.
- Everyone has a decent place to live, access to recreation, enough food and where people can move around on friendly, efficient public transportation.
- Winnipeggers can enjoy full democratic participation in city affairs.

Then our budget shows how to reach these goals. It gives a financial blue print that also accommodates some of the recommendations in the “Win-

nipeg without Poverty — Calling on the City to Lead”<sup>1</sup> report released on May 2nd.

Winnipeg has many attributes, from its sophisticated arts and culture scene, top-notch sports teams, international restaurants and vibrant First Nation/Métis/Inuit communities, to its savvy business community, but Winnipeg could be so much more than it is.

Our Alternative Municipal Budget shows us how.

### **The AMB Educates**

Government budgets are overwhelmingly complex documents that do not encourage citizen participation. Our AMB is much simpler; it distills crucial elements of the actual budget into easier to digest sections so that all Winnipeggers can feel like part of the budget process.

Not only does the AMB explain where revenue comes from and how it is spent, it provides essential background on spending areas, such as recreation, libraries, policing, environmental issues, housing, green spaces and city planning, to name a few. The AMB discusses the concept of sustainable budgeting and demonstrates how to use it.

The operating budget has two sections: revenues and expenditures. As with past alternative budgets, we break the mold when looking for ways to raise revenue. We get how difficult it is for municipalities to find the money they need to meet everyone’s needs. We look at what other cities around the world are doing and suggest ideas that haven’t been considered yet in Winnipeg.

The AMB explains the difference between the operating and capital budgets, and how they work so that citizens can better understand why we have such a huge infrastructure deficit and how we might begin to address it.

### **The AMB Challenges**

The city’s proposed Impact Fee is an example of a recommendation from past AMBs. The current city council took that challenge and now it

is close to becoming a reality, despite the protests of the Manitoba Home Builders’ Association.<sup>2</sup> Although some are worried that the policy is being watered down, we acknowledge that it required courage and resolve to bring the idea forward and applaud the Mayor for standing his ground against a powerful lobby group.

The following four examples show how we continue to push the envelope.

#### *Where’s the Province??*

First, we put pressure on a provincial government that not only is dragging its feet, it’s moving backwards. The cancellation of the 50/50 transit operating grant sets back the city’s aspirations to improve our outdated transit system. The province’s lack of commitment to using the carbon tax to modernize our transit system was a huge disappointment. We understand that the city has no control over this, but we wish to make the point that the provincial government has a shared responsibility with Manitoba municipalities to take decisive action against climate change. So, this budget is also a call to the province to step up to the plate. You’ll see that call repeated in the Transit and Environment sections.

The announcement of new federal funding came at the time of publishing this report.<sup>3</sup> There are now real opportunities for the province to help the city with the initiatives in our Recreation, Environment and Transit sections.

#### *Taking Control of the Police Budget*

Secondly, this year the AMB reduces the police budget. Past AMBs have held spending constant, while redirecting spending to community policing. But as our policing chapter shows, crime rates are decreasing at the same time as the police budget continues to balloon. As the police budget swells, other budget lines shrink. Given that poverty and marginalization are root causes of crime, money would be much more wisely spent on ensuring that all Winnipeggers are properly housed, fed, educated, employed and that they

have the tools they need to live productive lives, such as a modern, reliable public transportation system. Our housing, food security, employment and procurement, and transit sections offer alternative policy ideas to achieve these goals.

#### *Transparency and Democracy*

Thirdly, our Planning section considers several measures to improve transparency at City Hall, including improving reporting of council decisions; encouraging measures to increase councillor transparency; and, paying for a consultant report on much needed electoral reform.

#### *Sustainable Budgeting*

Finally, the AMB adopts Sustainable Budgeting principals. Sustainability or “sustainable development” is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.<sup>4</sup> It is a concept rooted in human needs and aspirations, equity within and between generations, and long-term systemic planning that considers linkages between ecological limits, economies and societies over time. Sustainability has proven to be a remarkably fruitful framework for understanding, evaluating and directing the human enterprise and its parts, as *OurWinnipeg* exemplifies (see the Planning and Environment sections for more about *OurWinnipeg*).

One aspect of sustainability is fiscal sustainability. Allen Schick offers an OECD perspective that includes dimensions of *solvency, growth, stability and fairness*.<sup>5</sup> Clearly a government can’t meet the needs of its citizens over time if it goes bankrupt, so maintaining solvency is a minimum feature of sustainable budgeting (a point also driven home in our Policing chapter). Likewise, fairness that reflects equitable treatment within and between generations is a core requirement. *Growth* and *stability*, on the other hand, are more problematic features.

We need to replace economic growth with healthier concepts of *economic sufficiency* or *eco-*

*logically sustainable economic development* to meet human needs — as discussed in our housing, recreation, food security and employment and training sections — and aspirations equitably. *Economic sufficiency*, in turn, must yield revenue sufficiency for government expenditures that support sustainable civic ends. In place of GDP, which has no provision for sustainability, we need to measure progress by indicators of sustainable well-being as does Winnipeg’s PEG.<sup>6</sup>

Likewise, the goal of stable budgeting is misguided if it keeps us going in the wrong direction, a point made clear in our Capital Budget and Environment sections. We must be prepared to mobilize to address planetary emergencies when they arise, just as North American economies addressed the Great Recession and World War II. Winnipeg and Manitoba have so far failed sufficiently to sound the alert and respond commensurately to the challenges of climate change. Fixing potholes, widening roads and building underpasses in service of (and at no cost to) single occupancy vehicles still take priority.

The AMB imagines a greener and more equitable Winnipeg, and provides tough but sustainable policies to make our future better.

#### **Make Poverty History Manitoba**

The ‘Winnipeg without Poverty’ report by Make Poverty History Manitoba (noted above), calls on the city to adopt a comprehensive policy reduction plan. Our budget provides a financial blueprint that would help the city to implement elements of the poverty reduction plan detailed in the report.

#### **The AMB Inspires**

On the expenditure side, we take the extra money we bring in from our initiatives like the mobility pricing strategy, parking lot levy and property and business tax increases and raise spending in areas that Winnipeggers would benefit from. For example, we spend more on recreation, housing, transit, green spaces and libraries.

We are steadfast in our belief that increased spending in these areas will make Winnipeg a more equitable city and that in the long run, spending in other areas will decrease.

Whether it be through electrifying our transit system or providing training and decent work to multi-barriered workers, the AMB shows that we do not have to accept the status quo. But we certainly do have to have a serious conversation about our infrastructure. That conversation unfolds in our section on the Capital Budget.

### The Capital Budget

Winnipeg's long suffering infrastructure presents us with one of our greatest challenges. Years of neglect, an extreme climate, urban sprawl and the increase in traffic make our \$6.8B infrastructure deficit seem insurmountable. The city itself admits that its "current funding model is unsustainable".<sup>7</sup>

Our capital budget analysis revealed that if we increased our per capita spending to match that of Edmonton's (a city similar in size), Winnipeg could dedicate an addition \$200M to lowering our current \$6.9B infrastructure deficit.

Although the AMB comes up with some revenue ideas that the city hasn't considered, one of our greatest challenges was to raise enough to cover the borrowing costs for our infrastructure deficit *combined* with the new infrastructure spending in the Environmental section — spending that cannot be put off. The city has dedicat-

ed all of its 2.33 per cent property tax increase to infrastructure repair, but the reality is that much more is required; this is why we've increased property taxes and the business tax by an additional five per cent.

We know that tax increases do not get politicians elected. But neither does crumbling infrastructure that, if left long enough will seriously disrupt our lives and economy. Fixing our infrastructure takes on a new urgency in the face of climate change.

As we explain in our Environment section, stopping urban sprawl and using sustainable budgeting principles are two of the best ways to stop our infrastructure deficit from getting even bigger. Fully implementing the mobility pricing strategy outlined in our Environment section will allow us to eventually lower property taxes.

The AMB business and property tax increases will cover the \$37.6M dedicated to pay for the borrowing costs to deal with the infrastructure deficit.

### A Tough Love Budget

There's no doubt that this is a tough love budget. But it provides a way forward, whether it be through implementing particular sections, or adopting it in its entirety.

Can the AMB capture the imagination of Winnipeggers? As climate change, our infrastructure deficit and inequality escalate, our collective future depends on it.

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<sup>1</sup> <https://www.policyalternatives.ca/publications/reports/winnipeg-without-poverty>

<sup>2</sup> <https://winnipeg.ctvnews.ca/growth-fee-increase-surprises-home-builders-1.3807104>

<sup>3</sup> <https://www.winnipegfreepress.com/local/Infra-484513401.html>

<sup>4</sup> United Nations (1987). "Report of the World Commission on Environment and Development: Our Common Future". Available at: <http://www.un-documents.net/our-common-future.pdf>

<sup>5</sup> Schick, Allen. 2005. Sustainable Budget Policy: Concepts and Approaches. <http://www.oecd.org/gov/budgeting/43481125.pdf>.

<sup>6</sup> <http://www.iisd.org/project/peg>.

<sup>7</sup> City of Winnipeg 2018 State of the Infrastructure Report. Available at: <http://www.winnipeg.ca/infrastructure/pdfs/State-of-Infrastructure-Report-2018.pdf>



# Revenue

## Revenue Trends

### Where the Money Comes From

The city is constrained in the kinds of taxes it can levy. It is more or less limited to collecting revenue from taxes levied on the value of properties within the city limits.

Property taxes, which are levied at a rate (called the mill rate) on the assessed value of residential and commercial property, are the single largest source of revenue. A homeowner's (or business') property tax is calculated by a very convoluted process. The assessed value of the property is first multiplied by a "proportioned percentage" (45 per cent for residential and between 10 per cent for designated recreation area and 65 per cent commercial or industry property for different kinds of businesses) to get a portioned value. This amount is then taxed at the "mill rate" (in 2017 13.063), which is the rate per \$1,000 of portioned value.

Example of how property taxes are calculated:

Assessed value x portion per cent x mill  
rate/1000 = property tax

250,000 x 45 per cent = 112,500

112,500 x 0.013063 = 1469.60

If you are a homeowner, this may look low compared to your property tax bill, it is because

this only accounts for the city's share of the tax. Property tax bills also contain taxes for the school division.

From a revenue generation standpoint, property taxes are not ideal. Unlike income or sales taxes, the tax base (the economic activity on which the tax is levied) for property taxes does not increase automatically as the economy grows. When the economy expands, revenue that governments collect through income and sales taxes increase even when the tax rate (the percentage of income or sales that is taxed) stays the same. This does not happen with property taxes. The tax base from property taxes only increases when either new properties are built or the value of property goes up with a reassessment of property values, which only happens in assessment years. The problem with property taxes as a way of funding city services is that in between assessments it barely grows at all. Then, if property values have been increasing, taxes will skyrocket after the reassessment, which politicians are reluctant to let happen. In order to avoid this problem, the city has been varying the mill rate in the last few years so that taxes increase modestly every year (2.33 per cent in the 2018 budget).

Property taxes are also not ideal from a policy perspective. One of the principles of a good taxation system is “ability to pay,” which means that taxes should be levied on those with the most ability to pay them. This is the principle behind the progressive income tax system which taxes people at a higher rate as their income increases. Property taxes are levied on the value of property, which has some connection to ability to pay in the sense that people with higher incomes do tend to own more expensive houses, but this connection is far from perfect. It is entirely possible for someone to live in a house of a reasonable value and yet earn a fairly modest income. Someone who has purchased their house during their working life and then retired on a limited pension would fall in this category. For these people increases in their property tax can hit quite hard.

**Businesses rely on the infrastructure taxes pay for: they should not be receiving tax reductions while citizens’ taxes are increasing.**

The other problem with property taxes is that they do not fulfill any obvious policy objective. While the income that is earned from property taxes is used for a wide variety of important public services from roads to the fire department, the tax itself does not create economic incentives that move people in a desired policy direction. An example of a tax that both raises money and fulfills public policy goals would be something like a carbon tax, which creates an incentive for people to reduce their consumption of fossil fuels.

Despite the imperfections of the property tax, there are few other options available and it remains one of the major mechanisms for municipalities to generate the revenue required to operate.

The city also collects what it calls a “business tax,” which is collected on all businesses in the

city based on the assessed rental value of their business location. The rate was 5.25 per cent in 2017, down from 9.75 per cent in 2002 per cent so the amount that firms pay would equal 5.25 per cent of the assessed annual rental value of their business. This yearly rate decrease means that businesses taxes have been decreasing both as a percentage of city revenue and in real terms. Small businesses, those with a rental value of less than \$32,220 in 2017, do not have to pay this tax.

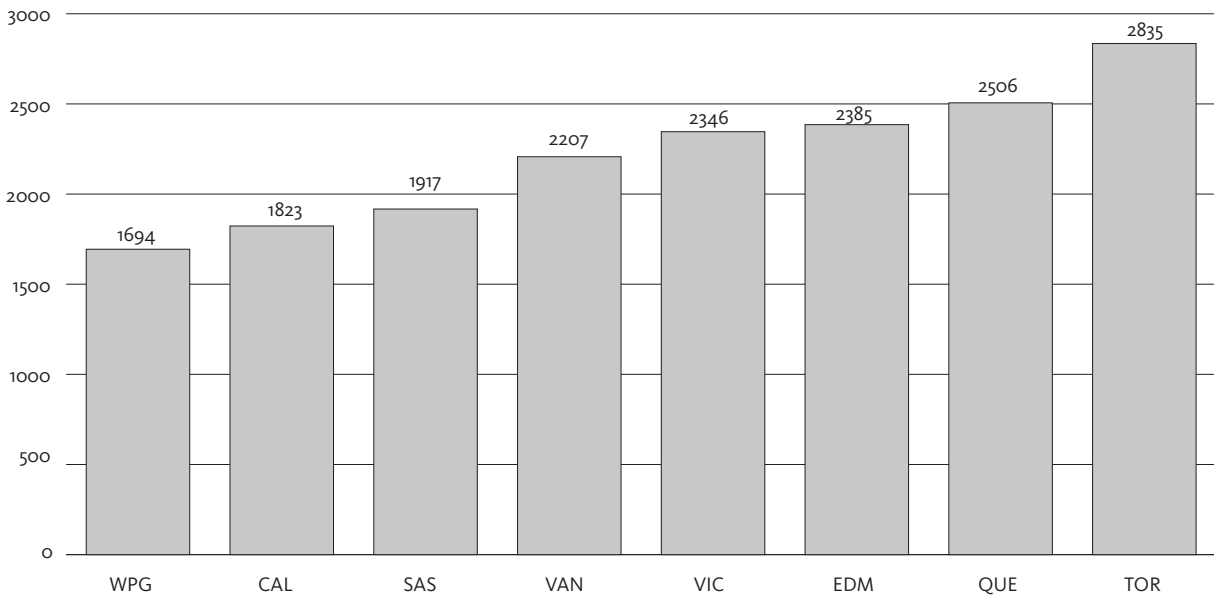
The business tax has come under criticism because people argue that Winnipeg is less competitive than cities that do not have a business tax. Critics also argue that it is unfair because some businesses must pay both the business tax and the non-residential property tax. However, this argument is only reasonable if the combined taxes on business are in some way “too high.” It is true that many cities in Western Canada do not have a business tax, but this is compensated for with higher rates on non-residential property taxes. There could well be an argument for eliminating the business tax in name and unifying the business tax and the non-residential property tax. If the business tax were eliminated, the non-residential commercial property tax should be increased to ensure no loss in revenue. This is precisely the change that Edmonton introduced earlier this decade.

In addition to property and business taxes, the city has looked for new ways to make money. For example, the frontage levy, a tax the city levies on the length of the frontage of a property on a street that has a sewer or water main, is currently \$5.45/foot. According to the city, the frontage levy is separate from the property tax, allowing the city to claim that it is limiting property tax increases while still increasing its revenue by raising the frontage levy.

### **Where Does Winnipeg Stand?**

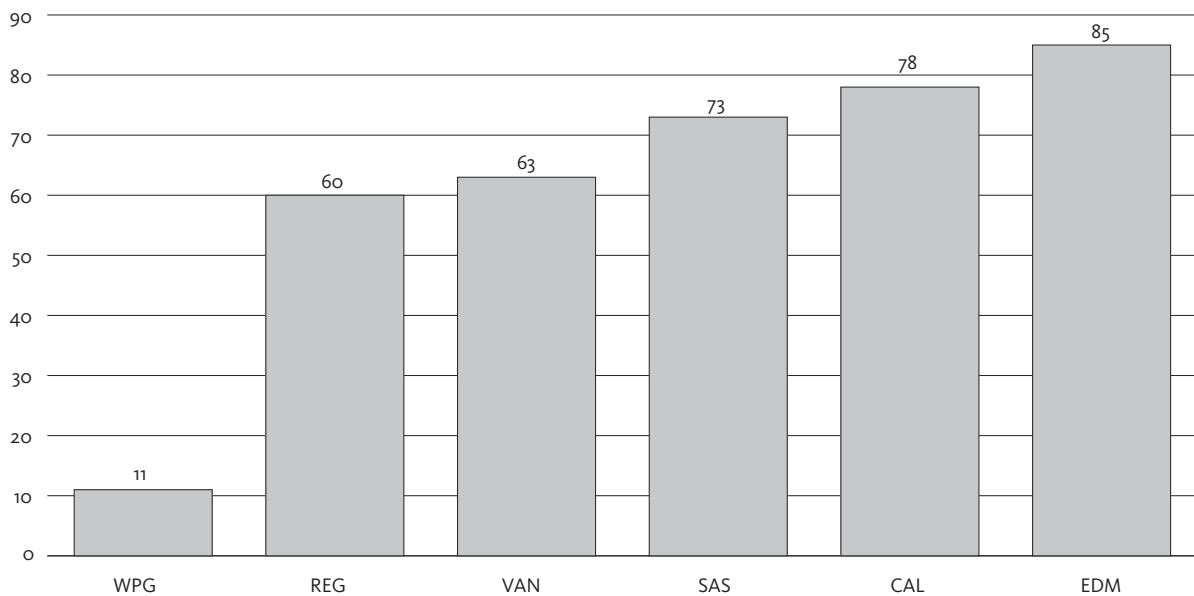
We can analyze the state of the city’s finances by comparing to other comparable cities in Canada and to its own historical record. Turning first to

**FIGURE 1 Tax on Average or Median Home 2017**



**SOURCE:** City of Winnipeg 2018 Preliminary Budget p 8

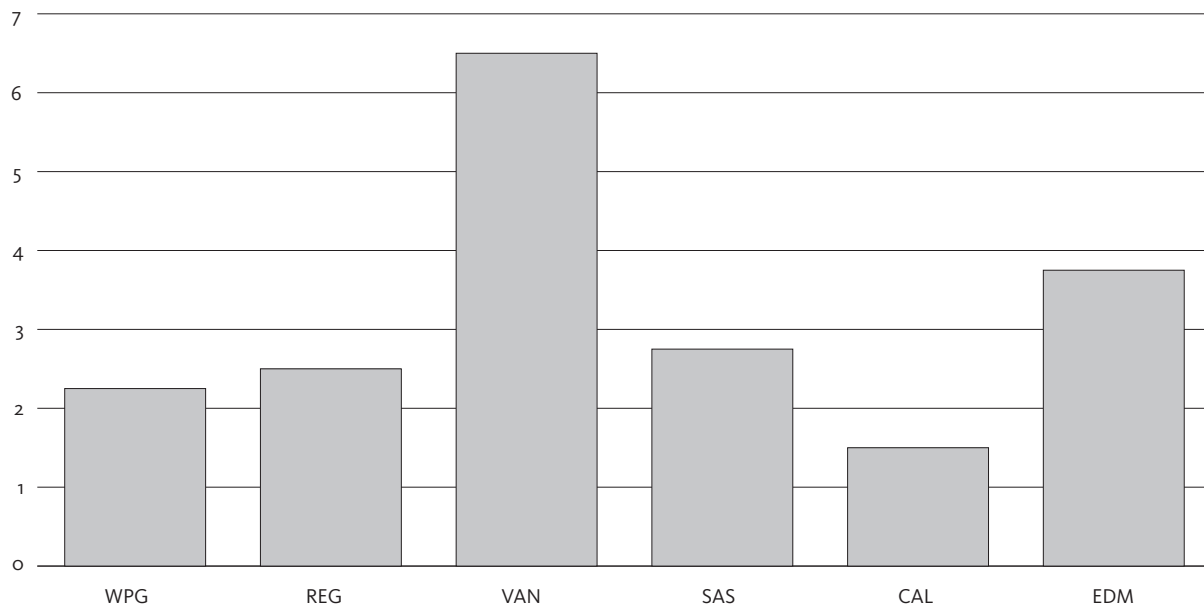
**FIGURE 2 Property Tax Changes 1999–2017: Western Canadian Cities**



**NOTE:** Calculated by adding up the yearly increases

**SOURCE:** City of Winnipeg 2018 Preliminary Budget p 9

FIGURE 3 Property Tax Increases 2017: Western Canadian Cities



SOURCE: City of Winnipeg 2018 Preliminary Budget p 9

Winnipeg's comparison to other cities, the city has been quick to advertise its tax advantages over its municipal rivals. Figure 1 on page 7 shows the property taxes levied on an "average" home in selected Canadian cities. Winnipeg's property taxes are lower than any of the cities in the sample, at around \$1700.

#### Intercity Property Tax Comparison

Calgary and Vancouver are median housing values, all others are average

**Winnipeg's property taxes, at \$1,700 on average, are lower than all other major Western Canadian Cities.**

Of course, the flip side of the lower property tax coin is that Winnipeg raises less revenue on an "average" home than these other cities. The low property tax environment in Winnipeg is the result of a 14 year refusal to increase property taxes prior to 2012. While the City has increased property taxes after 2012, between 1999

and 2017, Winnipeg increased its property taxes by much less than its Western Canadian counterparts (see Figure 2, page 7).

Winnipeg's recent tax changes still place them on the lower end of spectrum for Western Canadian cities. In 2017, only Calgary's 1.5 per cent increase was lower than the 2.33 per cent in Winnipeg. Other cities increased their property taxes by much more. Edmonton increased theirs by 3.9 per cent and Vancouver by 6.5 per cent (see Figure 3).

Overall, the comparisons with other cities suggest that Winnipeg has either been a model of financial restraint or starved itself of much needed revenue to fund public services. It is certainly true that Winnipeg has gone against the grain compared to many other Canadian cities which have increased property taxes over the last twenty years.

The other comparison is to examine how the city has changed its revenue raising and spending decisions over the last several years. Table 1 on page 9 shows the changes to the city's revenue between 2001 and 2017. At first glance it looks

TABLE 1 City of Winnipeg Revenue 2001 and 2017

Revenue	2001	per cent of budget	2017	per cent of budget
	Actual		Adopted	
<b>Nominal \$ millions</b>				
Property Tax	384	59.0	569.3	53.3
Business Tax	60	9.2	57.5	5.4
Frontage Levy and other tax	19	2.9	88.1	8.2
Government Transfers	73	11.2	127.8	12.0
Regulation Fees	18	2.8	59.0	5.5
Sales of Goods and Services	42	6.5	62.8	5.9
Interest	14	2.2	18.1	1.7
Transfers from other Funds	40	6.1	30.0	2.8
Other	1	0.2	55.1	5.2
<b>Total</b>	<b>651</b>	<b>100.0</b>	<b>1068</b>	<b>100.0</b>

as though Winnipeg’s total budget expanded dramatically during this period, from \$651 million to \$1.068 billion, an increase of 64 per cent. However, this number overstates the extent of the growth of the city’s budget for two reasons. The first is that it fails to account for inflation. Over time there is a general trend for the average prices we pay for goods and services to rise. This is the distinction that economists make between nominal (the stated price) and real (how much a given amount of money will actually buy) values. In order to calculate the real value of the city’s budget, the effect of inflation must be taken into account. When city revenue is adjusted for inflation, the increases are a far more modest 23 per cent.

The other reason that it overstates the increase in the city budget is that it fails to account for the increase in Winnipeg’s population. More people mean both greater demands on the city’s services and more people paying taxes, accordingly both revenue and expenses should go up with population growth. So, we should also account for population growth by measuring revenue per person. The real revenue per person collected by the city between 2001 and 2017 is 4.7 per cent.

The city has also changed who it collects money from over time. The long term property

tax freeze before 2012 is reflected in property tax revenue falling from 59 per cent of the budget to 53 per cent between 2001 and 2017. However, this seeming reduction in residential homeowners’ contribution to city revenues is made up for by the increase in frontage levies and other taxes. The most obvious change is the declining contribution of the business tax to city revenue, which has fallen from 9 per cent of the budget to five per cent.

Regulation fees (like photo enforcement) and sales of goods and services (like ambulance fees) have increased from 9.3 per cent of the budget to 11.4 per cent. While increasing some of these fees, like the amount charged for dumping in the landfill, make sense from a policy standpoint, others, like the fees charged for ambulance rides are more controversial.

Where the money goes has also changed since 2001. In 2017, 67 per cent of the budget went to three areas: police, public works and fire & paramedics. The big change in city priorities during this period was its expansion of the police budget. In 2017, the police accounted for 27 per cent of total city spending up dramatically from 18 per cent in 2001. The fire department has also increased, although less dramatically, from 14 per cent in 2001 to 19 per cent in 2017.

TABLE 2 Revenue Changes for 2018

Revenue	2017	per cent of budget	2018	per cent of budget
	Adopted		Preliminary	
<b>Nominal \$ millions</b>				
Property Tax	569.3	53.3	585.6	54.2
Business Tax	57.5	5.4	56.9	5.3
Frontage Levy and other tax	88.1	8.2	88.6	8.2
Government Transfers	127.8	12.0	133.5	12.4
Regulation Fees	59.0	5.5	58.0	5.4
Sales of Goods and Services	62.8	5.9	54.5	5.0
Interest	18.1	1.7	20.0	1.9
Transfers from other Funds	30.0	2.8	24.0	2.2
Other	55.1	5.2	59.7	5.5
<b>Total</b>	<b>1068</b>	<b>100.0</b>	<b>1081</b>	<b>100.0</b>

As has been the case in recent budgets, the 2018 city budget calls for a 2.33 per cent increase in property taxes. In order to get this increase the city adjusted the mill rate to 12.987. Of this 2.33 per cent, the city promised to dedicate 2 per cent to improving streets, lanes and sidewalks. The remaining 0.33 per cent is going to finance the second phase of the Southwest Rapid Transit Way. The city estimates that this will earn an extra \$16 million.

2018 also saw a continuation of the trend to reduce the business tax rate, dropping from 5.25 per cent in 2017 to 5.14 per cent in 2018. The budget also calls for an increase in the annual rental value below which businesses will be exempt from the business tax to \$33,300.

There are some charges and fees levied by the city that do have obvious policy goals. For example, charges for using the Brady Land Fill encourage conservation and recycling while reducing the incentive to increase the amount people take to the land fill. The 2018 preliminary budgets propose an increase to the minimum tipping fee from \$15.00 to \$20.00 for solid waste delivered to the Brady Road Land fill as well as a \$15 to \$20 rate increase for additional garbage bags (up to 3) at the curbside effective March 1, 2018. Charges for waste delivered to the Brady

Road land fill will increase by \$1.00 to \$6.00 per tonne (depending on what is being dumped). These utility operations run by the city are kept in a separate Utilities budget line.

Parking charges also contain an important incentive effect. The Winnipeg Parking Authority charges for downtown and exchange district parking. This has two important effects. On one hand, it increases the cost of driving to these areas, creating an incentive to choose public or active transportation, and reducing the incentive to use parking where spaces are at a premium. On the other, it creates a cost differential between parking in these districts, where fees are levied, and other districts outside these areas, where fees are not charged. As a result, for those that drive, it is less expensive to travel outside these areas than venture to downtown and the exchange where parking fees are charged. The 2018 preliminary budget proposes an increase of \$1.00 per hour to on-street parking starting on April 1. This increase shows up in the “other” category.

Winnipeg’s photo ticket revenue is also expected to decline by \$1.2 million in 2018, which appears in the regulation fees line.

In some past years the city has balanced its budget with a bit of a shell game. When revenues

were not sufficient to cover expenses, the city would draw from a fund called the Fiscal Stabilization Fund, which is a rainy day fund set aside for times of budgetary difficulty. Transferring money from this fund to general revenue would allow the budget to appear balanced, when it was really running a deficit on the year. Obviously, the city cannot continuously draw from this fund without completely depleting it. In 2018, the city is predicting that it can balance its budget without taking from Fiscal Stabilization Fund, from which it drew \$5 million in 2017.

The 2014 AMB argued in favor of a growth fee with the following text: “In slow growth cities such as Winnipeg, new subdivisions are developed at the expense of existing neighbourhoods and infrastructure. As was highlighted in the Planning section of the budget, a Growth Development Fee (GDC) that increases as new property construction is further away from the city center would encourage Winnipeggers to use the existing housing stock and build in existing neighbourhoods. The AMB recommends a \$15,000 fee, which would amount to about 4 per cent of a new \$350,000 house, be applied to housing starts in new suburban residential developments in Winnipeg. It will not apply to the replacement or renovation of existing homes. It will also not apply to new units on vacant lots in existing developments or designated areas close to Winnipeg’s urban centre that have not yet been developed.”<sup>1</sup>

The city recently implemented an Impact Fee that applies to new residential developments in new and emerging Communities. The charge is around \$500 per 100 square feet (\$57.47 per m<sup>2</sup> or \$534 per 100 square feet). For a 1900 square foot home, this tax would amount to just over \$10,000 to a new home. The city expects to earn \$11 million dollars on the construction of 1150 new homes in these areas. Currently, the city is sliding this money into an “Impact Fee” reserve fund from which it plans to fund infrastructure needs in the growth areas of the city.

It is important that the Impact Fee be collected in new and emerging communities in suburban areas and not on new construction on infill developments.

#### Planned Revenue Changes 2018 AMB

The increases in Winnipeg’s property taxes have brought some increase in revenue to fund much needed physical and social infrastructure in this city. However, a comparison between Winnipeg and other cities shows that over the last twenty years or so, Winnipeg has lagged far behind other cities in both raising revenue and providing services for its citizens. Other cities in Western Canada levy higher rates of property tax and spend more on their residents than is the case in Winnipeg.

Winnipeg’s infrastructure problems are not merely a result of funding neglect. Infrastructure costs are also influenced by the form of the city. A US study examined the connection between infrastructure costs per capita and urban sprawl. They found that all of their measures of costs (which included not only total direct expenditure, but also subcategories like capital facilities, roadways, police protection, and education) were positively related to urban sprawl. New subdivisions are more costly for the city than infill housing and increased urban density, yet this is the development plan that has been followed.

It is not merely infrastructure costs that are negatively impacted by urban sprawl (although these are of most obvious concern in a municipal budget). The quality of life in the city is also affected. More sprawling cities are associated with more driving miles, greater vehicle emissions, less walking, more obesity and even greater hypertension.<sup>2</sup> The current design of our cities make active, healthy choices difficult at best (when pedestrians have to travel great distances to get where they are going because of the tremendous space dedicated to parking) and dangerous at worst (when cyclist do not have dedicated lanes).

Cities can take a number of actions to promote more liveable, “smart” urban areas. Zoning is perhaps the most obvious measure, but pricing incentives can also play an important role in changing the structure of the city. Taxation can be used to achieve important public policy objectives as well as a mechanism to generate much needed civic revenue.

The City of Winnipeg Charter currently limits Winnipeg’s ability to levy taxes other than the property tax. As a result, any broadening of the City’s tax sources must involve agreement from the provincial government. The AMB would, therefore, recommend that the province and the city re-examine the limits of the current taxation arrangements. The aim of these negotiations would be to give the city the power to implement tax policies that would decrease urban sprawl.

In an effort to close both the funding and service gap that currently exists in Winnipeg the AMB recommends a number of changes to the city’s revenue collection.

#### **Increase in Property Taxes**

The 2018 preliminary budget increased property taxes by 2.3 per cent. As was shown in the section on the city’s fiscal situation, since 1999 Winnipeg has lagged behind other cities in its willingness to generate revenue to provide public services. This is the core reason for the existing infrastructure deficit that must be addressed at some point by the city. As a result the AMB recommends increasing property taxes by an additional 5 per cent above the 2.3 per cent increase in the 2018 Winnipeg preliminary budget. This 7.3 per cent increase would increase the municipal tax on a house with an assessed value of \$350,000 by \$150 compared with municipal taxes in the previous year.

#### *Additional Revenue:*

- Additional 5 per cent property tax increase: \$28.5M

#### **Increase in Business Taxes**

Business taxes used to make up a larger part of city revenue than is currently the case. In 2001, the business tax made up 9 per cent of city revenue. By 2017 it had fallen to 5 per cent. It has actually fallen in nominal terms since 2001 and when adjusted for inflation, the business tax generated \$17 million less in 2017 than 2001. The AMB recommends that the city raise the business tax by 5 per cent, the same as the increase in the property tax compared to the city’s 2018 preliminary budget. The additional revenue would amount to about \$2.8 million, which would bring the total business tax revenue to \$59.7, just less than it earned in nominal terms in 2001.

#### *Additional Revenue:*

- 5 per cent increase in Business Tax: \$2.8M

#### **Increase in Impact Fee**

The city has taken an important step in levying an impact fee on residential developments in new, undeveloped regions of the city. However, it is still set at a relatively low rate at \$10,000 for a 1900 square foot house that would sell for over \$400,000 in Waverly West. The AMB would raise the Impact fee to \$750 per square foot from its current rate of about \$500. This would generate 50 per cent more revenue than the current \$11 million.

#### *Additional Revenue:*

- Increase in Impact Fee: \$5.5M

#### **Commuter Charge**

One of the challenges facing the Winnipeg is that it faces tax competition from municipalities that are within very easy commuting distance from Winnipeg. If people live in these communities and then commute into Winnipeg for work or leisure, they are, in fact, using Winnipeg infrastructure (most obviously roads) without paying for them. This free riding on city services allows outlying communities to charge lower taxes than



is the case in Winnipeg. It also constrains the amount that Winnipeg can increase its property taxes because it has to worry about the incentive to construct new homes outside the perimeter.

The manner in which property taxes are currently structured creates a disincentive for new construction within the city limits. A study by the Urban Development Institute and the Manitoba Homebuilders Association found that a substantial difference in property tax rates between the City of Winnipeg and its surrounding communities in the CMA in 2011. For a house valued at \$350,000, the tax in Winnipeg was \$2,010. In the surrounding municipalities, property taxes on a house of the same value averaged \$1,266, ranging from a low of \$1,061 in Rosser to \$1,477 in Springfield.<sup>3</sup>

The regions outside the city limits are growing more rapidly than the city itself. Between 2001 and 2016 the population of Winnipeg has increased by 15 per cent, while the CMA as a whole has grown by 17 per cent. Some of the commuter municipalities have grown much more rapidly. Headingly, for example, grew by 88 per cent during this period. In 2016, there were about 76,000 people living in the CMA but outside Winnipeg.

The city and the province need to find some way to address the incentive problem caused by this cost differential. This could be done in a variety of ways that equalize property taxes between the municipalities in the CMA or attempt to solve the free rider problem caused by commuters.

One potential mechanism that might address this issue is a commuter charge. This could be administered in a variety of ways. Until 1999 New York had a commuter tax that was 0.45 per cent of the earnings of a suburbanite working in New York and was collected from their paycheck. Another option, which might discourage single vehicle commuting, might be to charge people outside the city per trip into the city. This could be structured in many ways, but one option could be to offer a certain number of free trips into the city in any given time period

(perhaps free on weekends) and then charge per trip after that.

Stockholm charges a toll to enter the city centre. It costs between 10 and 20 Swedish Krona (SEK), depending on the time of day, up to a maximum of 60 SEK.<sup>4</sup> They use an automatic camera identification system to check license plates and charge accordingly, which apparently works very well.<sup>5</sup> The commuter tax was very successful in Stockholm. Traffic in the area with the congestion charge was reduced 22.1 per cent from 2005 to 2013.<sup>6</sup> The tax makes a good amount of money too. In 2013, it made the municipal government in Stockholm 850 million SEK in revenue, with variable costs of 250 million SEK.<sup>7</sup> They also found that the negative effect on economic activity in the taxed zone was “very small or non-existent”.<sup>8</sup>

London implements their congestion charge a little bit differently. There’s a fee of 10.50 pounds for driving in the designated zone during the hours of 7 am and 6 pm. To enforce this, they use the same system as the Swedes, except if you’ve not bought the pass for that day, you will be ticketed to the amount of 160 pounds. From 2003–2013, the congestion charge “reduced traffic levels by 30 per cent”.<sup>9</sup> It also brought in 200 million pounds in the 2013–14 fiscal year.<sup>10</sup>

Winnipeg could levy a mobility/commuter fee that would help pay for Winnipeg’s road infrastructure on a beneficiary pays principle and help to mitigate the free riding/tax competition issue with surrounding municipalities. According to the data cited above, about 300,000 people cross the perimeter every day. If we only charge the people coming in to the city, that would result in around 150,000 crossings a day or 55 million a year. If we charged \$1 each time a vehicle entered the perimeter from outside the city, it would generate \$55 million.

*Additional Revenue:*

- First phase of Mobility Pricing Strategy: \$55M

It is important to note that this is the first stage of the full Mobility Pricing strategy outlined in our Environmental section. Once the full strategy is implemented, considerably more revenue will be raised, allowing the city to shift more of the cost of infrastructure to drivers and away from property owners.

### Parking spaces

Although lack of accessible parking is often seen as a deterrent, it is entirely possible that Winnipeg has too much parking, not too little. This is especially true of surface level (single story) suburban parking. Massive parking lots take up land that could be used for retail or housing. It makes active transportation more difficult by increasing the distance between destinations. Free parking in suburban malls acts as a disincentive to go downtown. Generally, it facilitates the use of the automobile and the expensive infrastructure that must be developed to support it.

Recently, Mexico City changed its parking regulation policy to put a maximum on parking spaces at a new development as opposed to a minimum. The new law states that there be a maximum of 1 parking space for every 30m<sup>2</sup> of business space.<sup>11</sup> Once a business reaches half of this max, they are required to pay a fee. There is also a maximum of 3 parking spaces per housing unit for multi-family dwellings now. The laws are too new for there to be any meaningful results

yet, but in the coming years we will see the effect of these new parking regulations in Mexico City.

Outside the downtown and exchange (as we saw in the revenue changes for this year, these charges are going up by \$1 this year) parking is largely governed by zoning. Generally, in Winnipeg the zoning rules lay out parking minimums, presumably to allay nearby residents' concerns about on street parking congestion. The result is massive parking lots that blight the city.

The AMB would place a parking space levy on all surface area parking spots that are not currently metered by the city. For new developments it would also convert the current zoning regulations from a minimum number of parking spots to a maximum.

There are some noteworthy benefits to using a parking space levy. Because parking lots are property, the amount of the levy can easily be added to a business' property tax bill. This means there will be relatively low additional administrative costs to implement the tax (KPMG, 2016, pg. 49). Another consideration is that the levy could incentivize businesses to convert existing parking spaces into productive office or retail space, increasing the value of the property.<sup>12</sup> This means higher property tax revenue for the city.

To begin, we will look at the revenues and tax size of parking space levies implemented in other jurisdictions, to provide a broad picture of the appropriate tax size and how lucrative this

TABLE 3 Parking Space Levies and Annual Income: Various Canadian Cities<sup>13</sup>

City	Tax Rate (levied annually)	Average Annual Revenue (in millions CAD)
Montreal	\$5.05-\$40.40, per m <sup>2</sup>	\$23.5
Vancouver	\$0.78, per m <sup>2</sup>	\$22
Sydney	\$792.42-\$2,232.29 per space	\$101.47
Melbourne	\$918.04-\$1,294.92 per space	\$96.64

TABLE 4 Minimum Parking Requirements in Winnipeg by Business Type

Building Type	Minimum Parking Requirement
Office	1 for every 750 ft. <sup>2</sup>
Retail Store	1 for every 250 ft. <sup>2</sup>

TABLE 5 Office Buildings, Average Sizes and Total Spaces<sup>15</sup>

Size in ft. <sup>2</sup>	Number of Office Buildings	Parking Spaces Required	Total Spaces
< 5,000	480	3,000 / 750 = 4	1920
5,000 – 15,000	331	9,750 / 750 = 13	4303
15,000 – 30,000	105	22,500 / 750 = 30	3450
> 30,000	174	37,500 / 750 = 50	8700
<b>Total</b>			<b>18073</b>

TABLE 6 Retail Stores, Average Sizes and Total Spaces<sup>16</sup>

Size in ft. <sup>2</sup>	Number of Retail Stores	Parking Spaces Required	Total Spaces
< 5,000	1,224	3,000 / 250 = 12	14688
5,000 – 15,000	520	9,750 / 250 = 39	20280
15,000 – 30,000	149	22,500 / 250 = 90	13410
> 30,000	184	37,500 / 250 = 150	27600
<b>Total</b>			<b>75978</b>

tax option is. The tax ranges shown in Table 3 on page 14 indicate the levy changes based on the neighbourhood that the parking lot is located in.

Calculating the net revenue for a city-wide parking space levy is difficult. Unfortunately, no data exists for how many parking spots are in the entire city. Consequentially, the following results are therefore very broad and are estimates with a high variance. However, there is some public data on which we can base a general estimate. Data exists on the number of offices and retail stores in the city, and the size of these establishments in square feet. These three categories of buildings would have the most parking spots.

According to the city's 2006 zoning by-law,<sup>14</sup> the minimum parking requirements in Winnipeg for offices and retail stores are shown in Table 4 on page 14.

The minimum number of parking spaces provides a conservative estimate for the number of parking spots actually constructed. We can also use the data from Tables 5 and 6 above on the different types of office and retail buildings. Since building size is given as a range an average was chosen for each category.

Based on these numbers there are somewhere around 94,000 retail and office parking spots in Winnipeg. If the parking lot levy were set at \$365 per space (\$1 per day) it would earn approximately \$34 million.

*Additional Revenue:*

- Parking lot levy: \$34M

Further Reading

Donovan, S. (2009, May). How Free is your Parking? *Frontier Centre for Public Policy Backgrounder*. Retrieved from <https://www.fcpp.org/pdf/FB077%20How%20Free%20Is%20Your%20Parking.pdf>

Marshall, A. (2017, July 25). Mexico City is Killing Parking Spaces. Pay Attention America. Retrieved from <https://www.wired.com/story/mexico-city-killing-parking/>

Vachon, M. (2013). Parking Issues and Aesthetics in Downtown Winnipeg. *Prairie Perspectives: Geographical Essays*, 15, 25–37.

TABLE 7 City of Winnipeg – AMB Department Comparisons 2018

Spending: Nominal \$ millions	2018	2018
	Preliminary	AMB
Police	291.4	285.64
Public Works	241.4	279
Fire and Paramedic	193.5	193.5
Community Services	109.9	125.2
Planning Property and Development	40.4	99.6
Water and Waste	22.3	22.3
Contribution to Transit	65.4	91.9
Debt and Finance Charges	0.5	0.5
Other	116.3	116.3
<b>Total</b>	<b>1081.1</b>	<b>1214.0</b>

TABLE 8 City of Winnipeg – AMB Comparisons 2018

Revenue: Nominal \$ millions	2018	2018
	Preliminary	AMB
Property Tax	585.6	614.1
Business Tax	56.9	59.7
Frontage Levy and other tax	88.6	184.8
Government Transfers	133.5	133.5
Regulations and Fees	58	63.0
Sales of Goods and Services	54.5	54.5
Interest	20	20.0
Transfers from other Funds	24	24.0
Other	59.7	59.7
<b>Total</b>	<b>1080.8</b>	<b>1213.3</b>

TABLE 9 AMB Revenue Changes to City of Winnipeg 2018 Budget

\$ millions		
Additional Property Tax Increase 5%		28.5
Business Tax Increase 5%		2.8
Frontage Levy and other Tax		101.7
of which	Parking Lot	34.0
	Commuter Charge	54.8
	Increase in Impact Fee	5.5
	Active Transportation	1.4
	Exclusionary Zoning Opt Out	1.0
	Regulations and fees Increase waste collection fees	5.0
<b>Total</b>		<b>133.0</b>

**TABLE 10 AMB Spending Changes to City of Winnipeg 2018 Budget**

	Operating Costs	Payments for Debt Servicing
Police	-5.8	
Public Works (borrowing for capital budget)		37.6
Community Services	12.8	2.5
of which		
Recreation	0.9	2.5
Food Security	0.2	
Assiniboine Park Conservancy	1.1	
Green Spaces	0.5	
Libraries	2.4	
Housing	5.9	
Employment and Training	1.7	
Procurement	0.3	
Planning, Property and Development	35.0	24.2
of which		
Planning	0.3	
Active Transportation	4.2	
Environment	30.1	24.2
Transparency	0.3	
Contribution to Transit	26.5	
Other		
<b>Total</b>	<b>68.5</b>	<b>64.3</b>

<sup>1</sup> Canadian Center for Policy Alternatives Mb. (2014). “Taking Back the City: Alternative Municipal Budget Winnipeg 2014.” Available at: <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba%20Office/2014/04/Alt%20Municipal%20Budget%20web.pdf>

<sup>2</sup> Reid Ewing, Tom Schmid, Richard Killingsworth, Amy Zlot, Stephen Raudenbush, Relationship Between Urban Sprawl and Physical Activity, Obesity, and Morbidity American Journal of Health Promotion 2003;18[1]:47–57.

<sup>3</sup> “Understanding Development in Winnipeg” (2016) Figure 32 page 43.

<sup>4</sup> Eliasson, J. (2014). The Stockholm Congestion Charges: An Overview. Retrieved from <http://www.transportportal.se/swopec/cts2014-7.pdf> pg. 7.

<sup>5</sup> Ibid. pg. 6.

<sup>6</sup> Ibid. pg. 7.

<sup>7</sup> Ibid. pg. 33.

<sup>8</sup> Ibid. pg. 13.

<sup>9</sup> De Peyer, R. (2014, August 5). London Drivers Spent 200m on the Congestion Charge Last Year. Retrieved from <https://www.standard.co.uk/news/transport/london-drivers-spent-200m-on-the-congestion-charge-last-year-9649356.html> . para. 11.

<sup>10</sup> Ibid. para.1.

<sup>11</sup> Kopf, D. (2017, July 26). Mexico City got rid of a ridiculous subsidy for drivers, and other cities should too. Retrieved from <https://qz.com/1037799/mexico-city-got-rid-of-minimum-parking-requirements-and-other-cities-should-too/> . para.5.

<sup>12</sup> KPMG (2016). *City of Toronto Revenue Options Study*. Retrieved from <https://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94513.pdf> . pg. 58.

<sup>13</sup> Ibid. pg. 50–51.

<sup>14</sup> City of Winnipeg (2006). *Winnipeg Zoning By-Law 200/2006*. Retrieved from [http://winnipeg.ca/ppd/permits/bylaw\\_sections/Bylaw200\\_Sec143-208.pdf#page=16](http://winnipeg.ca/ppd/permits/bylaw_sections/Bylaw200_Sec143-208.pdf#page=16).

<sup>15</sup> City of Winnipeg (2018). *Valuation of Income-Producing Properties: 2018 General Assessment*. Retrieved from [http://www.winnipegassessment.com/AsmtTax/English/previewprogram/2018Overview\\_IncomeProducingProperties\\_Public.pdf](http://www.winnipegassessment.com/AsmtTax/English/previewprogram/2018Overview_IncomeProducingProperties_Public.pdf) . pg. 9.

<sup>16</sup> Ibid.

# Expenditures

## City Planning

The City of Winnipeg's guiding vision for future growth and development, *OurWinnipeg*, emphasizes sustainability, quality of life and planning for future generations. The proposals included here, and in our Environment section, are intended to address these principles, as well as ensuring fairness and equity in the planning process. The CCPA-MB Alternative Budget proposes several strategies, including:

- Ensure that capital improvements reflect planning goals
- Increase planning capacity, accountability and resources for community groups (see Food Security chapter for an example)
- Use taxation tools to encourage infill development (see Revenue section)
- Create transparency in development agreements

These strategies are designed to (1) ensure that financial resources and benefits align with the vision set out in planning documents, (2) increase capacity and fairness in how communities participate in planning processes, and (3) promote equity in the distribution of financial resources.

### Link Capital Budget to Planning Goals

In addition to *OurWinnipeg* and area-specific secondary plans, the city's growth and development is greatly influenced by capital investments in infrastructure such as roads, services, and recreational facilities. From a municipal perspective, the 5-year capital budget and forecast is instrumental in implementing *OurWinnipeg*,<sup>1</sup> as it specifies what types of resources are funded and where. While capital plan proposals include a broad description of how investments fit within *OurWinnipeg* (such as "sustainability" or "key directions for the entire city"), an in-depth analysis of how these plans fit together

would ensure that capital investments support the broad vision for change. Critically, capital plans should also address issues of climate change and evaluate how spending will work to encourage community resilience. The AMB Introduction and Environment chapter have details on sustainable budgeting that would help the capital budget meet the goals set out in *OurWinnipeg*.

A lack of consistency between official plans and capital investment plans undermine the implementation of planning efforts, and both municipal finance and urban planning professions identify alignment between the two plans as a best practice.<sup>2</sup>

While *OurWinnipeg* encourages infill development, this can be hampered by a lack of infrastructure capacity (such as for sewers and water), and too often these improvements are determined by capital spending rather than official or secondary plans. Rather than determining improvements by capital spending, official or secondary plans should inform and prioritize capital spending.

Given the importance of capital plans in determining how resources are distributed, equity should be a factor in decision-making, a strategy used in other cities.<sup>3</sup> Critically, unlike *OurWinnipeg* and secondary plans, capital plans rarely involve extensive consultation in their development, raising concerns about equity and transparency in the allocation of resources.

There are several strategies that could be used to ensure that capital spending aligns with planning goals and incorporates equity in decision-making. One way to achieve greater consistency is to have planning staff involved in the review or ranking of capital projects, including evaluating whether projects achieve goals stated in the official plan.<sup>4</sup> In some cities, such as New Orleans, alignment between capital and general plans is required by law, and evaluated by the City Planning Commission.<sup>5</sup> A key step from an



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equity perspective is to provide a clear analysis of where investments are being made, including a ward-by-ward assessment of types and amounts of capital funding. Similarly, a commitment to climate change should be reflected in infrastructure and capital spending.

*New Expenditures:*

- Staff time/additional full time staff to: evaluate capital budget; and assist Geographical Information System (GIS) department staff with spatial analysis of plans: \$70,000
- Funding for neighbourhood-based consultation on capital budgets: \$50,000

Total: \$120,000

### Provide Resources for Communities to Engage in Planning Activities

One of the pillars for planning practice is engagement and consultation with communities. Unfortunately, participating in these processes often assumes and requires a certain level of expertise, familiarity with city practices, and time and financial support. While some communities are able to effectively engage with planning processes, this varies significantly across the city, with differences in available resources and expertise limiting participation. In some instances, neighbourhood groups may be actively involved in planning consultations but do not represent the diversity of their community (including renters, new residents, those with barriers to participation or reflecting divergent views). Critically,



while the City has committed to reconciliation through the adoption of the Indigenous Accord, it is still unclear as to how this will be incorporated into planning practices, especially as it is voluntary. While equity and social justice should be a key principle of engagement practices, uneven resources and power dynamics make it difficult for all to participate equally.<sup>6</sup>

There are several ways to encourage more diverse and representative engagement in planning, including by providing resources to community groups that demonstrate inclusive representation, creation of freely available independent expertise for communities and neighbourhoods, and having a specific staff focus on reconciliation and planning.

#### **a. Create a Community Planning University Partnership**

There are several models for providing independent planning expertise to communities without existing capacity. In England, Planning Aid provides free, independent advice through volunteer professionals, including outreach, capacity building, and neighbourhood planning.<sup>7</sup> Similarly, the American Planning Association pairs volunteer Community Planning Assistance Teams with communities that lack resources to deal with specific concerns.<sup>8</sup> Community-university partnerships have also been used to provide resources for disadvantaged communities and advance social equity goals, though these require municipal support and flexibility.<sup>9</sup>

Currently, there is capacity to support community planning through community-based studios and on-going research at local universities that could be co-ordinated along with volunteer professionals. To ensure effective and responsible practices, there must be city staff support and funding for basic resources, such as meeting space, childcare, transportation reimbursement, and supplies. We recommend funding for a staff person to co-ordinate existing capacity from local universities and professional planners, and

establish a focus on implementing principles of reconciliation in community planning practices. We estimate this at \$30,000.

#### **b. Provide Resources for Representative Neighbourhood Associations**

While resident groups can often be very influential in local planning decisions, they may not reflect community interests. Groups often form as a reaction to planning initiatives but may not continue to engage with processes or work to ensure they are advocating on behalf of all residents. One way of ensuring that resident associations are diverse, inclusive and representative of their community is to provide benefits and resources to groups that can demonstrate this. One model is the community league, which can act as an advocate as well as provide community outreach, coordination and services. Edmonton's community leagues were created on principles of inclusivity and are governed by a code of ethics and by-laws. These neighbourhood associations facilitate communication between the City and local residents, and are eligible for a variety of municipal operating and capital grants.<sup>10</sup>

It is critical to provide resources and staff support to build local capacity and to assist groups in ensuring they are inclusive.<sup>11</sup> This should include funds to facilitate outreach, communication and policy development; dedicated community development staff support to assist neighbourhood groups; and the continuation of the Planning Ed workshops previously offered to provide information on the planning process. We recommend that financial resources be dedicated to neighbourhood associations that can demonstrate that they are representative of the communities they serve and have a commitment to civic engagement. While these would have to be developed more thoroughly, some ways to assess the inclusiveness of community groups could be a demonstration of detailed stakeholder analysis and an outreach plan for engaging with under-represented groups.<sup>12</sup>

*New Expenditures:*

- Funding for 1 part time staff support (position shared with part time University-Community position) for Community Planning Studio: \$30,000
- Grants for neighbourhood groups that demonstrate inclusive processes. Funding for 1 pilot project: \$20,000
- Funding for 1, full-time community development staff person: \$60,000
- Dedicated funds for community-based Planning Education workshops: \$30,000

Total Funding for Representational Associations: **\$140,000**

### 3. Transparency in Development Agreements

Development agreements are used to extract benefits from proposals that don't conform to the existing zoning codes. For example, in exchange for building at a higher density or a taller structure, developers may be required to contribute to a fund for affordable housing or public art. As a slow growth city, Winnipeg has used tax relief as a tool to stimulate private sector benefits without acknowledging the benefits that accrue to private developers. The public benefits of these agreements are not clear, especially as it is difficult to determine if developments would proceed without the tax relief. We recommend that the City develop a clear set of criteria of true public benefits that can be negotiated with developers, such as affordable housing, daycare spaces, and active transportation facilities, in exchange for density, height or tax deferral bonuses.

*New Expenditures:*

- Staff person (part time) with strong real estate background to develop criteria and negotiate agreements. This position would be full time and would include administering the duties of the new

position created in section 4 below (a full time \$70,000 position would be shared between the two initiatives):

Transparency officer: \$35,000

*New Revenues:*

- Development Impact Fee Increase: see Revenue section

### 4. Ensure Planning and Taxation Strategies are Aligned

Planning policies can encourage the types of sustainable development envisioned in *OurWinnipeg* but a range of other policies also informs decisions about development. Tax policy specifically can have a strong influence on land use.<sup>13</sup> There are several areas where taxation policy could be used to encourage sustainable growth, if it was aligned with planning goals. One area is taxation policies for surface parking and other auto-oriented uses. Surface parking lots create a hostile environment for pedestrians, can contribute to safety concerns, and detract from neighbourhood vitality.<sup>14</sup> While they could be used for more productive purposes, a large percentage of downtown is devoted to surface parking. While *OurWinnipeg* encourages infill development downtown, the revenue from surface parking, combined with low tax rates, discourages their sale and conversion. Rather than freezing taxes on new development, bringing surface parking lots' tax rate in line with their future potential would provide additional revenue for the City, as well as create incentives for owners to either develop their properties or sell them to those willing to develop. Similarly, drive-through restaurants — which have negatively impact the built environment and are contrary to active transportation policies — could be taxed at higher rates to discourage their development.

Another area for alignment is residential taxation policies. The benefits to the city from

higher density developments are not reflected in property taxes, with condominiums and apartments taxed at the same rate as single-family homes, despite the lower infrastructure costs associated with higher density development in established communities. We recommend that property tax strategies be aligned more closely with planning goals to encourage the types of communities envisioned by *OurWinnipeg*.

*New Revenues:*

- Increased property tax from vacant sites/surface parking: see Revenue section

*New Expenditures:*

- Staff time to assess areas of conflict and develop report on changes: this position would be combined with the Transparency Office above:
- Conflict officer: \$35,000

**Total Expenditures:**

- Linking Planning to Capital Budget: \$120,000
- Funding for Representational Associations: \$140,000
- Transparency Officer: \$35,000
- Conflict Officer: \$35,000

**Total: \$.33M**

<sup>1</sup> <http://winnipeg.ca/interhom/CityHall/OurWinnipeg/>

<sup>2</sup> Shishir Mathur, “Linking Planning with Budgeting: Examining Linkages between General Plans and Capital Improvement Plans,” *Journal of Planning Education and Research* (Ahead of Print) (2017).

<sup>3</sup> Susan Hoffmann, Norman Krumholz, and Kevin O’Brien, “How Capital Budgeting Helped a Sick City: Thirty Years of Capital Improvement Planning in Cleveland,” *Public Budgeting & Finance* 20, no. 1 (2000).

<sup>4</sup> Mathur, “Linking Planning with Budgeting: Examining Linkages between General Plans and Capital Improvement Plans.”

<sup>5</sup> <https://www.nola.gov/city-planning/capital-improvement-plan/>

<sup>6</sup> John M. Bryson et al., “Designing Public Participation Processes,” *Public Administration Review* 73, no. 1 (2013).

<sup>7</sup> <http://www.rtpi.org.uk/planning-aid/what-we-do/>

<sup>8</sup> <https://www.planning.org/communityassistance/teams/>

<sup>9</sup> Kenneth M. Reardon, “An Experiential Approach to Creating an Effective Community-University Partnership: The East St. Louis Action Research Project,” *Cityscape* 5, no. 1 (2000).

<sup>10</sup> [https://www.edmonton.ca/programs\\_services/funding-grants.aspx](https://www.edmonton.ca/programs_services/funding-grants.aspx)

<sup>11</sup> Sirianni, Carmen. “Neighborhood Planning as Collaborative Democratic Design.” *Journal of the American Planning Association* 73, no. 4 (2007): 373–387.

<sup>12</sup> These criteria were used in determining which community groups received funding for community-based planning processes in Seattle. The city allocated \$4.7 million to support neighbourhood-based planning, including staff support and money for consultants (see Sirianni, C., 2007).

<sup>13</sup> Bengston, David N., Jennifer O. Fletcher, and Kristen C. Nelson. “Public Policies for Managing Urban Growth and Protecting Open Space: Policy Instruments and Lessons Learned in the United States.” *Landscape and Urban Planning* 69, no. 2: 271–86.

<sup>14</sup> Michael Manville and Donald Shoup, “Parking, People and Cities,” *Journal of Urban Planning and Development* 131, no. 4 (2005).

## Good Governance and Transparency

Effective and democratic local governance is distinguished by accountability, transparency and inclusivity, in both processes and outcomes.<sup>1</sup> In recent years, the City of Winnipeg has been marked by several incidents of unethical conduct, leading to a public mistrust and a perception that there is a lack of government accountability. Although accountability can be addressed through the general election, there is a need to evaluate decision-making processes and outcomes on a more regular basis.

Transparency is critical for the public and stakeholders to assess policy decision-making and implementation.<sup>2</sup> While there has been increasing interest in consultation, engagement and inclusivity in government decision-making, there are concrete ways that the City of Winnipeg could improve its accountability and relationship with the public. One important component would be to adopt the international Open Data Charter, which is guided by the principle that data is “open and accessible by default” at city hall.<sup>3</sup> Open data is increasingly becoming the standard in Canada, including at the federal level, as well as provincial and municipal.<sup>4</sup> In addition to the Open Data charter, the following proposals are intended to increase transparency, oversight and good governance at the City of Winnipeg. They focus on three areas: council transparency, representation and operations.

### Improve Reporting of Council Decisions

The City of Winnipeg’s Decision Making Information System (DMIS) provides information on council meeting agendas, minutes, as well as live and archived video feeds of council meetings. However, this system is difficult to navigate, requires significant time to find information, and does not compile it in meaningful ways. Interested citizen groups have developed alternative

ways to display information about council decisions, including data such as council attendance and voting records.<sup>5</sup> However, providing information in an easily accessible way should be a key function of local government, and should be done on a mandatory, not on a voluntary basis.

We recommend funding the development of a council decision website that includes basic data in an easily accessible and understandable format. This would require further study but there are established markers of council accountability, including councillor attendance, voting and abstentions record, votes against staff recommendations, percentage of in-camera meetings, declared conflicts, and number of unanimous decisions. It is also suggested that council decision reporting be incorporated in a dashboard that includes spatial data (such as impacted wards) and thematic areas (such as housing, transportation, or recreation) to make finding relevant data simpler.

#### *Cost:*

- Staff time and IT contract to develop: \$200,000

*New expenditure for tracking system improvements: \$200,000*

### Encourage Measures to Increase Councillor Transparency

There is considerable concern about the influence of private interests on council decisions. While these issues are often difficult to address, there are three immediate changes that should be implemented. Firstly, the lobbyist registry should be mandatory, not voluntary. Establishing a lobbyist registry is an important first step, but the voluntary nature arguably does little to improve integrity and transparency. Charitable non-profits providing information to city hall, without expectation or possibility of economic gain, should be exempt from the registry.

Secondly, councillors should be required to post their meeting schedules. Along with public disclosure of expenses and spending, it is increasingly common for elected officials to disclose meeting activities. Lastly, all council votes should be recorded, not only if requested by a member of council, and included in reporting of decision-making. More and more Canadian municipalities are routinely recording votes on all council and committee decisions, rather than just when requested, thereby increasing council transparency and accountability.<sup>6</sup> The first two of these recommendations will not require substantial investments, other than staff time, but would increase transparency around councillors' activities. Other jurisdictions that have moved to recording all council votes have done so with electronic voting systems, which also add to the ease with which this data can be made publically accessible.

*Cost:*

- Staff time to maintain lobbyist registry and support in posting councillor schedules: \$50,000
- Electronic voting system to record all council votes: (approx. \$12,000 based on Burlington, ON): \$12,000

*New expenditure for tracking councillor transparency: \$72,000*

### Develop Comprehensive Strategies for Disposal of Surplus Property

There is a serious concern in the City of Winnipeg about how surplus city land and buildings are dealt with. In several cases, there are questions about how the value of land was determined, the bidding process, as well as the opportunity costs from disposing of city-owned property. Especially where the City has made significant investments in infrastructure such as Bus Rapid Transit, there should be a mechanism for either

the benefits from these investments to accrue to the City or for them to serve the public interest more concretely.

We recommend that three strategies be adopted for land deemed surplus. Firstly, affordable housing uses should be prioritized for surplus land, including through non-profit housing developers (either through right of first refusal for sale or lease, or authorize below market value sales) or the development of community land trusts.<sup>7</sup> Secondly, long-term leases (usually 55 or 99-year terms) can be used to maintain a revenue source, allowing for rent increases over time and to capitalize on increased value of properties over a longer term. This should be considered for lands more suitable to employment or industrial uses. Lastly, in all cases, bids should be made publically available.

### Assess Strategies to Encourage More Equitable Council Representation

Another concern is how council members reflect the interests of the communities they represent, and balance these interests against city-wide issues. There are differences in how local councillors in North American cities are elected: a) through a ward or district-based system (one council representative per geographical area), b) at-large systems (councilors elected by entire population), or c) a mix of the two. At-large and mixed systems are more common in west coast cities, including Vancouver and Victoria, B.C. There are differing opinions on the most equitable form of representation, however the advantage of an at-large or mixed system is that there is more concern for city-wide issues and vote trading is minimized, though a purely at-large system may weaken the representation of specific groups.<sup>8</sup> There is similar concern about the size of wards in Winnipeg, as large wards may particularly disadvantage smaller groups, decrease the responsiveness of councilors and reduce the pool of candidates for elections.<sup>9</sup>

Given these debates, it is critical to re-assess the City of Winnipeg's election system, paying particular attention to issues of equity and representation. We recommend that the City undertake a study of alternative representative systems and pursue strategies that prioritize more equitable council access for under-represented groups.

*Cost:*

- Consultant fees for study on election reform: \$75,000

*New expenditure for study on election reform:*  
\$75,000

***Total New Expenditures:***

- Systems improvements: \$200,000
- Councillor transparency: \$72,000
- Electoral reform study: \$ 75,000

Total: **.347M**

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<sup>1</sup> Zack Taylor, "Good Governance at the Local Level: Meaning and Measurement," in *IMFG Papers on Municipal Finance and Governance* (Toronto: Institute on Municipal Finance & Governance 2016).

<sup>2</sup> Ibid.

<sup>3</sup> See <https://opendatacharter.net/principles/>

<sup>4</sup> For example, it has been adopted in Ontario (<https://www.ontario.ca/page/sharing-government-data#section-1>) and Edmonton (<https://data.edmonton.ca/stories/s/International-Open-Data-Charter/secq-sswa/>).

<sup>5</sup> See Open Democracy Manitoba's website which aggregates and visualizes council decisions: <http://www.winnipegelected.ca>

<sup>6</sup> For example, see Vancouver, BC (<http://data.vancouver.ca/datacatalogue/council-voting-record.htm>); Mississauga, ON (<https://www.insauga.com/mississauga-city-council-will-start-recording-votes>); and, Burlington, ON (<http://www.burlingtongazette.ca/city-councillors-abuse-the-recorded-voting-process-city-decides-to-buy-an-electronic-vote-recording-system/>).

<sup>7</sup> <http://inclusivepolicy.org/strategies/public-land/>

<sup>8</sup> National League of Cities. <http://www.nlc.org/municipal-elections>

<sup>9</sup> Owen Toews, "Winnipeg Free for All: Towards Democracy at City Hall," (Winnipeg, MB: Canadian Centre for Policy Alternatives, 2017). The size of wards in Winnipeg, which average about 47,000 people per councillor, is within the range of major Canadian cities, though there is considerable variation, from a low of about 19,000 people/councilor in Regina, SK to a high of about 78,000 people/councilor in Calgary, AB. Alexandra Flynn, "(Re)Creating Boundary Lines: Assessing Toronto's Ward Boundary Review Process," in *IMFG Papers on Municipal Finance and Governance* (Toronto: Institute on Municipal Finance & Governance 2017).

## Housing

Housing, and the need for affordable housing in cities and towns across Canada, has finally caught the attention of politicians. After a quarter century of urging from housing advocates, there is finally some meaningful housing policy and funding action. The federal government released a National Housing Strategy, guaranteeing its leadership in housing for the next decade. Significantly, in order for provincial and municipal government to access the funds, they will have to partner with the federal government.

Unlike some cities, Winnipeg has no direct role in managing or developing social housing, but that does not mean it has no responsibility when it comes to housing. The city has authority over planning and land use and therefore a number of tools at its disposal to encourage, incent, or even require the development of affordable housing.

Most of the city's recent affordable housing activity has been through an annual investment ranging between \$1M and \$1.9M in the Housing Rehabilitation Investment Reserve (HRIR).<sup>1</sup> This funds some housing activities, primarily the housing improvement programs, of some of the community-based Neighbourhood Renewal Corporations located in inner-city neighbourhoods. But the HRIR's size, scope, and purpose is not adequate to address other community priorities and needs, such as providing access to tenant supports. The administrative costs of these programs have been low, and the improvements to inner-city neighbourhoods include increased housing values and significant reductions in vacant and boarded properties.

The city has also used Tax Increment Financing (TIF) in the downtown to support some residential rental projects, a portion of which includes some affordable housing, with developers provided an up-front grant equal to the increased property taxes to that flow from the heightened value of the property. Currently, the city is looking at expanding the TIF program outside of

downtown. These are important initiatives, but the city has access to many more tools to help lower the cost and speed of developing affordable and social housing options.

Currently, a large portion of Winnipeg's capital budget supports regional infrastructure for new developments, effectively subsidizing the development of new, market-priced homes. The city has an ability — which it has generally chosen not to employ — to make those capital investments conditional on developers including other types of housing in new communities. There is provincial legislation that allows for inclusionary zoning, giving the city powers to regulate development or raise money for affordable housing.

**Across Winnipeg, almost 30 per cent of all renters are in core housing need, meaning they live in inadequate, unsuitable housing and/or spend more than 30 per cent of their income on housing.**

In 2013, Winnipeg developed a renewed housing policy, and a housing policy implementation plan was finalized in 2014.<sup>2</sup> Over the past three years, however, progress on implementation has been extremely slow, with no new resources dedicated towards implementing the policy. Winnipeg had to hire an external consultant to undertake a housing needs assessment, one that will take 18 months to complete, because it does not have the internal resources to analyze data and housing markets. This needs assessment will be a useful document, but the city needs staff who can analyze trends, implement policy and programs, measure their success, and make continuous improvements if we are to take advantage of the funding for housing soon to be released.

While more capacity to do research on policy options and results is necessary, the need for affordable and social housing in Winnipeg is clear. Across Winnipeg, almost 30 per cent of all rent-

ers are in core housing need, meaning they live in inadequate, unsuitable housing and/or spend more than 30 per cent of their income on housing.<sup>3</sup> Just over 8 per cent of Winnipeggers live in homes in need of major repairs; for Indigenous Winnipeggers it is over 15 per cent.<sup>4</sup>

Most cities across Canada have recognized that leaving the housing market solely to developers and real estate investors has not met the housing needs of their populations, and the resulting gaps negatively impact on multiple aspects of a city's development. As examples of cities recognizing the importance of housing on urban dynamics, The City of Edmonton has a department of Housing and Economic Sustainability and cities like Regina, Vancouver, and Toronto have Mayoral-led task forces on housing. Though Winnipeg's Mayor and Council have endorsed the 10-Year Plan to End Homelessness, they have shown little support for the provision of city resources to create the affordable and social housing needed to achieve that plan.

As discussed in "Winnipeg Without Poverty: Calling on the City to Lead",<sup>5</sup> 2018 are many things a city can do outside its budget to facilitate housing development and maintain existing affordable housing. Options include land donations, regulatory measures, and capacity building with community agencies. Budgets, however, are an indicator of a city's tangible commitment. As can be seen in Winnipeg's 2018 budget, at this historic time with significant federal resources on the table, our city has chosen to reduce its capacity to engage in partnership and facilitation of affordable housing development over time.

#### Current Housing Funding Compared with Alternative Budget Housing Funding **Housing Renewal and Development**

Current: \$1.929m in Housing Rehabilitation Investment Reserve Funding (HRIR). This was reduced by 51.7% in 2014,<sup>6</sup> apparently due to reductions in debt charges, but also because a

number of housing grant programs ended. It was increased in 2016, but is still below 2013 levels. The Housing Rehabilitation Investment Reserve funds Neighbourhood Renewal Corporations to administer housing improvement grants (exterior fix-up grants, minimum home repair funds) in 5 inner city neighbourhoods, and supports a small amount of affordable housing development in these communities.

Alternative Budget: We propose that this fund be increased by \$5.5m, for a total of \$7.249m. Of this increase, \$1m should come from an inclusionary zoning opt-out fee, discussed below.

#### *New Expenditure:*

- Increase HRIR Fund: \$5.5M

Winnipeg's housing renewal initiatives, with neighbourhood-based housing coordination and renovation grants in targeted areas, is arguably the most successful of its existing housing initiatives. The administrative costs of these programs have been low, and the improvements to inner city neighbourhoods are evident. These include increased housing values and significant reductions in vacant and boarded properties. They have also improved a number of affordable properties, including rental properties that would otherwise have been torn down or sold because the costs to maintain them were prohibitive.

Support of the housing renewal initiatives has not, however, been as great as was anticipated by community organizations. The first Neighbourhood Housing Plans, most of them developed about 10 years ago, planned for new developments and programs which would have required increases to funding over time. This funding was never provided, and many of the larger initiatives, especially affordable housing developments, could not be realized. Funding for neighbourhood renewal should continue and be increased, as inner-city communities have shown major improvements through minor investments.

The recommended HRIR will include:



- \$3.5M to be dedicated to housing improvement in inner city neighbourhoods, including rooming houses, affordable rental properties, and homes owned by low income residents. This funding should continue to be administered by Neighbourhood Renewal Corporations, who know the neighbourhoods best and have an ability to ensure funding goes to the priorities of residents. A portion of these funds (\$1.5m) should target energy efficiency, as low income Winnipeggers in older homes will suffer from increased Manitoba Hydro rates.
- \$3.749M to be dedicated to new affordable and social housing development. Financial incentives for affordable housing developments are a critical form of support provided by a majority of cities in Canada. The City of Winnipeg should increase the amount it currently provides to housing development, and make it contingent on the housing filling an identified affordable housing gap. Provided as a \$40,000 per unit grant aligned with any new provincial and federal grant, this would support about 100 units of affordable housing in Winnipeg in the first year.

### **Facilitation and Leadership**

Current: \$180,000 operational funding for the Winnipeg Housing and Rehabilitation Corporation. This was reduced by 11% in 2013 and has remained at that level.

Alternative Budget: We propose an increase of funding to the Winnipeg Housing and Rehabilitation Corporation of \$320,000 for a total budget of \$500,000.

#### *New Expenditure:*

- Increase funding for WHRC: \$320,000

The city needs to bring all of its potential tools to bear on leveraging housing investments to

the greatest extent possible. This includes direct funding, through mechanisms like the HRIR, as well as planning and regulatory tools. The city should also ensure policies are in place to support the use of regulatory tools that reduce the cost of development, through waiving development fees or requirements, or accelerating the development approval process. These can increase the viability of affordable and social housing developments.

The city needs an entity with the capacity to ensure non-profit housing developers can access these and other regulatory tools to increase the number of affordable and social housing units built in Winnipeg. An Affordable Housing Development Corporation, with a mandate from city council to develop, or support the development, of affordable housing throughout the city could make substantial progress on reducing Winnipeg's affordable housing crisis. It would be possible to do this through the already established Winnipeg Housing Rehabilitation Corporation (WHRC), if provided with increased resources and a mandate to bring multiple levels of government together to initiate and coordinate the funding of new affordable and social housing. We are suggesting an increase of existing operating funding, to \$500,000 per year. This would allow the WHRC to develop a comprehensive affordable housing plan and provide the financial resources to implement it.

#### *New Expenditure:*

- Increase of operating funding for affordable housing development: \$500,000

### **Increase Options to Fund Housing Activities**

In order to support affordable housing development at the scale required to improve the housing situation, more funds are required. Inclusionary zoning is an under-utilized tool that municipalities in Manitoba have to increase affordable

housing. This would require that a portion of all new development include affordable housing, ideally defined to align with the federal definition of ‘affordable’ — 80% of median market. While inclusionary zoning in other jurisdictions has been most effective at increasing the amount of affordable home ownership in new, large scale developments, it can also be used to raise funds that are distributed to non-profit housing developers. In the hands of non-profits, the funding can then be used to fill specific housing gaps, such as supportive and rent-geared-to-income rental housing.

With an inclusionary zoning policy, ideally developers must build affordable housing themselves so that the affordable units are included across all communities and do not appear different from the market units. With a 10% affordable housing requirement, based on 2017’s residential building permits (approximately 5,000 new units), Winnipeggers would benefit from about 500 new affordable homes each year.

For developments under 10 units, or in areas that are proven to be inappropriate for affordable housing, however, an opt-out fee could be charged. Residential building permits for developments under 10 units in 2017 were valued at about \$25.9m. It should be noted that there were more residential permits than usual in 2017 due to developers trying to get approvals ahead of the new Impact Fee, but also that residential permits tend to undervalue the properties being developed. With these assumptions in place, a 3.5% opt-out fee would bring in approximately \$1m in additional revenue.

It should be noted that there are risks associated with permitting an opt-out fee, as developers may prefer a simpler fee option, in which case the revenue raised through the fee may not compensate for the loss of potential affordable units. Should the City of Winnipeg implement inclusionary zoning, an opt-out fee should be applied conservatively and with caution.

#### *New Revenue:*

- Inclusionary zoning opt-out fee: \$1M

There are other changes to the housing market through technological innovations that may lead to additional revenue to off-set their negative impact on the housing market. With the advent of “home sharing” through sites such as Airbnb and Vacation Rentals by Owner, those who own property can avoid both residential tenancy laws and accommodation taxes/regulations. In addition to unfair tax avoidance, a number of cities have become increasingly concerned with the impact of short term rentals on the housing market. With an already limited supply of affordable rental properties, the city should study options for regulating and taxing short-term rentals, focusing on protecting tenants and affordable housing. Such a study would be conducted by city employees internally, but will have some minor additional costs for consultations and research. Therefore, we propose a \$30,000 budget increase for the short term accommodation review.

#### *New Expenditure:*

- Review of short-term accommodation: \$30,000

#### Conclusion

For the first time in a generation, there is political will at the national level to address Canada’s housing crisis. Without matching will at a municipal level, and the resources dedicated to be a decision-maker in implementing the housing strategy, Winnipeg will miss this opportunity. With small increases to the budget, and the will to implement strong policies, Winnipeg can demonstrate its commitment to creating complete communities where all residents can afford a home.

#### *Total New Expenditures:*

- Housing Rehabilitation and Investment Reserve: \$5.5M

- Winnipeg Housing and Renewal Corporation funding to implement affordable housing strategy: \$320,000
  - Increase of operating funding for affordable housing development: \$500,000
  - Short term accommodation tax and regulation review: \$ 30,000
- Total: **\$6.35M**
- Total New Revenue:***
- Inclusionary zoning opt-out fee: \$1M
- 

<sup>1</sup> [http://www.winnipeg.ca/finance/files/2018PreliminaryBudget\\_Volume2.pdf](http://www.winnipeg.ca/finance/files/2018PreliminaryBudget_Volume2.pdf) Page 48.

<sup>2</sup> City of Winnipeg (2013). Housing policy. [http://www.winnipeg.ca/ppd/pdf\\_files/housing\\_policy.pdf](http://www.winnipeg.ca/ppd/pdf_files/housing_policy.pdf)  
 The implementation plan: City of Winnipeg (2014). Housing policy implementation plan. [http://www.winnipeg.ca/ppd/pdf\\_files/HousingPolicyImplementationPlan.pdf](http://www.winnipeg.ca/ppd/pdf_files/HousingPolicyImplementationPlan.pdf)

<sup>3</sup> Canada Mortgage and Housing Corporation, 2011. Canadian housing observer: Characteristics of households in core housing need. Retrieved from: <https://www.cmhc-schl.gc.ca/en/hoficlincl/homain/stda/data/upload/Characteristics-of-Households-in-Core-Housing-Need-Winnipeg-2001-2006-2011.xls>

<sup>4</sup> Statistics Canada, 2011. Target group profile of the Aboriginal identity population, National Household Survey.

<sup>5</sup> <https://www.policyalternatives.ca/publications/reports/winnipeg-without-poverty>

<sup>6</sup> [http://www.winnipeg.ca/finance/files/2018PreliminaryBudget\\_Volume2.pdf](http://www.winnipeg.ca/finance/files/2018PreliminaryBudget_Volume2.pdf) Page 48.

## Employment and Training

This AMB is fundamentally about how to make Winnipeg an equitable place to live. We know we have a long way to go: according to the 2018 Make Poverty History Manitoba report “Winnipeg without Poverty”,<sup>1</sup> poverty is far too prevalent in our city. Depending on which measure is used, 9.6 to 13.3 per cent of Winnipeggers struggle with low income. If the city is serious about lowering these figures, it needs a strategy to increase the labour market participation of multi-barriered workers, and to make sure that as many workers as possible earn a living wage.

**The city needs a strategy to increase the labour market participation of multi-barriered workers, and to make sure that as many workers as possible earn a living wage.**

### Winnipeg’s Indigenous Population

Winnipeg’s Census Metropolitan area has Canada’s largest urban Indigenous population — 91,000 in a population estimated at 761,540, or about 12 percent according to 2016 Census data.<sup>2</sup> The unemployment rate of Winnipeg’s Indigenous population is 11.83 per cent<sup>3</sup> vs 5.5 per cent for its non-Indigenous population.<sup>4</sup> Decades of structural racism, including the legacy of the residential school system, conspire to keep poverty and unemployment levels high. As per the Truth and Reconciliation’s Call to Action number 92.ii: Indigenous people should “have equitable access to jobs, training, and education opportunities in the corporate sector, and that Aboriginal communities gain long-term sustainable benefits from economic development projects.”

The AMB calls on the city to intervene and pull these statistics down. The following four strategies show how.

### Expansion of Oshki Annishinabe Nigaaniwak: City of Winnipeg’s Aboriginal Youth Strategy

As reported in our 2014 AMB, the Aboriginal Youth Strategy gets high grades from the community-based partners that participate in the program. Oshki Annishinabe Nigaaniwak means “Young Aboriginal People Leading”: the program increases the participation of Indigenous youth in civic services.

The strategy is two-pronged. Inner City community-based organizations are funded by the City of Winnipeg to deliver a wide-range of youth programming, including recreation and visual arts, job readiness, skills development and career planning. The second stream aims to get Indigenous youth into the city civil service through internship opportunities within civic departments, career exploration camps, enhanced recruitment and interviewing practices, and cultural awareness training for civic staff. This offers youth the opportunity to become employees of the City of Winnipeg. City jobs are good union jobs; they offer competitive pay and benefits and opportunities for career advancement. The Strategy also includes scholarships and awards to assist youth in post-secondary education or to further their employment options.

The funding includes \$250,000 for an infrastructure training/apprenticeship program. There are several community-based groups that could fashion training programs to train multi-barriered Indigenous youth for a variety of work with the city. The following example put forward by the Amalgamated Transit Union would provide training and jobs with Winnipeg Transit.

We urge the city to consider a program to train and hire multi-barriered youth to fill Winnipeg Transit’s labour needs. CCPA has done research on social enterprises that train and mentor young, mostly Indigenous youth so they can develop skills in the trades.<sup>5</sup> There’s no reason the model could not be structured to work just as well with the city at the helm.

Such a program would require several entities at the table: the city, as employer; Amalgamated Transit Union 1505 as the workplace expert; Jobs and the Economy from the province to offer advice and support; and, a community-based training partner. Neeganin, Urban Circle, Manitoba Institute of Trades and Technology and Red River College all have the capacity to offer the training. There are a variety of trades that could be taught, from mechanics to body work.

Winnipeg Transit can offer a safe, respectful and supportive environment for young workers who face multiple barriers entering and succeeding in the labour market. It also has the advantage of a central location, can offer a variety of skilled trades and other roles in Winnipeg Transit, union support and commitment to employee success.

*New Expenditure:*

- Increase investment in training/ apprenticeship program to match ask from Province: this would pay for a pilot project as per the above: \$.250M

All the programs in Oshki Annishinabe Nigaaniwak increase the opportunities for Winnipeg's Indigenous youth to escape poverty. Grant funding should be increased by 10 per cent and indexed to inflation.

*New Expenditure:*

- Increase Oshki Annishinabe Nigaaniwak grant funding 10 per cent: \$.125M

**Living Wage**

Once trained and job ready, worker need to earn enough to look after their families. Minimum wage does not meet the needs of families with children, partly because it does not force employers to even know what the cost of living is.

In contrast a living wage is calculated by considering the cost of living. It also considers the value of government programs such as the

Canada Child Benefit paid by the federal government. In Winnipeg, the 2016–17 living wage for a two parent/two child family was \$14.54 hour.<sup>6</sup>

The living wage would also support a mix of family types throughout the life cycle so that young adults are not discouraged from having children and older workers have some extra income as they age.

The benefits of a Living Wage are not limited to the employee. Research has shown that paying a living wage has concrete benefits for employers, including:

- Reduced absenteeism;
- Increased skill, morale and productivity levels;
- Improved customer satisfaction; and
- Enhanced employer reputations.

Not all city workers earn a living wage, and it is not known if those companies the city contracts work out to pay a living wage or not. Recent changes to regulations around waste collection contracts are thought to have stemmed the unacceptable working conditions faced by day labourers,<sup>7</sup> but more work needs to be done to understand the nature of the city's outsourcing contracts.

**By adopting a Living Wage policy for their employees and contracted services, the City of Winnipeg would declare itself a leader in poverty reduction in Winnipeg.**

By adopting a Living Wage policy for their employees and contracted services, the City of Winnipeg would declare itself a leader in poverty reduction in Winnipeg. Furthermore, it will lead to better provision of city services and a stronger labour market.

*New Expenditure:*

- Study and development of municipal living wage strategy for city and contracted employees: \$.08M

## Bring City Services in House

When the city outsources its services, it loses control over them, and it is Winnipeggers who suffer. Our Transit section shows how Winnipeggers with disabilities bear the brunt of outsourcing Handi Transit and we recommended spending for a pilot project to start bringing that service back in house. Not only would that change improve service for the disability community, it would provide more decent jobs that could potentially be part of the Indigenous Youth/Winnipeg Youth strategy noted above.

The same process needs to happen with garbage removal. The current pilot project bringing a portion of multi-family garbage collection in house is a good first step to improving service and quality of jobs. The city needs to make insourcing a city-wide trend and prepare to bring all garbage collection in house in seven years when contracts expire.

### *New Expenditures:*

- Prepare to expand all garbage collection insourcing at the end of current contracts:
  - Study: \$.245M
  - Capital expenditure set aside: \$1M

## Procurement

In 2016, The City of Winnipeg spent \$778.8 M in purchases for operations and capital.<sup>8</sup> This is a substantial sum of money, and the way it is allocated has a big impact on our communities, economy and environment. Extensive demands for public resources means it is essential to ensure existing spending is bringing the most value to the City of Winnipeg and our communities.

There is a growing understanding across Canada (and internationally) that public sector purchasing can generate more value for citizens when it promotes and accounts for social, environmental and economic outcomes.

For instance, when day-to-day spending can provide jobs and training for individuals facing

barriers to employment, we all win — decreased social services costs, crime reduction, an expanded tax base, and the opportunity for those marginalized outside the labour market to pull themselves out of poverty.

**It is essential to ensure existing spending is bringing the most value to the City of Winnipeg and our communities.**

Manitoba Housing is a national leader in social procurement. In 2016/17, Manitoba Housing purchased approximately \$5.6M through social enterprises, employing over 220 individuals with barriers to employment to do apartment maintenance on public housing.<sup>9</sup>

An analysis conducted by the department found that for every \$1 spent on this practice, over \$2.23 was gained through reduced expenditures for justice, health and social assistance, and increased tax revenues.<sup>10</sup>

There are other areas in which the city could follow Manitoba Housing's lead to increase the value of its procurement practices. Manitoba's Agribusiness sector (including production and manufacturing/value added) produced \$10 billion in revenue in 2016. The food manufacturing sector alone produced \$4.1 billion in revenue in 2016, and employs 10,300 people in Manitoba, including 5,900 people in Winnipeg. Winnipeg's 184 food and beverage manufacturers make up a significant proportion of the 218 Manitoba businesses in that sector.<sup>11</sup> City of Winnipeg procurement policies that favour locally produced and manufactured foods could have a broad impact on local livelihoods, economies and the environment, ensuring even greater success, stability and employment in this sector.<sup>12</sup> This strategy would complement the community gardening proposal in our Food Security chapter.

Other Canadian municipalities that are engaging in social procurement and/or developing

policies to do so include Toronto, Vancouver, and Victoria. Provincial governments engaging in social procurement include British Columbia, Ontario and Nova Scotia.

Across the pond, the UK passed the Public Services (Social Value) Act in 2013, requiring public procurement officers to consider social, economic and environmental benefits when soliciting bids.

A 2014 survey of Scottish municipal governments found they directed an average of 18% of spending to “Third sector suppliers” (non-profit organizations dedicated to community or environmental impact), with the average council spending \$67M (CDN\$) on third sector suppliers.<sup>13</sup>

**In the 2015 election, then candidate Brian Bowman said “I am certainly open to the idea of procurement policies that bring benefits to the community. I would work with council and city administration to examine the best ways to provide procurement solutions that benefit the community and the City of Winnipeg.”**

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The City of Winnipeg has been working on updating their Materials Management Policy and Administrative Standard to include Sustainable Procurement. It is expected to include an Appendix including a framework for including social outcomes in procurement along with updated environmental standards. There is no timeline for this process.

Support for social procurement spans the political spectrum, including the Winnipeg Cham-

ber of Commerce’s most recent provincial and municipal policy platforms.<sup>15</sup>

In approaching the implementation of a social procurement policy, it is imperative the City of Winnipeg ensures contractors are following through with their commitments.

The City of Winnipeg should consult closely with evaluators, prospective contractors and community stakeholders to ensure an evaluation and accountability system is in place, both to confirm the community benefits promised are delivered, as well to learn from and improve upon the practice.

Some may assume trade agreements (such as the Comprehensive Economic Trade Agreement — CETA — and the Comprehensive and Progressive Agreement for Trans Pacific Partnership—CPTPP) would preclude this type of activity, but this is not the case.<sup>16</sup> While these agreements dictate strict rules for public procurement, there are clear avenues to engage in social procurement while remaining within trade agreements rules. For instance, each of the agreements noted above have exemptions from some procurement rules for purchases from non-profit organizations.

There are multiple ways the City of Winnipeg can implement social procurement. The simplest is to find opportunities to directly purchase from social enterprises. Another option is the use of Community Benefit Clauses within the tender process, which broadens the evaluation criteria for bids to reward social, environmental and economic outcomes

The City of Winnipeg should develop and implement a social purchasing strategy, complete with targets and timelines to grow the practice.

All arms of the municipal government, including the Winnipeg Police Service, Winnipeg Transit, Parks & Recreation, Water & Waste, Winnipeg Public Library and Fire Paramedic Service should shift their purchasing patterns to promote social, economic and environmental outcomes.

This practice has shown a greater return on investment to government and community, in-

cluding more jobs for people with barriers to employment, poverty reduction, increased community services, community renewal, and fairer, stronger and more sustainable economies and environments.

*New Expenditures:*

- New staffing to support implementation of social procurement for city departments: .3M

***Total New Expenditures:***

- Increases to Indigenous Youth Strategy: \$.375M
- Living wage study: \$.08M
- Insourcing study and capital set aside: \$1.245M
- Procurement strategy: .3M

**Total: \$2M**

<sup>1</sup> Make Poverty History Manitoba (2018). “Winnipeg without Poverty: Calling on the City to Lead”. Canadian Centre for Policy Alternatives, Mb. Available at: <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba%20Office/2018/05/Winnipeg%20Without%20Poverty.pdf>

<sup>2</sup> Fernandez, L. and Jim Silver (2018). “Indigenous Workers and Unions: The case of Winnipeg’s CUPE 500.” Canadian Centre for Policy Alternatives, Mb. Available at: <https://www.policyalternatives.ca/publications/reports/indigenous-workers-and-unions>

<sup>3</sup> Ibid.

<sup>4</sup> <https://www.economicdevelopmentwinnipeg.com/choose-winnipeg/locate-expand-here/economic-indicators>

<sup>5</sup> Bernas, K. and Blair Hamilton (2013). Creating Opportunities with Green Jobs. The Story of BUILD and BEEP™. Canadian Centre for Policy Alternatives Mb. Available at: [https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba%20Office/2013/01/Build%20Beep\\_o.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba%20Office/2013/01/Build%20Beep_o.pdf)

<sup>6</sup> “A Family Living Wage for Manitoba 2016–17 Update” Canadian Centre for Policy Alternatives Mb. Available at <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba%20Office/2017/06/CCPA-MB%20Living%20Wage%202017%20final.pdf>

<sup>7</sup> Smirl, Ellen (2017). “Trashed: How Outsourcing Municipal Solid Waste Collection Kicks Workers to the Curb”. Canadian Centre for Policy Alternatives, Mb. Available at: <https://www.policyalternatives.ca/publications/reports/trashed>

<sup>8</sup> [http://mbncanada.ca/app/uploads/2017/11/MBNCanada\\_2016\\_Performance\\_Measurement\\_Report.pdf](http://mbncanada.ca/app/uploads/2017/11/MBNCanada_2016_Performance_Measurement_Report.pdf)

<sup>9</sup> Government of Manitoba, Manitoba Budget 2017, Budget and Budget Papers, E4.

<sup>10</sup> <https://www.ccednet-rcdec.ca/en/toolbox/social-return-investment-four-social-enterprises-manitoba>

<sup>11</sup> <https://www.economicdevelopmentwinnipeg.com/key-industries/agribusiness>

<sup>12</sup> Simpart Strategy Group, *The Social Return on Investment of Four Social Enterprises in Manitoba*, amended July 2016, p. 4.

<sup>13</sup> [http://readyforbusiness.org/wp-content/uploads/2014/08/lib-Council\\_Third\\_Sector\\_Procurement\\_Spend.pdf](http://readyforbusiness.org/wp-content/uploads/2014/08/lib-Council_Third_Sector_Procurement_Spend.pdf)

<sup>14</sup> <https://ccednet-rcdec.ca/en/page/brian-bowman-winnipeg-mayoral-candidate>

<sup>15</sup> [http://www.winnipeg-chamber.com/uploads/9/0/8/4/90840474/bold\\_winnipeg\\_platform-pillar\\_5.pdf](http://www.winnipeg-chamber.com/uploads/9/0/8/4/90840474/bold_winnipeg_platform-pillar_5.pdf)  
[http://www.winnipeg-chamber.com/uploads/9/0/8/4/90840474/manitoba\\_bold\\_full\\_document-resized.pdf](http://www.winnipeg-chamber.com/uploads/9/0/8/4/90840474/manitoba_bold_full_document-resized.pdf)

<sup>16</sup> At the time of writing, negotiations were still ongoing for a new NAFTA agreement.



# Food Security

## Household Food Insecurity

More than 11.5 per cent of people in Winnipeg experience Household Food Insecurity (HFI) — meaning they don't have a stable source of food because of economic barriers.<sup>1</sup> This is a serious social equity issue with significant impacts on public health. While income is the most reliable indicator of HFI, other financial assets and liabilities can have significant impacts on financial access to food, suggesting that HFI is more precisely a measure of poverty or overall material deprivation.<sup>2</sup>

Although there are no available data for HFI in Winnipeg and very few publically-available for Manitoba, national trends indicate that:

- households that identify as Indigenous or black are more than twice as likely as the average household to experience HFI;
- recent immigrant households experience higher levels of HFI than the average Canadian household, although rates of HFI among immigrants in Canada more than five years are comparable to the general population;
- more than two thirds of households reliant on social assistance are food insecure, but the majority food insecure households rely primarily on employment income;
- two thirds of food insecure households are renters;
- one in 6 children lives in a food insecure household, nearly half of food insecure households are single people without children.<sup>3</sup>

Very few interventions have been effective at systemically addressing HFI. Policies and programs that redistribute wealth can have drastic impacts on rates of HFI. For example, Canada's Old Age Security and Guaranteed Income Supplement have been shown to reduce rates of

HFI by as much as half,<sup>4</sup> and adjustments to social assistance programs in Newfoundland and Labrador resulted in drastic declines in HFI in that province.<sup>5</sup>

HFI is monitored through Statistics Canada's Household Food Security Survey Module (HFSSM). The HFSSM was only mandatory for provinces and territories in 2007–2008 and 2011–2012. In other years, Manitoba opted not to participate, resulting in a lack of reliable data. This is surprising, given that Manitobans ranked food security — including inter-governmental approaches to addressing HFI — as the second most important area where efforts should be directed to reduce poverty and promote social inclusion, after housing.<sup>6</sup>

The City of Winnipeg should:

- Work with the Province of Manitoba to ensure annual participation in the HFSSM<sup>7</sup>
- Work with the Province of Manitoba towards compatible provincial and municipal poverty reduction strategies with target increases in income equity and reductions in HFI for the Winnipeg Health Region.

## Urban Food Systems and Winnipeg Food Council

On February 22, Winnipeg City Council approved the formation of the Winnipeg Food Council (WFC), as recommended in the 2010 and 2014 Alternative Municipal Budgets.<sup>8</sup> The Winnipeg Food Council will advise the Mayor and Council on issues that affect the City of Winnipeg food system and encourage multisector coordination.

## Built Environment, Availability and Physical Access

Nearly 10 per cent of people in Winnipeg live in a food desert, or low-income area equal to or greater than 500 metres from the nearest full-service grocery store.<sup>9</sup> A recent assessment conducted by Wiebe and Distasio (2016) suggest that over 120,000 people in Winnipeg live in “severely unsupportive food environments” — areas



Rebecca Black, Food Matters Manitoba

where sufficiently nutritious food is unavailable, or the food that is available is not affordable for local residents.<sup>10</sup> More than two-thirds of these areas are in the inner-city, where 62 per cent of the dissemination blocks are characterized as areas with high social deprivation.<sup>11</sup> Food swamps — with high concentrations of low-quality foods — are far more common in low-income neighbourhoods. Newcomers and Indigenous peoples (especially those migrating from Northern and remote communities) often face additional geographic and social barriers in accessing culturally appropriate or preferred foods, which are less commonly available and often sparsely distributed.

As a result, many of the residents in low-income neighbourhoods must rely on public transportation, where and when available, to access preferred food choices. Limitations on the amount of groceries one can carry onto a Winnipeg Transit / Handi-Transit bus, coupled

with the lack of reliable service, has forced many low-income people in Winnipeg to use taxis to grocery shop. This added cost, along with recent increases in Winnipeg Transit fares, has cut into the already stretched grocery budgets of low-income people in Winnipeg. The AMB recommendation to implement a Low Income Bus pass (in our Transit section) would help ameliorate this problem.

#### Local Food Economies

Manitoba's Agribusiness sector (including production and manufacturing/value added) produced \$10 billion in revenue in 2016. The food manufacturing sector alone produced \$4.1 billion in revenue, and employs 10,300 people in Manitoba, including 5,900 people in Winnipeg. Winnipeg's 184 food and beverage manufacturers make up a significant proportion of the 218 Manitoba businesses in that sector.<sup>12</sup> City of Win-

nipeg procurement policies that favour locally produced and manufactured foods could have a broad impact on local livelihoods, economies and the environment, ensuring even greater success, stability, and employment in this sector. See our Training, Employment and Procurement chapter for more.

**Community Gardens  
(Community Garden Plan)**

Winnipeg is home to 234 allotment garden plots managed by the city, as well as 27 community garden sites on city property, but managed by local community organizations. These community gardens are more than simply spaces for growing food and flowers. Community gardens provide an important source of greenspace in the urban environment, as well as promote social connectedness,<sup>13</sup> learning about the local environment,<sup>14</sup> neighbourhood advocacy and civic engagement.<sup>15</sup> However, the City of Winnipeg lacks a comprehensive community garden plan that includes regular assessment of community gardens and their locations, a formal application process for groups seeking to set up new community garden space, secure leases for community gardeners, and resource support for garden start-ups, soil and seeds, tools, and access to water. Our chapter on Green Spaces has more details.

The City of Winnipeg should mandate and fund the Winnipeg Food Council to do the following:

**Built Environment, Availability and Physical Access**

- Coordinate a review of zoning-bylaws and tax structures, with recommendations to incentivize the equitable distribution of sufficient, safe, and culturally-appropriate food throughout the city.
- Coordinate an evaluation of bus routes, bus design, and service design to ensure people can access and transport a reasonable

amount of food in a reasonable amount of time using reliable Winnipeg Transit or Handi-Transit services (see Transit section).

- Coordinate a Winnipeg Food Assessment, including food assessments for each ward, to identify additional and location-specific assets, opportunities, and barriers to equitable food distribution and availability

**Local Food Economies**

- Provide advice to the City of Winnipeg on the designation and preservation of agricultural land and related land uses within city limits
- Provide the City of Winnipeg with recommendations for City of Winnipeg local food procurement policies.
- Develop resources and materials for sourcing local foods or supporting local food business.

**Community Gardens  
(Community Garden Plan)**

- Compile a complete assessment and map of current community gardens, indicating available community gardening space and contact information.
- Establish a formal application process for groups seeking to set up new community garden space, and provide formal, secure leases to community gardeners
- Provide resource support, through the use of small grants for community garden start-ups, provision of soil and seeds, and access to City of Winnipeg water at no cost.

*New Expenditures:*

- WFC Coordination: \$60,000
- WFC Operating budget: \$75,000
- WFC start-up Cost: \$100,000

Total New Expenditure: **\$235,000**

- 
- 1 [http://proof.utoronto.ca/wp-content/uploads/2014/05/Household\\_Food\\_Insecurity\\_in\\_Canada-2012\\_ENG.pdf](http://proof.utoronto.ca/wp-content/uploads/2014/05/Household_Food_Insecurity_in_Canada-2012_ENG.pdf). HFI can be marginal (worrying about running out of food and/or limited food selection), moderate (compromising the quality and/or quantity of food) or severe (reducing food intake, including going days without food)
  - 2 For example, a study conducted at the University of Manitoba revealed that 35.3% of students surveyed experienced moderate or severe HFI (<http://canadianfoodstudies.uwaterloo.ca/index.php/cfs/article/view/204>)
  - 3 <http://proof.utoronto.ca/wp-content/uploads/2016/04/Household-Food-Insecurity-in-Canada-2014.pdf>
  - 4 <http://www.utpjournals.press/doi/abs/10.3138/cpp.2015-069?journalCode=cpp>
  - 5 <http://www.utpjournals.press/doi/abs/10.3138/cpp.2014-080>
  - 6 [https://www.gov.mb.ca/allaboard/pubs/all\\_aboard\\_food\\_security.pdf](https://www.gov.mb.ca/allaboard/pubs/all_aboard_food_security.pdf)
  - 7 <https://www.canada.ca/en/health-canada/services/food-nutrition/food-nutrition-surveillance/health-nutrition-surveys/canadian-community-health-survey-cchs/household-food-insecurity-canada-overview/household-food-security-survey-module-hfssm-health-nutrition-surveys-health-canada.html>
  - 8 *20/20: A Clear Vision for Winnipeg: 2010 Alternative Municipal Budget*. Canadian Center for Policy Alternatives Mb. Available at: [https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba%20Office/2010/09/AMB2010\\_2020\\_A\\_clear\\_vision.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba%20Office/2010/09/AMB2010_2020_A_clear_vision.pdf). And: *Taking Back the City: Alternative Municipal Budget Winnipeg, 2014*. Canadian Centre for Policy Alternatives, Mb. Available at: <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba%20Office/2014/04/Alt%20Municipal%20Budget%20web.pdf>
  - 9 <https://www.canada.ca/content/dam/phac-aspc/documents/services/publications/health-promotion-chronic-disease-prevention-canada-research-policy-practice/vol-37-no-10-2017/ar-05-eng.pdf>
  - 10 Wiebe, K and Distasio, J. (2016). *Confronting the Illusion: Developing a Method to Identify Food Mirages and Food Deserts in Winnipeg*. Institute of Urban Studies, University of Winnipeg. Retrieved from: <https://www.uwinnipeg.ca/ius/docs/reports/2016-06-22-food-security-in-brief.pdf>
  - 11 The social deprivation characteristics considered in this study were low-income, lone-parent, unemployed, non-drivers, low-education, Indigenous, or recent immigrants.
  - 12 <https://www.economicdevelopmentwinnipeg.com/key-industries/agribusiness>
  - 13 Saldivar-Tanaka and Krasny 2004; Armstrong 2000; Hanna and Oh 2000
  - 14 Hale et al. 2011; Okvat and Zautra 2011; Andersson, Barthel, and Ahrné 2007
  - 15 Glover, Shinew, and Parry 2005; Krasny and Tidball 2009b; Hancock 2001; Okvat and Zautra 2011

## Recreation

Recreation is vulnerable to budget cuts because it is viewed as a non-essential service. This needs to change. We know that physical activity is correlated with positive health outcomes, yet in Canada, only 48 per cent of the population aged 12 and over reported engaging in physical activities in their leisure time.<sup>1</sup> Only 9 per cent of Canadian kids aged 5 to 7 are getting the recommended 60 minutes of exercise per day.<sup>2</sup> Recreation however is not just about developing physical health; programs can also foster social, intellectual, creative, and spiritual well-being. According to the city's own documents, recreation holds the power to "strengthen families, build healthy communities, improve quality of life, support the healthy development of children and provide an opportunity to develop leadership skills."<sup>3</sup> Recreation can also be an effective way to prevent some high risk youth from getting involved with crime. By increasing access to recreational services we have the opportunity to improve quality of life for *all* Winnipeggers.

Unfortunately, reductions in the 2018 Budget do not strengthen the city's recreation services, making it unlikely it will reach its stated goal to be a "leader in delivering recreation services that build healthy communities".<sup>4</sup> The 2018 Operational Budget will see a decrease of 4.75 M in expenditures from the 2017 Recreation Budget.

### Fees

Fees for recreational programming increased moderately. While some suggest that recreation programs and facilities should generate enough fees to cover their costs, this strategy does not work in lower-income areas where cost represents a significant barrier. Any increase in fees may lead to decreased participation which in turn may result in further deterioration of programming. That is to say, that the fewer people that participate, the fewer programs will be offered

and a vicious cycle of decreased participation/programming cuts may follow. In low-income neighbourhoods, recreation programming should be viewed as an investment that can help to offset the costs of socio-economic related problems, especially youth crime.

### Programming Hours

The 2018 budget shows that wading pools hours were reduced from 26,174 in 2014 to 22,422 in 2016.<sup>5</sup> The number of hours of spray pad free programming however increased significantly from 13,393 in 2014 to 18,446 in 2016 which reflects the opening of Machray Park and Park City West Spray Pads as well as the re-opening of the Kinsmen Transcona Spray Pad.<sup>6</sup> This represents a positive step as spray pads are free to all, provide relief from heat waves, and represent accessible community spaces.

Community advocates stated that improvements to existing wading pools and the increase in the numbers of splash pads has been well received in their communities and the City of Winnipeg should be applauded for their efforts in this area and continue to make these spaces accessible to all regardless of their ability to pay.

### Funding for Community Centres

The budget for 63 community centres in the City of Winnipeg was 9.46 million in the 2018 budget, an increase of .37 million from the 2016 budget.<sup>7</sup> There is \$538,000 in programming funds that community centres can apply for. Community centres also count on \$150,000 per year from the province in capital grants. Ninety percent of community centers have paid staff, however community centres still have to rely largely on volunteers, a strategy that does not work well for lower-income and more transient neighbourhoods. Community advocates reported wide discrepancies in both services and capital assets between low-income and higher-income neigh-

TABLE 1 Operating Budget 2017–18

Operating Budget (Recreation) Millions of Dollars

	2017	2018
Revenues	13.363	13.442
Expenses	58.562	53.808

**COMPILED FROM:** City of Winnipeg 2017. “Community Services Department 2018–2020 Budget”. Standing Policy Committee on Protection, Community Services, and Parks. December 4 2017.

bourhoods demonstrating a need for targeted strategy to upkeep both the structures and programming for community centres in Winnipeg’s more marginalized communities.

**Facility Decline and Disrepair**

Aging city facilities have had their maintenance budgets cut to the point that many facilities are falling behind recommended standards of repair. This occurred with the Sherbrook Pool. While ensuring that this facility remained open in the community was a positive step, the cost of repairs from letting the building fall into disrepair for so many years was pegged at \$2.7 million.<sup>8</sup> One of the biggest challenges for the recreation budget however remains the infrastructure deficit. According to the 2018 City Budget \$453.4M needs to be invested over the next 10 years in order to bring all recreation, leisure, community centres, arenas and pools to a reasonable Facility Conditions Index ratio.<sup>9</sup>

**Positive Steps**

In 2016, the new/expanded annual pass subsidy was launched by the city and replaced the 10-visit subsidy pass. In 2015, 585 ten-visit passes were issued, while in 2016 2,416 annual passes were issued. This represents a positive step toward allowing those with low income to participate in recreation however, other barriers remain. Community activists reported that many people do not know how to apply for passes, may lack the documentation to apply, may experience language barriers and some stated that their participants

feel embarrassed to apply for low-income subsidy programs and passes.

The city instituted a weekly women-only swim program at Kinsmen Sherbrook Pool which respects the cultural and religious beliefs of the Muslim faith. Between 2015 and 2016, registered course fee subsidy registrations saw an increase of 22 percent demonstrating both demand and improved promotion of the subsidy program. The city should be applauded for their efforts at increasing participation.

**Recommendations**

**Supporting Partnerships Between City and Community Agencies**

Community centres were frequently mentioned during our community consultations as representing an area where improvements need to be made. Many community advocates stated that the community centre model that is employed across the city does not work for lower-income areas because it relies heavily on volunteerism which doesn’t work well in more transient neighbourhoods.

One model that advocates have called for is already being employed in some neighbourhoods such as Spence and Turtle Island and could be expanded. The city maintains ownership and operation of the facility and provides a small number of staff while the partnering organization designs and operates the programming (in this case Spence Neighbourhood Association and Ma Mawi Wi Chi Itata Centre). Such a move aligns well with the stated goal in *Our Winnipeg* to “Deliver community and neighbourhood-managed recreation services by maintaining ongo-

ing support for developing community centres with public, not-for-profit and private partner”.<sup>10</sup>

Dedicated and targeted funding for community agencies that already demonstrate strong recreation leadership should be supported. Existing groups should receive current funding through operational grants to run and program the facilities as these groups can grow usage of these facilities as well as make sure that the facilities are meeting the communities’ needs. Operational funding would also allow these organizations to better hire local residents and to train and support them.

*New Expenditure:*

- Fund two agencies (\$285,000 per agency): \$570,000

**Increase Grants Funding to Non-Charging Community Based-Organizations Providing Recreation Opportunities by 10 per cent**

In aligning with the recommendations from “Winnipeg Without Poverty: Calling on the City to Lead”,<sup>11</sup> the city should increase its grants by 10 per cent to non-charging community-based organizations that deliver recreation (e.g. arts, sports, music) programming and index future increases to inflation.<sup>12</sup> Grants should include staffing as an eligible expense. Additional targeted funding should be made available to organizations in low-income areas to ensure their programming can remain free and accessible.

*New Expenditure:*

- Increase grants to community-based organizations: \$16,000

**Increase Outreach Services to Low-Income Families to Promote Recruitment into and Maintain Participation in Recreation Programs**

The city has produced the Everyone Can Play Guide, a guide for service providers and organizations working with families who experience barriers to recreation and sport participation. This is

a helpful document. Increase staffing support is needed however, both within the city to increase participation in city recreation programming and ensure that existing subsidies provided are used.

Following recommendations from the Winnipeg Community Sport Policy’s “North End Sport Forum Report”<sup>13</sup> the city should hire two Community Development workers who help those registering complete the subsidy forms as well as perform other outreach duties that increase engagement.

Community advocates stated that many of their community members are not aware of programming in their areas. Social media can be an important marketing tool- especially for youth, however city policy does not allow staff to post city matters on social media. Investigating and adopting new marketing strategies would help improve up-take of leisure activities and programs city-wide which in turn could increase the number of registration fees paid.

*New Expenditure:*

- Two paid staff who are dedicated to outreach and engagement activities, programming promotion and supporting subsidized registrations: \$116,000

**Funds to Bridge Infrastructure Deficit**

An on-going challenge for the recreation budget is the infrastructure deficit, as highlighted in previous AMBs. The 2018 State of Infrastructure Report found that the overall condition of the assets in the Community Services Infrastructure element is “Fair trending toward Poor; however, a significant number are in Poor to Very Poor condition”.<sup>14</sup> According to the 2018 City Community Trends and Performance report, \$453.4 M needs to be invested over the next 10 years in order to bring all recreation, leisure, community centres, arenas and pools to a reasonable Facility Conditions Index ratio.<sup>15</sup>

According to city’s 2014 Preliminary Operating Budget, \$319.3M needed to be invested over

10 years to bring facilities to the reasonable Facility Condition Index ratio.<sup>16</sup> As of 2018, the City estimates \$453.4M is now required.<sup>17</sup> Converting the 2014 figure to 2018 dollars (\$340.9M) allows us to see how that figure has changed over four years. From 2014 to 2018, the amount needed to put recreation facilities in reasonable shape has increased in inflation adjusted terms by \$112.5M (\$453.4M–\$340.9M).

Furthermore, while the city invested \$61.8M over 6 years in 2014, it is only spending \$62.6M in 2018.<sup>18</sup> Converting 2014's spending to 2018 dollars gives us \$66M, giving us a real spending decrease of \$3.4M from 2014 to 2018. This decrease in investment combined with the rate of decline in the infrastructure is causing the infrastructure deficit to grow at the alarming rate of 33 per cent. As we saw with the case of the Sherbrook Pool, it costs the city significantly more when facility maintenance and repair is ignored.

According to the city's own document "Community Services are forecasted to have 1 percent less of the overall tax-supported capital plan dedicated to its infrastructure needs compared to historical allocations, which is not sufficient to address the growing deficit."<sup>19</sup> The AMB increases capital spending for recreation facilities by \$45.3M<sup>20</sup> to address this growing infrastructure gap. This increase will require that the city work with partners at other levels of government (i.e. Manitoba Health, Regional Health Authority and the Federal government) to create an infrastructure fund that will prevent the closure of more facilities due to disrepair. Finally, the significant capital investment required in city facilities cannot be addressed through ad hoc spending. A strategic plan that employs best practices in developing efficiencies within and between city facilities needs to be developed. Such a plan should include a way to develop greater energy efficiencies within municipal facilities, our final recommendation.

*New Expenditure:*

Increased capital spending on recreation facilities \$45.3M

- Debt Servicing @ 3.6% \$2.47M

**Study on Improving Energy Efficiency in City-Run Facilities**

Capital investment in city facilities is necessary however long-term strategic thinking about how to save money is required. One of the most obvious places to save (without reducing programs) is to examine how city recreational facilities could be more energy efficient. Manitoba Hydro examined how to improve energy efficiency in municipal recreational facilities.<sup>21</sup> Aging recreational facilities are more difficult to retrofit, so creative solutions are needed. Other municipalities have established 'Green Revolving Funds' which are energy-efficiency financing tools that use savings from previous efficiency projects and re-invests those savings into new projects.<sup>22</sup> Creative solutions such as this should be explored through a study aimed at reducing the capital costs of maintaining older, less energy efficient city-run facilities. Such an effort would comply with the AMB's sustainable budgeting principals, as explained in the Introduction and Environment section.

*New Expenditure:*

- Study on improving energy efficiency in city-run facilities: \$200,000

**Total New Expenditures:**

- Fund two agencies (\$285,000 per agency): \$570,000
- Increase grants to community-based organizations: \$16,000
- Two paid outreach staff: \$116,000
- Debt Servicing: \$2.47M
- Energy efficiency study: \$200,000

**Total: \$3.372M**



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- 1 Statistics Canada. No date. *Leisure-time physical activity, by sex, household population aged 12 and over, Canada, provinces and territories (table)*. Table 105-4033. CANSIM (database). Retrieved April 11 2018 from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=1054033>
  - 2 Participaction. 2016. "Are Canadian Kids Too Tired to Move? 2016 Participaction Report Card on Physical Activity for Children and Youth. Retrieved April 12 2018 from <https://www.participaction.com/sites/default/files/downloads/2016%20ParticipACTION%20Report%20Card%20-%20Full%20Report.pdf>
  - 3 City of Winnipeg. 2011. "Recreation". In *Our Winnipeg*, page 58. Retrieved March 18 2018 from <http://www.winnipeg.ca/interhom/CityHall/OurWinnipeg/pdf/OurWinnipeg.pdf>
  - 4 City of Winnipeg. 2011. "Recreation". In *Our Winnipeg*, page 58. Retrieved March 18 2018 from <http://www.winnipeg.ca/interhom/CityHall/OurWinnipeg/pdf/OurWinnipeg.pdf>
  - 5 City of Winnipeg. 2017. "Community Trends and Performance Report." Retrieved April 9 2018 from <http://www.winnipeg.ca/interhom/budget/2018budget/default.stm>
  - 6 Ibid
  - 7 City of Winnipeg. 2018. "Preliminary Budget: Operating and Capital: Volume 2." Page 87. Retrieved April 4 2018 from [http://www.winnipeg.ca/finance/files/2018PreliminaryBudget\\_Volume2.pdf](http://www.winnipeg.ca/finance/files/2018PreliminaryBudget_Volume2.pdf)
  - 8 CBC Online. "Cost to Fix, Reopen Sherbrook Pool Pegged at \$6.2M". Retrieved March 13 2018 from <http://www.cbc.ca/news/canada/manitoba/cost-to-fix-reopen-sherbrook-pool-pegged-at-6-2m-1.1328675>
  - 9 City of Winnipeg. 2017. "Community Trends and Performance Report." Retrieved April 9 2018 from <http://www.winnipeg.ca/interhom/budget/2018budget/default.stm>
  - 10 City of Winnipeg. 2011. "Recreation". In *Our Winnipeg*, page 58. Retrieved March 18 2018 from <http://www.winnipeg.ca/interhom/CityHall/OurWinnipeg/pdf/OurWinnipeg.pdf>
  - 11 Make Poverty History Manitoba. 2018. "Winnipeg Without Poverty: Calling on the City to Lead. Canadian Centre for Policy Alternatives, Manitoba. Available at:
  - 12 Ibid.
  - 13 Winnipeg Community Sport Policy. 2016. "North End Sport Forum Report." Winnipeg Manitoba.
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## Public Library Services

Winnipeg has been served by some form of public library service since the early 1880s.<sup>1</sup> Today services are delivered by Winnipeg Public Library whose mission is “to enrich the lives of all Winnipeg citizens and their communities by providing high quality, responsive and innovative library services”.<sup>2</sup> Within the structure of the municipal government, WPL is referred as the Library Services Division of the Community Services Department.

Central to the work of WPL is the promotion of “21st century learning skills such as collaboration, communication, creativity, and critical thought”.<sup>3</sup> The City of Winnipeg’s library staff play the role of public educators who foster a lifelong love of learning and help create an informed public better equipped to engage with their government and fellow community members. In 2016, library staff hosted 4,266 programs which were attended by an all-time high of 106,221 people.<sup>4</sup> Library staff perform this work across 20 brick-and-mortar facilities and as part of an Outreach Services unit that delivers off-site services.<sup>5</sup>

Additional staff perform cataloguing and materials processing, while others make create and maintain the Library’s virtual presence (website, social media accounts, online resources guides, electronic collections, etc.) and service the system’s information technology.

## The Value of Public Library Service

In its discussion paper for the Manitoba Culture and Creative Industries Strategy the Government of Manitoba noted the added value that public library services deliver for the publishing, visual arts and music, archives, education and tourism sectors.<sup>6</sup> However, public libraries add value to initiatives of all kinds by providing the information needed to make informed decisions. They also act as catalysts that spark and guide community conversations about challenging topics.

The arguments for increasing investment in public library services are as numerous and diverse as the individuals and communities served — and go far beyond the cultural sector. Following are just some examples. Is a community committed to:

- supporting the literacy skills of children during their critical early years?
- acting as a useful partner in mental health and homelessness strategies?
- providing age-friendly options for life-long learning, leisure and socialization?
- ensuring that the information and technology needed to foster innovation are accessible to all who want to make their ideas a reality?
- creating the social space and learning opportunities needed to advance broad societal goals such as anti-racism, respect for LGBTQ2S communities and relationship-building with Indigenous peoples?

TABLE 1 Winnipeg Public Library activity – 2016

Library card holders	301,257
In-person visits	2,990,003
Items borrowed (including electronic)	5,121,266
Programs offered	4,266
Program attendance	106,221
Computer bookings	438,244
Questions answered	176,058

SOURCE: 2016 Winnipeg Public Library Annual Report

Libraries not only provide information to answer questions related to these topics (and more) — libraries themselves form a critical part of the answers. Put another way: the goal of public library services in Winnipeg, as elsewhere, can be distilled into one main objective: to help individuals and communities meet the goals they have set for themselves.

**The goal of public library services is to help individuals and communities meet the goals they have set for themselves.**

Studies in recent years have undertaken the challenge of quantifying the impact or contributions that public libraries make in the communities they serve. One Canadian example of such a study was the 2013 Martin Prosperity Institute's *So Much More: The Economic Impact of the Toronto Public Library on the City of Toronto* which concluded that for every \$1.00 of public investment the library system produced \$5.63 of economic impact.<sup>7</sup>

Another study commissioned by the Edmonton Public Library and released in 2016 found that that system generates "\$3.11 in economic value for each dollar invested in the library's operations."<sup>8</sup> While the methodology of these studies differed they both considered the value generated by the libraries' collections, reference/research services, programming, facilities/meeting spaces and contributions to gross domestic product through their staff complements.

### Current Investment Priorities — Capital Projects

The 2017 Capital budget contains funding for refurbishment or replacement of St. John's, Cornish and Transcona Libraries.<sup>9</sup> The budget projects funding in future years for St. James-Assiniboia, West Kildonan and Westwood libraries,

in addition to new facilities in the southwest and southeast areas of the city. (New construction or refurbishment of St. Vital, Windsor Park and St. John's Libraries is currently underway.) The City of Winnipeg should be applauded for these commitments and proposals. Attractive and well-equipped facilities are key to helping public library services support community priorities for years to come.<sup>10</sup>

### Winnipeg Public Library Staffing Levels

While the City of Winnipeg has proposed an ambitious plan of facility renewal for its Library Services Division the same cannot be said with respect to its support for staffing levels.

In 2012 the City of Winnipeg operating budget for 2012 noted that the Library's staff complement had decreased 12.8% since 2006.<sup>11</sup> The 2012 operating budget funded 283 full time equivalents (FTEs)<sup>12</sup> and in 2017 it funded 285.<sup>13</sup> There has been no attempt made to invest in staffing since the cuts of the late 2000s.

**The library's staff complement has decreased 12.8% since 2006.**

### Some Comparisons

By comparison, the City of Edmonton's 2017 operating budget allocated funding for 517.4 FTEs<sup>14</sup> and, according to its 2017 preliminary operating budget Hamilton budgeted for 305.02 FTEs.<sup>15</sup> Halifax Public Libraries recently reported a staff of 333.56 FTEs to serve a population approximately 300,000 less than Winnipeg's.<sup>16</sup>

New or refurbished library facilities are popular and well-used by the public. It is important that these facilities are staffed at levels that can help meet the programming, research and outreach needs of the communities they serve. The coming wave of new facilities should be complemented by an increase in staffing levels.

## Recommendation

We recommend that the City of Winnipeg reinvest in its Library Services Division staff complement to return it to its 2006 level, which was approximately 325 FTEs. This would require an increase of 40 FTEs above the 2017 operating budget allocation of 285; at an average annual salary of approximately \$60, 221 (based on the 2017 operating budget).

### *New Expenditure:*

- Increase in funding for staff: \$2.4M

We also recommend that any additional funding for staff include what is required to ensure that all Winnipeg Public Library branches employ at least one credentialed librarian. Cross-referencing the City's 2016 Compensation Disclosure report with the Library's locations listings reveals that three library branches do not have a credentialed librarian on staff.<sup>17,18</sup>

With its plans for facility renewal and refurbishment, including a soon-to-be-open makerspace at the Millennium Library, Winnipeg Public Library is in a position to make a positive social and economic impact for years to come. Achieving that impact, however, requires an investment in staff that is currently not in place. The City of Winnipeg would do well to reverse this particular trend.

### **Total New Expenditure: \$2.4M**

Submitted by: Manitoba Library Association,  
mla.mb.ca

The MLA “provides leadership in the promotion, development and support of library and information services in Manitoba for the benefit of MLA members, the library and information community and the citizens of Manitoba.”

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## Greenspace

A city with trees and parks, shady rivers, green corridors and leafy boulevards is the place we call home. It is a place where people, birds and animals live. Winnipeg is a city blessed with four rivers and four creeks, many large parks, and the distinction of having the largest remaining mature urban elm forest in North America.<sup>1</sup> Greenspace is extremely important to us and is credited with providing some of the fundamental needs of society. Rather than just being nice to have, parks and natural areas are a necessity.

Winnipeggers were passionate about their natural environment at the SpeakUp Winnipeg public consultations.<sup>2</sup> According to TD Bank's Greensight Report, Canadians highly value green space with "95 per cent agreeing that access to community green space will be important to their quality of life in the future" and three-quarters feel that their local green space could be improved.<sup>3</sup>

**The number of residents in Winnipeg continues to increase while the amount of greenspace does not.**

Winnipeg is counted among Canada's major cities, with a population of 765,600 in 2016.<sup>4</sup> Its growing population is forecast to increase by more than 200,000 by 2040 putting pressure on the City to maintain quality green spaces and natural areas for its citizens.<sup>5</sup> The number of residents in Winnipeg continues to increase while the amount of greenspace does not. Adding to the concern, Winnipeg is below average compared to other Canadian cities when it comes to hectares per population of greenspace.<sup>6</sup>

The city regulates land use and approves where development and parks will occur. This responsibility is often passed on to developers where ecology has typically been misunderstood and ignored. It is in all of our best interests that

the City of Winnipeg ensures that greenspace is preserved and enhanced for future generations.

A Master Plan for Greenspace must be implemented by the City of Winnipeg to preserve, protect and enhance its forest, green spaces, natural environment and connecting corridors. The 2011 city planning documents *OurWinnipeg* and Complete Communities provided limited direction for planning and monitoring of greenspace. Six years later the city has been unable to report any progress because it lacks a plan with accompanying measurable objectives and a comprehensive corporate strategy that includes baselines and benchmarks.<sup>7</sup> With the current pace of development it is disappointing and unacceptable that there is no plan to provide sufficient protection for trees, green spaces, natural heritage and river corridors.

Green spaces and natural areas contribute to environmental sustainability, social equity and economic prosperity. They are city-wide, multi-faceted, and they cross jurisdictional boundaries. Green space includes parks, golf courses, university lands, river corridors, cemeteries, boulevards, industrial lands, rail and hydro corridors and private and public land. Properly managed greenspace yields a healthier and wealthier community. This important resource must be managed like any other infrastructure asset with planning, budgets and accountability.

Currently, many matters pertaining to green spaces are fragmented across multiple departments dealing with different goals, by-laws, budgets, and regulations although their management is left largely to the Parks and Open Spaces Division with a finite budget and scope. The budget allocation for Parks and Open Space Delivery Service has remained virtually unchanged for the past six years. The budget shortfall for the service in 2016 was \$13.6 million and for tree planting alone was over \$2M.<sup>8</sup> A comprehensive Master Greenspace Plan would be able to navigate this fragmented policy landscape and provide a stronger base from which to manage our green space.

Unfortunately, the absence of a Master Plan for Greenspace has left the door open for ad hoc and political decision making by the City of Winnipeg around how it manages its green assets. Urban forests are being lost to development, disease and poor drainage. Developer led urban planning practices have discounted natural areas and contributed to fragmentation. Ecologically sensitive lands are being sold for development. The worst outbreak of Dutch elm disease in 20 years is eroding the city's green canopy and the arrival of the emerald ash borer beetle is forecast to eradicate ash trees over the next ten years. The river corridors under infill pressure are getting the tallest developments with little to no public access or public green space. Almost an entire ecosystem of high class ecologically significant natural land was destroyed in the Parker area.

The city-owned golf courses, zoned as parkland, provide multiple services such as recreation, wildlife habitat and storm water retention. They were framed by the city as a seasonal business entity or real estate interest after being moved from the Parks Department to Golf Services Special Operating Agency in 2002.<sup>9</sup> The golf courses occupy 481 hectares and comprise over 11. per cent of the city's parkland<sup>10</sup> (excluding Assiniboine Park). Their value has been measured solely by the dollars generated over the golf season even though they are a rich and significant part of Winnipeg's green space inventory and are used for recreation year round.<sup>11</sup> Other cities are investing in future ecological benefits of their golf course lands; Calgary, for example, has six Audubon certified golf courses.<sup>12</sup> Clear Lake Golf Course in Manitoba has a clause in its 25-year contract requiring it to be operated organically.

Winnipeg, like other North American cities is experiencing challenges to its urban environment from increased climate change impacts, more frequent and intense extreme weather events, flood and drought cycles, invasive species, pests and disease. According to the Prairie Climate



Dead tree with Dutch elm disease: Nairn Avenue and Watt Street  
—Pam Lucenkiw

Centre “Increasing green spaces and green infrastructure addresses multiple challenges and offers multiple benefits. They often turn out to be more economically viable, even under prevailing economic models.”<sup>13</sup> The City of Toronto's study, *Every Tree Counts*, concluded Toronto's urban forest provides the equivalent of \$28.8 million in ecological services each year. The benefits derived from the urban forest significantly exceeded the annual cost of management.<sup>14</sup> This is not a time for shrinking budgets and lack of coordination to manage these big problems.

Research has been plentiful in demonstrating the value to human health and well-being from trees, parks and natural areas. Theresa Tam, Chief Public Health Officer of Canada, chose for her 2017 Report the theme “Designing Healthy Living”, because of the “tremendous po-

tential that changing our built environment has for helping Canadians live healthier lives”.<sup>15</sup> The 2017 report “Urban Greenness and Mortality in Canada’s Largest Cities”, studied close to 1.3 million people,<sup>16</sup> and found that being around trees and other vegetation reduced the risk of dying from several common causes of death by eight to twelve per cent.

**It is disappointing and unacceptable that there is no plan to provide sufficient protection for trees, green spaces, natural heritage and river corridors.**

The report also found that affluent populations have greater exposure to greenness and increased benefits to their health, compared with those in less-affluent groups. The findings support the importance of having policies related to creating greener and healthier cities for health benefits and their contribution to social equity. Winnipeg is conspicuous for its absence in the examples of Canadian cities that have included green environments as integral parts of city enhancement.

The City of Winnipeg could borrow strategies used in the United Kingdom and London. The Accessible Natural Greenspace Standards (ANGSt)<sup>17</sup> offer a means by which local authorities can adopt a strategic and holistic approach to greenspace management. The standards broadly define connectivity as both the physical ability of local residents to access natural green space, and also how equitable the access to nature is. The Mayor of London’s long-term plan is to make more than 50 per cent of London green by 2050 by creating new green or open space. The plan notes that “all development takes place within a wider environment and green infrastructure should be seen as an integral element and not as an “add on”.<sup>18</sup>

Canadian cities are moving ahead with plans to protect their natural heritage. In 2016, Calgary formally joined Local Action for Biodiversity, an

international program to improve biodiversity planning and management. Calgary became the third city in Canada to join this program alongside Montreal and Edmonton.<sup>19</sup> Halifax has a Green Network Plan and is currently partnering with Nature Conservancy to purchase 380 acres of land for an urban wilderness park.<sup>20</sup> Toronto’s Strategic Forest Management Plan<sup>21</sup> describes its urban forest as a resource to be “protected, maintained and expanded.”

Wildlife and their habitats can be found in cities particularly along river corridors. Cities have a responsibility for stewardship of that habitat and wildlife. The greatest threat to urban wildlife is habitat loss caused by human activity such as urban and industrial development, pollution, urban fragmentation and climate change. The World Wildlife Federation Report 2017 showed shocking losses of wildlife populations in Canada and has called on communities to be part of the solution.<sup>22</sup>

**The benefits derived from the urban forest significantly exceeded the annual cost of management.**

It is critical for the City of Winnipeg to implement a Master Plan for Greenspace that would allow informed decisions to be made for green spaces and natural areas based on a rational and transparent approach. This plan must acknowledge the essential services provided and include an ecological lens that affirms links with climate change, development, health, social inclusion, Indigenous knowledge, food security and biodiversity. Full and effective implementation requires political leadership, support and cooperation of various city divisions as well as partners in the public and private sectors, and members of the community. Immediate action must be taken to enable Winnipeg to begin reaping the benefits of a Greenspace plan and prevent further loss of critical assets and opportunities.



## The City of Winnipeg Requires a Master Plan for Greenspace with a Dedicated Multi-Year Budget

Four additional staff will be added to the Offices of Sustainability and Environment. The staff will report to the CAO, will coordinate their activities across all City departments and with external partners from the RMs, stewardship groups, experts and NGOs. Staff will research existing

green plans from other jurisdictions and compile and maintain references, plans, regulations and green space inventories.

*New Expenditure for staffing and related support:*

- \$450,000

**Total New Expenditure: \$450,000**

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<sup>1</sup> Winnipeg Tree Facts <http://winnipeg.ca/publicworks/parksOpenSpace/UrbanForestry/PDF/wpgtreefacts pamph.pdf> Accessed on November 1, 2017

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<sup>3</sup> TD GreenSights Report Creating a lasting legacy of community green spaces across Canada, Page 7 <https://td-capas3.amazonaws.com/prod/default/0001/02/da53687bb37643366c3cce798df8d8a8030d23b6.pdf> Accessed on November 2, 2017

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<sup>10</sup> 2015 Report on Park Assets <http://clkapps.winnipeg.ca/DM1S/ViewPdf.asp?SectionId=463130> Accessed November 30, 2017

<sup>11</sup> Search Winnipeg’s Parks and Open Spaces Interactive Map <https://parkmaps.winnipeg.ca/> Accessed on November 4, 2017

<sup>12</sup> Audubon Cooperative Sanctuary Program for Golf <https://auduboninternational.org/acspgolf> Accessed on February 11, 2018

<sup>13</sup> Prairie Climate Centre, Building a Climate-Resilient City: Urban ecosystems Page 1 <http://prairieclimatecentre.ca/wp-content/uploads/2017/04/pcc-brief-climate-resilient-city-urban-ecosystems.pdf> Accessed on November 2, 2017

<sup>14</sup> Every Tree Counts, A Portrait of Toronto’s Urban Forest 2013, Page 9 [https://www1.toronto.ca/City%20Of%20Toronto/Parks%20Forestry%20&%20Recreation/Urban%20Forestry/Files/pdf/E/every\\_tree\\_counts.pdf](https://www1.toronto.ca/City%20Of%20Toronto/Parks%20Forestry%20&%20Recreation/Urban%20Forestry/Files/pdf/E/every_tree_counts.pdf) Accessed on November 20, 2017

<sup>15</sup> The Chief Public Health Officer’s Report on the State of Public Health in Canada 2017 – Designing Healthy Living <https://www.canada.ca/en/public-health/services/publications/chief-public-health-officer-reports-state-public-health-canada/2017-designing-healthy-living.html> Accessed on Feb 11 2018

<sup>16</sup> Urban greenness and mortality in Canada’s largest cities: a national cohort study, October 2017 <http://www.sciencedirect.com/science/article/pii/S2542519617301183> Accessed on November 2, 2017

<sup>17</sup> Nature Nearby Accessible Natural Greenspace Guidance, Page 14 [http://www.ukmaburbanforum.co.uk/document/other/nature\\_nearby.pdf](http://www.ukmaburbanforum.co.uk/document/other/nature_nearby.pdf) Accessed on December 30 2017

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- 21** Toronto's Strategic Forest Management Plan 2012 – 2022 <https://www1.toronto.ca/City%20Of%20Toronto/Parks%20Forestry%20&%20Recreation/Urban%20Forestry/Files/pdf/B/backgroundfile-55258.pdf> Accessed on November 13, 2017
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## Making Assiniboine Park Accessible

Established in 1904, Assiniboine Park is the largest and most established public park in Winnipeg and “crown jewel” of Winnipeg’s parks system.<sup>1</sup> However user fees at Assiniboine Park, particularly at the zoo and new conservatory leave many Winnipeggers out.

### Rising Cost of Admission at the Zoo

The Assiniboine Park Zoo was free for most of its first 40 years, before it undertook major renovations to upgrade the enclosures to standard and upgrade the zoo.<sup>2</sup> The “Journey to Churchill” exhibit was introduced in 2015 along with a fee.

Families are finding the entrance fees to the zoo too high. One mother explains:

We were annual zoo members without fail. Supported them right through the construction. Then we got the slap in the face of the 120% increase in our annual renewal in the mail. I responded by asking about subsidies for those of us who could not afford the fees and I was told that the fee I could not afford was perfectly affordable for low income families. I am a widow with 3 kids and we have been able to afford to go *exactly one* time since the new zoo opened.

Today for a family of four the cost is \$63.50 — \$76.60 plus taxes, depending on the age of children (\$20.50/adults; \$17.75 13–17/seniors and \$11.25 3–12). Rising bus fares make it hard for many to even get to Assiniboine Park. A low-income bus pass like Calgary’s would certainly help (see Transit section).

Several years ago the zoo had lower admission costs on certain days: for example, once a month \$10 “Super Tuesdays” were raised to \$12 and then phased out.

Assiniboine Park gives out free zoo passes via community agencies for those in need. But this charity only goes so far; only so many are

given out. If people do not have a connection to a community agency they can’t get a pass. As *Winnipeg Without Poverty: Calling on the City to Lead*<sup>3</sup> finds, poverty exists across all City Wards and therefore targeted initiatives will always leave people out. Moreover, forcing people to rely on free passes removes choice and dignity from their lives.

Initiatives targeted at the “deserving poor” disregard the struggles of the working class, many of whom earn low wages. Research shows that many Manitoba families struggle to get by and 53% live paycheque to paycheque.<sup>4</sup> Almost half (47%) of Manitobans spend all or more of their net pay.<sup>5</sup> Spending money on a family day trip to the zoo is not possible, or a rare occurrence, for many working people. A public subsidy could make the zoo available to all people on a weekly basis.

Assiniboine Park is raising an endowment called “Parkshare” to fund low income people’s entry to the zoo in the future. After the park completes the fundraising for the capital improvements for the whole park, management plans on making Parkshare the main focus of its fundraising.<sup>6</sup> However fundraising for low income entry will be more challenging than fundraising for physical amenities donors can put their names on, see and touch. The endowment will need to become quite large to generate revenue to subsidize entry relative to the demand.

In the future new publicly-funded facilities — such as The Leaf in Canada’s Diversity Gardens, scheduled to be completed in 2020 — need to be carefully considered with respect to whom they are primarily serving — tourists who require a certain “wow” factor and are more expensive to operate, or residents who need a public amenity on a regular basis.

Facilities worldwide are successful without admission charges. The Como Park Zoo and Conservatory in Minnesota operates on voluntary donation basis and people are welcome even if they cannot make a donation. An American

study found one-third of US art galleries did not charge admission.<sup>7</sup> Many museums and galleries in London, UK are no cost. In Brandon the Museum of Southwestern Manitoba is no charge and the now closed Assiniboine Park Conservatory was free throughout its lifespan.

### Governance of Park Lacks Accountability

The concerns about user fees limiting access to publicly-owned Assiniboine Park were foretold by the Canadian Union of Public Employees (CUPE) Local 500 when Assiniboine Park's management was handed over to a non-profit: the Assiniboine Park Conservancy. The stand-alone entity's entrepreneurial approach does live up to the spirit of a public park.

When presenting to Executive Policy Committee about this governance model in 2007, CUPE 500 stated:

Critically missing from any description of the proposed Corporation, is a reference to adherence to public policy and city principles. It would appear that the Corporation would not be required to follow City regulations and plans as it would be an "independent body." This means it would not be subject to city policies and practice that strive to maintain access to public facilities for people with disabilities that encourage aboriginal people to apply for and get jobs, nor comply with City health and safety standards.

Furthermore, a Corporation will be forced to seek funds in ways that could limit access to the Park by Winnipeggers. When the cost of operations is added to the capital development responsibilities of the Corporation, we predict there will be a move to create and increase admission fees and add extra concession charges.<sup>8</sup>

Assiniboine Park Conservancy (APC) was created in 2008 to steward this public parkland on a 50 year lease. The city retains ownership over the

land and assets in the park. APC has a ten-year agreement with the City of Winnipeg to manage the Park, which is up for renewal in 2019.<sup>9</sup>

Today a board of 12, ten men and two women, govern the park. The Board reports directly to City Council. Board members are ratified each year by Executive Policy Committee. There is no public nominations process to populate the board. The board appoints itself.<sup>10</sup> There are currently no representatives from CUPE 500 on the Board of Directors or representatives from experts in recreation or public health. The representatives are high-profile Winnipeggers, the majority from the private sector.

The accountability back to citizens of the public money in the park is weak. Charity Intelligence, a non-profit service gave APC a "C+" in accountability, "The grade is based on the charity's public reporting of the work it does and the results it achieves".<sup>11</sup>

Assiniboine Park Conservancy reports annually on its operations to the City Protection, Community Services and Parks. When APC was created, journalist Frances Russell foretold of the accountability problems with huge public assets managed by non-profit boards:

"More and more we're using third parties outside government to deliver programs but we haven't invented sound accountability mechanisms for them. This leaves the public interest and the taxpayer's dollars in the hands of board of directors."<sup>12</sup>

The warnings of CUPE 500 and Russell have come to fruition. While being responsible for millions in public money, APC is introducing user fees for park amenities without consulting Winnipeggers.

### Accessibility Key Principle of Public Parks

The park's governance model was changed to streamline management and attract more private investment to subsidize eroding city funding.

Nonetheless city operating and capital funding has actually increased since APC was created to respond to the new “Imagine a Place” park revitalization plan.

APC is seeking more earned revenue to achieve “self-sufficiency”, an elusive goal for non-profit charities. Organizations like APC by their very nature require public funding to fulfill their mandate. In this case, a beautiful park for all Winnipeggers to enjoy.

Assiniboine Park has been transformed in the past ten years with many new amenities. But the introduction of high fees at the zoo and user fees at the new Conservatory will leave many behind.

The Alternative Municipal Budget includes an increase in operating funding targeted specifically at one free day per week entrance fee to

the zoo. One free day per week may have a small impact revenue on days that charge an admission fee, but this must be balanced with immense benefit to families who currently can't afford the zoo can attend regularly, or those who wish to attend more often.

*Total New Expenditure:*

- Increase operating grant to accommodate one free admission day/week for Assiniboine Zoo\*: \$1.066M

\*Note: APC reports 30,000 zoo visitors/ month average. Average daily attendance is 1,000, including children. For the purposes of this estimate the subsidy is based on 1,000 daily adult visitors to offer assurance of revenue to APC.

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2 Redmond, Margaret. April 18, 2018. Meeting.

3 Make Poverty History Manitoba. 2018. “Winnipeg without Poverty. Calling on the City to Lead”. Canadian Centre for Policy Alternatives, Manitoba. Available at: <https://www.policyalternatives.ca/publications/reports/winnipeg-without-poverty>

4 Canadian Payroll Association. 2017. National Payroll Week Survey Results.

5 Ibid.

6 Redmond, Margaret. April 18, 2018. Meeting.

7 Grant, Daniel. 2015. “Should Museums offer Free Admission to Everyone?”. November 13, 2015. Boston Globe. <https://www.bostonglobe.com/ideas/2015/11/13/should-museums-offer-free-admission-everyone/wrL4rDumFGu6ncEItUkN5O/story.html> ; and: Cortell, Sarah. 2011. Cost of Free Admission: Comparative Study Examining the Feasibility of Eliminating Museum Admission Charges. Thesis. Ohio State University. [https://etd.ohiolink.edu/rws\\_etd/document/get/osu1307220379/inline](https://etd.ohiolink.edu/rws_etd/document/get/osu1307220379/inline)

8 CUPE 500. 2007. “Assiniboine Park Governance: the community option”. Presentation to Executive Policy Committee, March 14, 2007.

9 Agreement/ Lease between Assiniboine Park Conservancy and the City Of Winnipeg. October 2010. Obtained through Freedom of Information Request via CUPE 500.

10 Redmond, Margaret. April 18, 2018. Meeting.

11 Charity Intelligence. 2017. Assiniboine Park Conservancy. <https://www.charityintelligence.ca/charity-details/468-assiniboine-park-conservancy>

12 Winnipeg Free press, 2007: as cited in CUPE 500. 2007. “Assiniboine Park Governance: the community option”. Presentation to Executive Policy Committee, March 14, 2007.

## Environment

### Introduction

Eight years ago, our city engaged in a remarkable exercise to build a long-term city plan based on principles of sustainability. The result was *OurWinnipeg*,<sup>1</sup> adopted in law and approved by the province, and several companion documents, summarized in the graphic below from *OurWinnipeg*:

The *OurWinnipeg* documents set broad directions for subsequent, more detailed plans such as the Garbage and Recycling Management Plan (GRMP), Transportation Management Plan (TMP) and area plans at various scales. They also acknowledge and provide further direction to prior and existing plans and policies, such as the City's 1998 commitment to the Federation of Canadian Municipalities (FCM) Partners for Climate Protection (PCP).

Winnipeg has made progress in a variety of directions set out in its sustainability documents. For example, more people live downtown now than 8 years ago and we have the beginnings of transit-oriented development along the Southwest Transitway. Waste diversion has doubled from 17 per cent to 34 per cent thanks to the rollout and promotion of new recycling carts. The city continues to promote successful water conservation and sewer backup pro-

tection measures. There are more off-street cycling and pedestrian paths that are ploughed in winter to provide opportunities for safer active transportation.

However, on several critical fronts, progress has stalled. For example, Winnipeg has failed to meet its obligations in sewage treatment, organics diversion, and greenhouse gas emissions. In this chapter, we selectively focus on these failures, link them to unsustainable budgeting and propose a more sustainable direction. The chapters on Revenue, Planning, Active Transportation and Recreation examine some of the topics in greater detail.

### What is Sustainable Budgeting?

In our Introduction, we explained the concept of sustainable development and fiscal sustainability. We discussed why we need to move on from the idea of constant economic growth and stable budgeting to thinking of how we can raise revenues and direct government expenditures so they support sustainable civic ends.

Can we identify other budgeting principles that reflect the direction of transition needed to create and maintain an ecologically sustainable society and economy?

Canada's Ecofiscal Commission proposes the following (see quote on page 59):

Required by the **City of Winnipeg Charter**; adopted as a municipal by-law but requires provincial approval

Created at the discretion of the City of Winnipeg; approval is sole responsibility of the City.



An ecofiscal policy corrects market price signals to encourage the economic activities we do want (job creation, investment, and innovation) while reducing those we don't want (greenhouse gas emissions and the pollution of our land, air, and water)<sup>2</sup>

Amplifying the above, Green Action Centre has identified green fiscal guidelines to promote sustainable behavior by individuals and institutions and help create a more just and sustainable society.<sup>3</sup>

- i. Make it easier and more rewarding to act sustainably (e.g. free or low-cost recycling and public transportation services);
- ii. Make it harder and more costly to act unsustainably (e.g. by removing perverse subsidies for sprawl and fossil fuel consumption);
- iii. Promote planning and investments for a more sustainable future (e.g. economically and ecologically efficient buildings, communities, businesses, waste and transportation systems);
- iv. Take a full-cost accounting perspective in assessing the costs and benefits of actions (e.g. global social, ecological and economic costs and benefits of building, energy and transportation choices);
- v. Other things being equal, users who impose social costs should pay for those costs (user pay and polluter pay by internalizing the social costs imposed); but also
- vi. Ensure that basic welfare and human development needs (e.g. housing, health and education) are provided for all citizens.

Principles (i.) through (iv.) lead to a more sustainable society. Principles (v.) and (vi.) represent two aspects of a just society that need to be reconciled — paying the social costs of one's actions and meeting basic human needs. Despite potential tension between them, justice requires attention to both.

Finally note that the United Nations Environment Program's *Green Economy Initiative*<sup>4</sup> provides further resources for designing a green economy. See especially the chapter by IISD on *Enabling Conditions*<sup>5</sup> for a green economy.

#### Recommendations:

1. Adopt green and fair budgeting principles as an additional Direction for Sustainable Winnipeg in the current *OurWinnipeg* review.
2. Review current and proposed financial measures in city budgets for alignment or misalignment with the just achievement of climate and sustainability goals.

#### How has Winnipeg Failed to Reflect Ecologically Sustainable and Just Budgeting Principles?

In this section we identify three examples of unsustainable budgeting and planning and how they might be fixed.

##### 1. Failure to Remove Phosphorous at the North End Water Pollution Control Centre (NEWPCC).

Lake Winnipeg Foundation informs us that in 2013 Lake Winnipeg was designated "Threatened

**NEWPCC is the fourth largest phosphorus polluter among all wastewater treatment facilities in Canada.**

Lake of the Year" thanks to growing eutrophication and toxic algae blooms from excessive phosphorous. The phosphorous entering Lake Winnipeg comes from many sources, but Winnipeg is responsible for 5 per cent and most of that is released by the North End Water Pollution Control Centre (NEWPCC), which treats 70 per cent of Winnipeg's sewage. NEWPCC is the fourth largest phosphorus polluter among all wastewater treatment facilities in Canada.<sup>6</sup>



Victoria Beach, 2017 by Jeope Wolfe.  
— Courtesy of the Lake Winnipeg Foundation

According to the City,

The cost of the NEWPCC Biological Nutrient Removal Upgrade Project is estimated to be \$1.4 billion. This is comprised of \$600 million as per the Department’s current 10-year financial water and sewer rate plan plus an additional unfunded \$800M. The City is seeking confirmation of the \$195 million commitment from the 2007 Province of Manitoba Throne Speech, which would reduce the unfunded amount accordingly.<sup>7</sup>

Sewage treatment upgrades are costly, which contributes to both rising utility rates and foot dragging on achieving pollution compliance limits ordered by the Province in 2003. Yet the water and waste utility pays a 12 per cent dividend to the City for other purposes like roads, libraries and police. Indeed, in 2012 the Public Utilities Board estimated that 20 per cent of water and

waste revenues explicitly or implicitly cross-subsidize other services rather than paying for needed sewage infrastructure.<sup>8</sup>

Winnipeg Water and Waste is potentially a model for “user-pay” and “polluter pay” sustainable fairness in City financing if only the “surplus” revenues were prioritized for investment in the required pollution abatement infrastructure instead of general revenues. To fund the \$1.4 billion upgrade, we recommend:

1. Already funded by city through currently scheduled utility rate increases: \$600M
2. Assumed contributions from the Provincial and Federal governments: \$400M
3. Capital budget borrowing by city: \$400M

**Total: \$1,400M**

*New Capital Expenditure:*

- NEWPCC upgrades: \$400M



*New Operating Expenditure:*

- Debt servicing costs: \$22M

## **2. Failure to Implement Full Organics Diversion and Composting.**

Organic materials comprise up to 50 per cent of all household waste, but only an estimated 30 per cent of Winnipeg households compost their organic waste.<sup>9</sup> Winnipeg is one of the last Canadian cities without a residential green bin program for organic waste collection. According to City information, “most major Canadian cities have an organics collection program, including Victoria, Vancouver, Burnaby, Surrey, Edmonton, Calgary, Hamilton, Toronto, Ottawa, Montreal and Halifax.”<sup>10</sup> Two years ago Winnipeg councilors shut down a scheduled consultation on organics options. A proposed doubling or tripling of the flat waste diversion fee on utility bills was judged too high and unfair to lower income households and backyard composters. No opportunities to resolve these issues were provided.<sup>11</sup>

**Winnipeg is one of the last Canadian cities without a residential green bin program for organic waste collection**

The debate illustrated that fees need to be aligned with polluter pays. This point was recognized in the Council-approved 2011 Comprehensive Integrated Waste Management Plan, which specified that “the program costs be funded through a combination of property tax support and a user fee collected on the water bill, with property taxes supporting the diversion programs and the user fee funding the balance of garbage collection costs.”<sup>12</sup> This principle of sustainable budgeting was abandoned in subsequent budget exercises.

The debate also reflected push-back arising from recent accelerated utility bill increases resulting in part from Council offloading general revenue requirements onto utility bills in order

to contain property taxes. Today, Winnipeg has the lowest property taxes of comparable cities and the lowest annual increases by far.<sup>13</sup>

In response to the debate, Green Action Centre proposed financing and collection alternatives that incent waste reduction and do not place a disproportionate financial burden on lower-income households.<sup>14</sup> It put forth 11 recommendations that fit with the AMB’s sustainable budgeting principals, including framing organics diversion as responsible waste management (like sewage treatment) to avoid negative environmental effects and resources loss, rather than treating it as an optional personal service. It also recommended that we introduce Pay As You Throw (PAYT) utility fees, with highest fees per volume of garbage and much lower fees for recycling and composting pickup. This will incent waste reduction, diversion, and home composting.

Importantly, it also recommended that the city explore additional bill mitigation alternatives for lower-income households. There is a growing literature on multiple ways to shrink utility bills for lower income customers to make them more affordable (e.g. *Best Practices in Customer Payment Assistance Programs*).<sup>15</sup>

What would an organics diversion program cost? The 2016 presentation to councilors (withheld at the time but released under FIPPA)<sup>16</sup> identified all-in additional costs (operating plus financing for capital) of \$55 to \$100 annually per household, without, however, breaking out the component costs. We estimate funding requirements as follows.

1. Capital cost of compost facility plus green bins [\$40 million if shared equally with Province and Feds]: \$120 million
2. Raise average utility waste fee from current \$57.50 to \$75/year but redesign as a PAYT rate. E.g. use Radio Frequency Identification (RFID) technology to record pickups (already in service to monitor collections) and charge \$1 for each garbage

pickup and 50¢ for each recycling or organics pickup. The cost is ~\$100/year for anyone using all the pickups but only \$24/year for one pickup/month of each. To guarantee sufficient revenue, a minimum billing requirement or fixed fee component may be needed. \$5 million

Capital contributions from provincial and/or federal governments and a more efficient collection system, e.g. by collecting recyclables and garbage every other week and using two-compartment collection trucks, as Toronto does, would reduce this cost.

*New Capital Expenditure:*

- City's 1/3 portion of compost facility plus green bins: \$40M

*New Operating Expenditure:*

- Debt servicing costs: \$ 2.2M
- Facility operating costs: \$20M

*New Revenue:*

- Increase average waste collection fees: \$5M

### 3. Failure to Curb GHG Emissions.

Winnipeg has committed to a 40 per cent GHG reduction for corporate facilities and a 6 per cent reduction in overall community emissions from a 1998 baseline.<sup>17</sup> A 2016 update to Council indicated that a 17.2 per cent corporate “reduction” was realized by 2007, mainly by subtracting Winnipeg Hydro emissions when ownership was transferred to Manitoba Hydro. Corporate emissions have grown ever since and are now back to where they were in 1998. Gas-heated City building expansions are the primary source of emissions growth.<sup>18</sup>

The community-wide target of 6 per cent reduction from 1998 has hitherto lacked an accompanying plan or timeframe for achieving the target. However, a Winnipeg GHG inventory and forecast report in 2011 concluded, “Based on

current policy, Winnipeg is forecast to achieve Council’s service target — a reduction in community-wide greenhouse gas emissions 6 per cent below 1998 levels — before the year 2050.”<sup>19</sup> This requires strict adherence to the principles of *OurWinnipeg* and other policies and crediting the bookkeeping “reduction” from changed ownership of Winnipeg Hydro.

Unfortunately, this level of achievement is too little, too late. Winnipeg needs to adopt a plan and effective strategies in line with *Canada’s Mid-Century Long-Term Low-Greenhouse Gas Development Strategy*.<sup>20</sup> The *Strategy* explains:

Building on analyses from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report, the United Nations Environment Programme (UNEP) states that GHG emission reductions in the order of 70 to 95 per cent below 2010 levels would be required by 2050 to remain on a pathway consistent with a >50 per cent likelihood of limiting average global temperature rise to 1.5°C. Achieving this temperature goal is only possible through actions on carbon dioxide and short-lived climate pollutants (SLCPs) together. For the purpose of the Mid-Century Strategy, Canada examines an emissions abatement pathway consistent with net emissions falling by 80 per cent from 2005 levels.

A Winnipeg community climate action plan is scheduled for release and adoption this summer. We hope it will contain targets and strategies consistent with national and international commitments. To do so, it must successfully address emissions from all sectors, particularly the largest. The 2011 inventory is summarized in Table 1 below from *Winnipeg’s 2011 Community Greenhouse Gas Inventory and Forecast*.<sup>21</sup>

Thus, we should expect and insist upon robust strategies to reduce community-wide emissions from heating buildings with natural gas, waste disposal, and fossil-fueled transportation. Each of these sectors presents its own challenges.

TABLE 1 Summary of GHG Emissions

Activity	Annual Emission Rate (tonne CO <sub>2</sub> e/year)				GHG Intensity (tonne CO <sub>2</sub> e per capita)	Percent of Total
	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	Total GHGs		
Building Electricity	18,284	0	0	18,284	0.03	0.3%
Building Natural Gas	1,790,048	1,073	9,906	1,801,027	2.60	33.5%
Transit	43,044	57	395	43,495	0.06	0.8%
Vehicles – Residential	1,689,442	2,434	33,241	1,725,116	2.49	32.1%
Vehicles – Commercial	938,779	338	6,525	945,642	1.37	17.6%
Waste Disposal	—	798,801	—	798,801	1.15	14.9%
Water and Waste Water	4,922	33,620	8,117	46,659	0.07	0.9%
<b>Total</b>	<b>4,484,518</b>	<b>836,322</b>	<b>58,184</b>	<b>5,379,024</b>	<b>7.78</b>	<b>100%</b>

SOURCE: Winnipeg's 2011 Community Greenhouse Gas Inventory and Forecast

### What Revenue Can Winnipeg Expect to Receive From the Provincial Carbon Tax?

As discussed in our Introduction and Transit section, it would be reasonable to assume that Winnipeg and its residents and businesses should receive some portion of the \$143 million in carbon tax revenues in 2018 (\$260 million/year in 2019) to fund climate action. However, the province appears to have no intention of making a significant portion of carbon revenues available for green investments. The Budget Speech<sup>22</sup> said:

In order to ensure that the economic impact of meeting our climate change goals is sustainable, our government is committed to achieving meaningful emissions reductions while also reducing other taxes. To this end, *all carbon tax revenues received over four years will be returned to Manitobans through tax reductions* (4, emphasis added).

Provincial Budget 2018/19 allocates \$102M to create The Conservation Trust Fund endowment at The Winnipeg Foundation to fund conservation initiatives. It also increases annual Green Fund expenditures from \$34M to \$40M. With a 5 per cent payout policy, the endowment would yield ~\$5M /year, so the total available in 2018/19 for “environmental innovation and climate change projects” is around \$45M, an \$11M increase from the year before for the whole province. It is diffi-

cult to see how major capital projects like electric buses and chargers or a capital region compost facility could be funded from this amount, especially because they must be spread to multiple organizations province-wide. Thus, for budgetary purposes, we assume the City is on its own without incremental funding from recycled carbon tax revenues.

Lack of significant participation by the province will slow down the city’s efforts and add stress its budget, but, in the spirit of the “We’re still in” response of U.S. cities and other organizations, Winnipeg should pledge to contribute its fair share to meeting the Paris goals.<sup>23</sup>

### What Actions can the City Take to Lower Both Corporate and Community Emissions?

The city has concluded consultations on its community climate action plan. The plan may be tabled for Council’s approval before this alternative budget is released. It will undoubtedly contain many recommendations on how to proceed. We focus here on several potential measures.

#### Waste

The proper diversion and composting of organic wastes, discussed earlier, will go far to reduce the 15 per cent of Winnipeg emissions that arise from waste disposal.

## Buildings

Heating buildings with natural gas is responsible for over a third of Winnipeg's GHG emissions. In 2011, Winnipeg adopted two initiatives to address GHG emissions from public buildings. The Green Building Policy mandated that all newly constructed city-owned buildings and major additions to City-owned buildings be completed with a certification of no less than either LEED Silver or Green Globes Design at the 3 Globes Level. The *Green Building Policy for Existing City-Owned Buildings* requires publicly owned buildings to monitor their emissions. Despite these policies, however, as previously noted, building emissions have continued to rise because of growth in the Public Service.<sup>24</sup>

**The city should continue to look for opportunities to serve as a convener, prod and catalyst to move the parties on the climate file, including green buildings.**

We recommend the City of Winnipeg work with the province, Efficiency Manitoba and commercial building sector organizations like the Building Owners and Managers Association, Building Energy Management Manitoba and Canada Green Building Council, as described in Manitoba's Climate and Green Plan, to develop a strategy to meet the following goals by 2030:

- recommission 80 per cent of buildings that are not meeting high-performance energy standards
- undertake deep retrofits for 60 per cent of buildings to meet high-performance standards<sup>25</sup>

The city also needs to participate in the development, financing and deployment of green heating and district heating options, both for its own buildings and other private and institutional buildings.<sup>26</sup> In order to improve energy ef-

iciency in city-run facilities, ideas such as 'Green Revolving Funds' — discussed in our Recreation section — need to be considered.

The city should continue to look for opportunities to serve as a convener, prod and catalyst to move the parties on the climate file, including green buildings. To do so, it should have personnel and funds for planning, incentives, matching and investment. In addition, the city should review its capacity to regulate building codes and standards (e.g. through licensing and permitting) and to implement a building efficiency rating scheme for new construction, major retrofits and real estate sales and transfers. The BC Energy Step Code provides one example of how the Province, municipalities and builders can work together to ratchet up building energy requirements towards targets like zero net energy or carbon-neutral buildings by a prescribed date.<sup>27</sup>

### *New Operating Expenditure:*

- Green Building and Climate Action Fund: \$10M

## Transportation

In this section we consider the challenge of sustainable budgeting for sustainable transportation. Details on improvements in service and infrastructure for transit and active transportation are found in the corresponding chapters. Transportation is the highest emitting sector in Manitoba (39 per cent) and Winnipeg (>50 per cent). Recent discussion has focused on electrifying transit.

### **Transit and Active Transportation**

Electrification of Winnipeg Transit has become an economic proposition, which recirculates money in the Manitoba economy through Manitoba Hydro and New Flyer industries that would otherwise be spent on diesel fuel from Alberta.<sup>28</sup> The main obstacle appears to be higher first costs and the cost of charging infrastructure. The Province ought to help, as proposed in its

Climate and Green Plan,<sup>29</sup> but otherwise creative financing is needed. For example, as explained in our Transit chapter, the Amalgamated Transit Union's proposal to consider pay-as-you-save financing should be explored.

However, since Transit is responsible for less than 1 per cent of Winnipeg's emissions, even if they were reduced to zero, almost 50 per cent of Winnipeg's emissions would remain from commercial and residential vehicles. The Transit chapter considers how to attract greater bus ridership to displace residential vehicle use and emissions, and the Active Transportation section shows how to improve infrastructure so more people can use their bikes to commute.

### Commercial Vehicles

Commercial vehicles are responsible for 17.6 per cent of Winnipeg's emissions. Manitoba Trucking Association (MTA) proposes to reduce these through a carbon-tax-assisted GREENER Trucking initiative to accelerate efficiencies and eventual electrification of trucks. The initiative would be supported by research into best practices and their cost-effectiveness and advised by a multi-stakeholder council. The proposal has merit and City staff should engage with the project. The funding, however, is tied to a matching reinvestment of carbon tax revenue in truck retrofits and cleaner drive trains. Since the Province controls the carbon tax purse strings, the MTA proposal has no immediate consequences for the City budget. Given the provincial budget commitment to return all carbon revenues through reduced taxes, the Province should find a tax reduction strategy for incenting GREENER Trucking, say through tax credits for green technology.

### Residential Vehicles

The basic challenge of reducing the 32 per cent of Winnipeg emissions from residential vehicles is to get people out of cars and onto buses, bikes and their feet. Vancouver's goal, for example, is: *Make walking, cycling, and public transit preferred*

*transportation options.* By 2016, Vancouver had already surpassed its 2020 target to have over 50 per cent of trips by foot, bicycle or public transit and reduce average distance driven per resident by 20 per cent from 2007. (It was down 32 per cent by 2016).<sup>30</sup> Winnipeg's *Sustainable Transportation* document, on the other hand, envisions only *A Transportation System that Supports Active, Accessible and Healthy Lifestyle Options* as a basis for supporting active transportation infrastructure. Important as active and healthy lifestyles are, the transportation policy strategic direction fails to reflect the climate change mitigation imperative (although emission metrics are included among the performance indicators).<sup>31</sup>

**The basic challenge of reducing the 32 per cent of Winnipeg emissions from residential vehicles is to get people out of cars and onto buses, bikes and their feet.**

Winnipeg has made significant investments in transit and active transportation, as described in the AMB Active Transportation and Transit chapters, but further improvements are needed to make these alternatives more attractive. Perversely, the contrary message to bus users from City budgets has been, get back in your car, if you have one, and save on annually increasing bus fares. We will clear your streets, maintain your roads, fill potholes, build underpasses and bridges, and widen roadways without adding a penny to the costs of vehicle ownership or use. Property taxes, frontage levies and water and waste utility dividends will pay for it. The gap between zero fees for cars and rising bus fares keeps growing, exactly opposite to sustainable budgeting principles and contrary to the objectives of reducing GHG emissions and fostering a sustainable transportation system.

Our thesis is that, in addition to infrastructure and service improvements to make busing, biking and walking more attractive, Winnipeg

needs sustainable mobility pricing. We propose that the city examine a suite of measures to get motor vehicles on city streets off welfare. Have them, rather, become net contributors to the revenue needs of Winnipeg and Manitoba and reduce their social costs. The Victoria Transportation Policy Institute (VTPI) has comprehensive information on mobility pricing and transportation demand management to create efficiencies and reduce costs and emissions from vehicles while enhancing benefits.<sup>32</sup> A thorough review of this source will yield many ideas for using economic instruments to improve transportation in Winnipeg and Manitoba. We discuss a few in the following section.

**The contrary message to bus users from City budgets has been, get back in your car, if you have one, and save on annually increasing bus fares.**

### Mobility Pricing

Cars are expensive to their owners, but they are also very costly to society. Mobility pricing seeks to implement socially optimal transport prices and markets.<sup>33</sup> These will normally reflect user pay and polluter pay principles as well as beneficial and equitable outcomes. Thus, optimal pricing requires consideration of a full range of transportation costs and benefits as well as potential ways to collect revenues (a) to pay for those costs and cost-reducing alternatives, but also (b) to create a price response that will reduce social costs and enhance benefits.

#### 1. Assessing the Costs

We recommend that Winnipeg conduct a study to identify and estimate the full range of social costs of vehicle ownership and use. This will help establish a fair user-pay and polluter-pay framework for mobility pricing.

Take one example — the costs of an estimated five parking spaces per vehicle, as per Table 2.<sup>34</sup>

Similar estimates are possible for the costs associated with vehicle ownership and driving, travel time, roadway construction and maintenance, traffic congestion, traffic crashes, environmental damage, fuel externalities, and impacts on non-motorized travel, land use, and social equity.

Any mobility pricing strategy must include measures to compensate low-income drivers. Research by CCPA BC considers three issues that must be considered:

[ . . . ] mobility pricing can create winners and losers, but good design can ameliorate the outcome. Three central fairness or equity issues are discussed in depth below: impacts on low-income households, impacts on households throughout the region and fairness in comparison to other modes of travel including public transit, car-sharing and ride-hailing. Importantly, equity outcomes depend both on how pricing is done (who pays) and how revenues are used (funding transit and any other compensating mechanisms).<sup>35</sup>

#### 2. Pricing Strategies

Winnipeg need not await completion of the motor vehicle cost study before implementing new budgetary measures. The city budget already contains transportation costs, such as roadway construction and maintenance and alternatives like transit and active transportation to inform a shift to more sustainable modes. The next question is: what are fair and efficient pricing strategies to pay for our transportation system and make it more sustainable?

VTPI identifies several transportation demand management pricing strategies in Table 3.<sup>36</sup>

We recommend that the city identify and evaluate a range of pricing strategies available to Winnipeg and Manitoba, the social objectives they can serve, and how they might be implemented. The pricing strategy study can be combined with the preceding assessment of costs of vehicle ownership and use.

TABLE 2 Estimated Annualized Parking Costs Per Vehicle

	Spaces Per Vehicle	Annual Cost Per Space	Paid Directly By Users	Directly-Paid Costs	External Costs	Total Costs
Residential	1	\$800	100%	\$800	0	\$800
Non-res. Off-Street	2	\$1,200	5%	\$120	\$2,280	\$2,400
On-Street	2	\$600	5%	\$60	\$1,140	\$1,200
<b>Totals</b>	<b>5</b>			<b>\$980 (22%)</b>	<b>\$3,420 (78%)</b>	<b>\$4,400 (100%)</b>

**NOTE:** This table estimates parking costs per vehicle. Users pay directly for only about a quarter of total parking costs. The rest are borne indirectly through taxes, reduced wages and additional retail prices.

*New Expenditure:*

- Budget expense for a study assessing motor vehicle costs and alternative pricing strategies available to Winnipeg: \$100,000

**3. Preliminary Recommendations for Mobility Pricing in Winnipeg**

Without the benefit of the preceding study, we recommend that Winnipeg create either a notional or an actual transportation utility with a mandate to raise revenues to cover transportation costs and create a more sustainable, equitable and efficient transportation system. In short, revenues raised from motor vehicles should be sufficient to cover roadway costs but also to subsidize transit and active transportation. The subsidies contribute to several fair and sustainable transportation outcomes: (a) enabling and promoting alternatives that lower climate and social impacts of the transportation system while promoting healthy living, (b) reducing roadway congestion and wear and tear, resulting in improved traffic flow and reduced construction and maintenance requirements, and (c) providing affordable transportation options to meet the mobility needs of all Winnipeggers. Winnipeg (through its transportation utility) should develop pricing strategies like the following to accomplish these outcomes.

- a. Parking space fees — in our Revenue section.
- b. Commuter charge — see our Revenue section. This fee is phase one in a future comprehensive strategy (mobility pricing) to implement more extensive road use

fees (tolls). These can serve the following purposes: (a) paying for road construction and maintenance, (b) avoiding congestion that would otherwise require expensive capital investments, (c) paying for alternatives that reduce road congestion like transit and AT, (d) internalizing external costs of driving like policing, traffic injuries and their medical costs, climate change, etc.

Winnipeg’s traffic flow map at <http://winnipeg.ca/publicworks/trafficControl/pdf/Traffic-Flow-Map.pdf> shows average weekday traffic flows. From this we can estimate (a) 300,000 daily crossings of city boundaries, (b) 570,000 bridge crossings, and (c) 317,000 underpass crossings totaling almost 1.2 million crossings daily. Tolls often apply in one direction only to save capital and transaction costs and disruption, so if, say, 500,000 crossings were charged \$1 each, that would yield \$3.5 million/week or \$175 million/year, which is close to the annual streets budget. This is just an indication of the revenue potential from this source. In practice the city may wish to restrict tolling to fewer locations and adjust amounts. Moreover, the capital and overhead costs of a tolling system are likely to be significant. Only the net proceeds of a toll system would be available to fund the transportation system or other services.

- c. Increasing the carbon or fuel tax would be a much simpler and more efficient way to

TABLE 3 TDM Pricing Strategies

Increased Prices	Reduced Prices
Road Pricing	Reduced Transit Fares
Distance-Based Fees	Commuter Financial Benefits
Increased Fuel Taxes	Pay-As-You-Drive Insurance
Parking Pricing	Smart Growth Policy Reforms (some)
Comprehensive Market Reforms	
Smart Growth Policy Reforms (some)	

raise transportation revenues (although they are not locationally targeted, like tolls). However only the province has the jurisdiction to do so. We have included the tolling option as a road use fee that, arguably, is within the jurisdiction of Winnipeg to impose. As well, in time, as the proportion of Electric Vehicles increases, the city will need to broaden the tax base to include non-emitting vehicles.

**Winnipeggers pay only 14 cents/litre provincial excise tax on gasoline, the lowest fuel tax load in Canada. Drivers in Vancouver and Montreal, two cities noted for their commitment to sustainability and public transportation systems, pay over twice that.**

Note for comparison that, until the carbon tax kicks in, Winnipeggers pay only 14 cents/litre provincial excise tax on gasoline, the lowest fuel tax load in Canada. Drivers in Vancouver and Montreal, two cities noted for their commitment to

sustainability and public transportation systems, pay over twice that.<sup>37</sup>

We recommend an initial target of \$100 million in revenues raised from various forms of mobility pricing.

**Total Revenues and Expenditures to Start Shifting Winnipeg Towards More Sustainable Budgeting**

*Total New Capital Expenditures:*

- NEWPCC upgrades: \$400M
- Organics facility and green bins: \$ 40M

Total: **\$440M**

*Total New Operating Expenditures:*

- Debt servicing charges: \$24.2M
- Operating costs for organics diversion: \$20M
- Green building and climate change action fund: \$10M
- Mobility fee and pricing study: \$0.1M

Total: **\$54.3M**

*Total New Revenues:*

- Increase waste collection fees: \$5M

<sup>1</sup> <http://winnipeg.ca/interhom/CityHall/OurWinnipeg/>

<sup>2</sup> <https://ecofiscal.ca/>

<sup>3</sup> [http://greenactioncentre.ca/wp-content/uploads/2015/02/Green-Action-Centre-Budget-2015-submission-FINAL\\_F.pdf](http://greenactioncentre.ca/wp-content/uploads/2015/02/Green-Action-Centre-Budget-2015-submission-FINAL_F.pdf)

<sup>4</sup> <https://www.unenvironment.org/explore-topics/green-economy>.

<sup>5</sup> <https://www.unenvironment.org/resources/report/towards-green-economy-pathways-sustainable-development-and-poverty-eradication-13>.



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## Transit

Transportation is a major source of Winnipeg's community GHG emissions. According to the *City of Winnipeg Community 2011 GHG Inventory and Forecast*, residential vehicle emissions contributed 32 per cent of Winnipeg's total emissions in 2011. Personal vehicle travel was the predominant mode of transportation in the City of Winnipeg, representing 81 per cent of total weekday trips.<sup>1</sup>

The trend in emissions from transportation in Winnipeg has been increasing at a rate much faster than our population. Although there may have been some differences in annual methodologies, that same *2011 GHG Inventory and Forecast* report estimates that emissions from Road Vehicles increased by 72 per cent in the 17 years from 1994 to 2011. Meanwhile, the population in that period increased by less than 8 per cent.<sup>2</sup>

Winnipeg has not been giving people a viable alternative to their cars. This budget provides suggestions for ways to reverse that trend.

### New Planning / Planning Integration

This Alternative Municipal Budget (AMB) is being introduced at a time when the city is preparing to renew its *Our Winnipeg*<sup>3</sup> series of planning documents. Our overarching recommendation in this document is that the city integrate the different areas of planning for urban growth and development, climate change, and the implementation of the pedestrian and cycling strategy. Further, we recommend a complete review and redesign of the Transit network to incorporate public transportation service principles,<sup>4</sup> provision for electrification, and proper integration of the Rapid Transit corridors with the complete network.

### Provincial Climate Plan

On October 27, 2017 the Manitoba government released its *Made-in-Manitoba Climate and*

*Green Plan*.<sup>5</sup> Although the government's intentions are not specific, page 21 of that document says "Options to support greater use of active or public transportation are being considered including more bike paths and lanes." The "Electrification of Winnipeg Transit" section on page 12 expresses an intention to pursue electrification of Transit.

Despite these good intentions, the 2018 provincial budget provided no concrete plans to advance these goals. Furthermore, contrary to what transit advocates were anticipating, the carbon tax which will come into effect in 2018 will not contribute funding for transit improvements. In fact the province has stuck to the much criticized elimination of the 50/50 funding (with the city). These budgetary challenges imposed by the province mean that the AMB must look for other sources of funding (see Revenue section).

### Our Winnipeg Review & Update

Winnipeg's department of City Planning has begun the process of review and update of the *Our Winnipeg* plan. Documents updating *Our Winnipeg*<sup>6</sup> have much aspirational language and sentiment but lack clear directives for how to ensure that those aspirations are met. In contrast, this AMB offer clear directives for improving transit in Winnipeg.

### Public Transit

There is currently about \$3.2 million allocated for Rapid Transit planning.<sup>7</sup> We understand that this funding will be used for development of a coordinated and integrated transit plan that includes a Frequent Service Transit Network, Rapid Transit, and electrification. We support and expect such an integrated approach to Transit planning. The Transit plan should also integrate with Winnipeg's Pedestrian & Cycling Strategies (as discussed in our Active Transportation section) to encourage inter-modal travel. A significant portion of this budget needs to be allo-

cated to outreach and for the public to engage in meaningful dialogue with the planners and provide input before implementation.

### **Frequent Service Transit Network**

As noted above, in 2011, 82 per cent of weekday trips were made in cars and only 10 per cent using Transit.

We recommend that Transit press forward with the development of a Frequent Service Transit Network<sup>8</sup> as set out in a Winnipeg City Council motion on Transit Route Planning on June 21, 2017. On July 19, 2017 Council adopted the motion and directed Winnipeg Public Service to report to the Standing Committee within 18 months.

A Frequent Service Transit Network would cover a portion of the overall transit service network. Buses on these routes would be guaranteed to arrive in something less than 15-minute intervals over the majority of the day (not just rush hour). Montreal has such service in their 10-Minutes Max network.<sup>9</sup>

A Frequent Service Transit Network will fundamentally change the way Winnipeggers perceive and use Transit. It will give people a viable alternative to owning a car. The system will be simpler and therefore more useable. Since the service is available beyond rush hour, people can use the bus for more things like shopping or going to appointments without having to spend a lot of time pouring over schedules and bus connection times.

This is a fundamental shift in how Transit operates on these routes. Instead of operating to schedule, the buses will be working to achieve a consistent interval. In snowstorms and other such disruptive events, buses currently bunch up or “convoy” as each tries to catch up to a schedule which is unachievable under the circumstance. In such a convoy, the first bus is often overcrowded and the next (closely following) bus is empty. If these buses were working to frequency instead of schedule, they could use the GPS system to

maintain interval regardless of the average speed each bus is maintaining.

Buses on the network will be distinguishable from “scheduled service” routes by some visible means. In some cities, the frequent service buses are a different colour but some form of signage may suffice.

Many people on lower incomes work shift work or in service industries which require them to work on weekends. Therefore, the Frequent Service Network should include weekend service that may not be as frequent as weekday but must be better than what is provided today.

We understand that establishment of such a Frequent Service Transit Network will require adjustments to existing remotes. Often, this means reducing service through areas with lower population densities. We recommend that consideration be given to the income levels of people in those affected areas. Service should not be cut to areas of the city where people do not have alternative transportation solutions. Instead, City Planning should concentrate their efforts on ways to build housing and densify the population along these routes.

Finally, consideration must also be given to those who need transit for grocery shopping, medical appointments, childcare, education and to reach recreation destinations. Any design changes should increase access to these destinations, thereby decreasing the social exclusion low income Winnipeggers currently face.

### **Network Redesign**

To make the Frequent Service Transit Network feasible, the network of routes would need to be redesigned — the Frequent Service Transit Network routes should be as straight and as long as possible. An example of such a network is the Montreal 10-Minutes Max Network. This network has long, simple, frequent east-west routes and long, simple, frequent north-south routes. Riders do not have far to walk to reach a network route and can reach most destinations with one



Shuheng Zhu

connection. Since the network is frequent, connections are not seen as an impediment.

Also, with only one bus route per street the network has almost no redundancy, making the system simpler and less confusing. It also reduces cost.

Intrinsic within the redesign effort must be a commitment to continuation of service to existing riders — especially in areas where riders are likely to have limited alternatives to transit (e.g. income, age)

### **Rapid Transit**

Transit is currently involved in the planning of the Eastern Rapid Transit Corridor. We recommend that the design of this corridor and all Rapid Transit planning be integrated into the

Frequent Service Transit Network. This includes designing the stations for ease of connection to perpendicular feeder and frequent service routes.

### **Public Encouragement & Involvement**

#### *Targeted Marketing/Individualized Marketing Campaigns*

Providing new infrastructure and new or improved services is a proven way to increase the number people walking, biking, or taking transit for their day to day travel, but new infrastructure or services shouldn't be considered as standalone investments. To gain the most from our investments in sustainable transportation, we also need to reach out to people who live, work, and play in the areas served by those services/ infrastructure and encourage them to use it.

Targeted marketing campaigns, or individualized marketing provide tailored outreach to educate people about their travel choices. This customized information allows each marketing program to focus on the unique travel needs of an individual neighbourhood, institution, or audience. It's an effective way to bridge the information gap and support a change in travel behaviour — driving less and using alternative travel options more. In fact, it's been shown to decrease the number of kilometers being travelled, especially when initiated alongside major transit service and/or infrastructure projects that make it easier to walk, bike, or bus. For instance, a Portland study showed that areas targeted for individualized marketing after installation of a new rapid transit line saw four times the reduction in driving trips compared to areas that were not targeted by individualized travel marketing.<sup>10</sup>

The 2009 WinSmart Community Based Travel Marketing Pilot program (based on targeted/individualized marketing) showed that this type of program could be quite successful in Winnipeg. Results from the project showed an 11.7 per cent reduction in drive-alone and an 18.2 per cent reduction in trip-related CO<sub>2</sub> emissions. This was supported by a 54.3 per cent relative increase in cycling, 3.4 per cent increase in walking and 8 per cent increase in carpooling. There was also a 5.4 per cent reduction in vehicle kilometres travelled (VKT).<sup>11</sup>

In Winnipeg, we are suggesting that the city launch an individualized marketing program that will reach 20,000 to 30,000 households per year, starting in 2020 with the opening of the Southwest Rapid Transit Corridor. Program planning would need to begin in 2018.

*New Expenditure:*

- Implement marketing program: \$.5M/year

**Low-Income Bus Pass**

A low-income bus pass such as available in other Canadian cities would go a long way to making

Winnipeg Transit available to all. Calgary, for example, was able to shift attitudes about what causes people to live in poverty and what keeps them there. Transportation came to be seen as an important component in social and economic inclusion.<sup>12</sup> This policy is particularly meaningful to low-income single mothers who have to balance work and daycare or school.

**A low-income bus pass such as available in other Canadian cities would go a long way to making Winnipeg Transit available to all.**

The AMB allocates \$500,000 to the implementation of a low-income bus pass program which would also increase the number of buses that can accommodate strollers, wheelchairs, and people with multiple bags of groceries. These improvements dovetail with the recommendations in our Food Security section, and in the 2018 “Winnipeg without Poverty” report.<sup>13</sup>

*New Expenditure:*

- Implement low income bus pass policy: \$.5M

**Transit Security**

The brutal slaying of an operator in February, 2017<sup>14</sup> still haunts Transit employees and the public, yet little has been done to help operators deal with the escalation in violence. The AMB recognizes that most crime originates in poverty and adverse living conditions, and many of the policies recommended in this document aim to ameliorate those conditions. Nonetheless, until conditions improve, no worker should have to put up with unsafe working conditions. Steps could be taken to protect operators and passengers and to train employees how to best react to violent passengers.

*New Expenditure:*

- Hire consultant to compile report on improving transit security: \$.025M

## Handi-Transit

Those who rely on Handi-Transit often experience poor, unreliable, and sometimes unsafe service and onerous rules. The consequences are severe, and include lost job opportunities, missed appointments, and isolation. Many people living with intellectual disabilities do not qualify for Handi-Transit, even though they may be in great need of its services.

Handi-Transit lacks proper governance and is not accountable to its clients. Handi-Transit must be considered an integral part of Winnipeg's overall transit policy to ensure equitable access to mobility for seniors and people with physical and intellectual disabilities.<sup>15</sup>

There are a number of community-based organizations that provide essential transportation services for low-income people whose transportation needs are not met by Winnipeg Transit and Handi-Transit services (e.g. seniors and persons with disabilities). For example, some organizations provide low-cost escorted door to door transportation options for low-income seniors. The City of Winnipeg should support these programs that are filling the gaps in Winnipeg's transportation services. But a more sustainable solution that does not depend on resource-strapped community organizations needs to be found.

**The result is a patch-work system that lacks control, standards and accountability.**

Concerns about reliable and safe service are compounded by reports of onerous working conditions and low pay for Handi-Transit operators, who do not work directly for Winnipeg Transit. Handi-Transit contracts out the work to various private companies that compete for contracts with the City.<sup>16</sup> As with other instances of contracting out (waste collection and snow removal, for example<sup>17</sup>) customer service suffers while working conditions, including pay, deteriorate.

Carving out Handi-Transit and subjecting it to the pressures of the highly-competitive

world of private contractors effectively creates a two-tier transit system where people with disabilities receive poorer service than others, and causes them to rely on ad-hoc community services. The result is a patch-work system that lacks control, standards and accountability. In order to remedy this unacceptable situation, the AMB supports bringing the Handi-Transit service back in-house, making drivers employees of Winnipeg Transit. This process could unfold on a contract-by-contract basis, as contracts expire, or begin immediately by expanding the service to those currently outside the catchment area for transit.

### *New Expenditure:*

- Handi-Transit insourcing pilot project: \$.5M

## Transit Investment Priority

We need to find more funding for Transit from other sources but we also must give Transit a higher budgetary priority. Winnipeg lost some operational funding from the province in the 2017 provincial budget. However, even before this, Winnipeg had not been investing in Transit at a rate consistent with Edmonton or Ottawa — Canadian cities of comparable size.<sup>18</sup> We are not making the investments in service that would encourage people to use Transit instead of their cars. In very rough figures, over the past few years:

- Winnipeg has been spending about \$200 per person on Transit
- Ottawa more than \$400
- Edmonton about \$330
- Greater Edmonton about \$300

This paucity in funding Winnipeg Transit amounts to an operational funding deficit that must be dealt with. Given the enormity of the investment required to reach parity with other systems, we recommend a four-year plan to increase spending by a total of \$100M.

TABLE 1 Per Capital Expenditure by City 2013–15

Per Capita Expenditure	2013	2014	2015
Winnipeg	\$ 196.11	\$ 206.78	\$ 205.09
Ottawa	\$ 402.72	\$ 407.63	\$ 425.69
Edmonton	\$ 336.58	\$ 323.37	\$ 334.92
Greater Edmonton	\$ 300.60	\$ 291.93	\$ 300.66

SOURCE: CUTA Canadian Transit Fleet and On-Board Equipment Fact Book

TABLE 2 Total Operating Expenditure by City 2013–15

Total Expenditure	2013	2014	2015
Winnipeg	\$ 130,453,362	\$ 139,637,691	\$ 140,303,379
Ottawa	\$ 342,349,975	\$ 349,699,432	\$ 368,917,126
Edmonton	\$ 281,040,462	\$ 283,890,963	\$ 299,749,512
Greater Edmonton	\$ 306,369,390	\$ 310,828,681	\$ 327,236,820

SOURCE: CUTA Canadian Transit Fleet and On-Board Equipment Fact Book

**Winnipeg had not been investing in Transit at a rate consistent with Edmonton or Ottawa — Canadian cities of comparable size**

*New Expenditures:*

- Increase Transit operating budget – first of 4 installments: \$25M

*Total New Expenditures:*

- Marketing program: \$.5M
- Low-income bus pass policy: \$.5M
- Transit safety report: \$.025M
- Handi Transit insourcing pilot project: \$.5M
- Operating budget increase: \$.25M

Total: **\$26.525M**

Revenue Sources

Here are some suggestions for funding sources besides the above increase in operating spending, and which go beyond the traditional municipal mill rate. Some of these sources are not

in the control of the city and the AMB is including them to show readers the difficulties cities face in funding municipal services. The AMB believes that the provincial government should be doing much more to support public transit. These recommendations come under the heading “Provincial Holdouts”.

Other suggestions offer more hope and the AMB strongly urges the city to pursue the funding possibilities available with the federal government and Federation of Canadian Municipalities. These suggestions are in the “Lobby Hard” category.

The other revenues sources we will discuss are under the control of the city and would, if implemented, greatly increase the amount it could invest in transit. They are under the heading: “Bold but Workable”. The AMB includes these revenues in its financial framework.

**Provincial Holdouts**

*Provincial Operational Matching*

We recommend that the provincial 50–50 funding be restored. For decades, the Manitoba government guaranteed a 50–50 share of the operating expenses of Winnipeg Transit. In the 2017 pro-

vincial budget, the provincial contribution was frozen at 2016 levels. This resulted in the city receiving between \$5 million and \$10 million less revenue contribution than they had budgeted for. These revenues are desperately needed to lower the operational spending deficit noted above.

#### *Provincial Carbon Revenue*

The provincial government's "Made-in-Manitoba Climate and Green Plan" includes a levy of \$25 per tonne on carbon pollution. This is estimated to result in about \$260 million in annual revenue to the province. We submit that it is fair and proper that a reasonable percentage of this revenue be turned over to the City of Winnipeg and that the city use this money to enhance Transit service. Part of the intention of a carbon levy is to encourage people to burn less fossil fuel and

**The failure of the province to use carbon tax revenue to electrify the system is even more short-sighted when options such as pay-as-you-save financing is available.**

reduce greenhouse gas emissions. Much of the carbon revenue will come from gasoline and diesel fuel sales. If we want to encourage people out of their cars, we need to offer an attractive alternative. This means using money from the carbon tax to improve Transit — it should be more frequent, more reliable, and simpler. (See Frequent Service Transit Network).

The failure of the province to use carbon tax revenue to electrify the system is even more short-sighted when options such as pay-as-you-save financing is available. Such a program, as explained by the Amalgamated Transit Union,<sup>19</sup> could allow the province to re-coup the upfront investment in electric buses through the future operating savings they generate.

The potential for regional economic expansion is further enhanced by having an electric bus manufacturer in our own backyard. New

Flyer Industries supplies electric buses to municipalities throughout Canada and the US.<sup>20</sup> Purchase from this local company would create decent jobs in Winnipeg, while allowing the city and province to lead the way in the transition to a greener economy.

Until the province decides to meaningfully support municipalities as they struggle with climate change, the following options are all that remain.

#### **Lobby Hard**

##### *Federal Infrastructure Revenue*

The Canadian government is pursuing programs related to its Paris Climate Accord commitment to greenhouse gas reduction. To this end, the Public Transit Infrastructure Fund announced in Federal Budget 2016 focused on making immediate investments of \$3.4 billion over three years, to upgrade and improve public transit systems across Canada.<sup>21</sup> Winnipeg needs to take full advantage of its share of this funding.

It is worth noting that Federal Transit funding was linked to ridership in the 2016 Transit Funding Program.<sup>22</sup> So actions that increase ridership — such as the ones the AMB recommends — will increase funding opportunities. Winnipeg did not take full advantage of the funding that was offered as part of this program.

##### *FCM-MCIP Funding*

The Federation of Canadian Municipalities (FCM) Municipalities for Climate Innovation Program (MCIP) is a five-year, \$75-million program that helps municipalities prepare for, and adapt to, climate change, and to reduce emissions of greenhouse gases (GHGs). Funding is available to encourage residents to use less polluting forms of transportation by encouraging cycling, walking and transit. Winnipeg needs to take full advantage of its share of this funding.

It should also apply for funding through the FCM's Green Municipal Fund<sup>23</sup> which is available for all municipal governments and their partners. The program could cover \$5 million,



or up to \$10 million for a loan — and/or a grant of 10 per cent of the cost of the project.

### **Bold But Doable**

#### *Mobility Pricing and Parking Lot Fees*

People who use city services like roads and road maintenance should contribute to pay-

ing for those services. The Introduction and Environment sections outline the principals of sustainable budgeting and mobility pricing. Our Revenue section shows how mobility pricing and parking lot fees could significantly boost revenues that could help pay for transit infrastructure.

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6 <http://winnipeg.ca/interhom/CityHall/OurWinnipeg/>

7 Public Transit Infrastructure Fund (PTIF) & Clean Water and Wastewater Fund (CWWF) Project information – September 1, 2017

8 <http://jarrettwalker.com/consulting-services/policy/>

9 <http://www.stm.info/en/info/networks/bus/local/10-minutes-max>

10 [http://greenactioncentre.ca/wp-content/uploads/2013/11/WinSmart\\_CBTM\\_Project\\_Report\\_reducedsize.pdf](http://greenactioncentre.ca/wp-content/uploads/2013/11/WinSmart_CBTM_Project_Report_reducedsize.pdf) Section 7

11 Ibid.

12 Canadian Centre for Policy Alternatives, 2012. Available at <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba%20Office/2012/02/Bus%20Fare.pdf>

13 <https://www.policyalternatives.ca/publications/reports/winnipeg-without-poverty>

14 <https://globalnews.ca/news/4025615/one-year-after-drivers-death-little-change-made-transit-union/>

15 <https://www.winnipegfreepress.com/opinion/analysis/handi-transit-failing-winnepeg-disabled-citizens-333153891.html>

16 <http://winnipegtransit.com/en/handi-transit/handi-transit/>

17 [http://www.civicgovernance.ca/wordpress/wp-content/uploads/2016/06/Columbia\\_Back\\_in\\_House\\_May\\_16\\_2016\\_English\\_web.pdf](http://www.civicgovernance.ca/wordpress/wp-content/uploads/2016/06/Columbia_Back_in_House_May_16_2016_English_web.pdf)

18 Data from: “CUTA *Canadian Transit Fleet and On-Board Equipment Fact Book*

19 <https://www.winnipegfreepress.com/opinion/analysis/a-local-solution-to-citys-transit-woes-480210633.html>

20 <https://www.winnipegfreepress.com/local/transit-union-wants-province-to-use-carbon-tax-to-convert-buses-to-electric-480278223.html>

21 Public Transit Infrastructure Fund (PTIF) Proposed Project Listing – September 1, 2017: Project number PTIF1101.

22 <http://www.infrastructure.gc.ca/plan/ptic-fitc-table-tableau-eng.html>

23 <https://fcm.ca/home/programs/green-municipal-fund.htm>

## Active Transportation

### Accelerate Development of Pedestrian and Cycling Networks

While “A Transportation System that Supports Active, Accessible, and Healthy Lifestyle Options” is a strategic goal of the *Our Winnipeg* planning document, “Sustainable Transportation”,<sup>1</sup> we still have a long way to go if we truly want to provide citizens with meaningful options in their mode of transportation (walking, cycling, using public transit or driving). The current budget of \$5.4 million/year<sup>2</sup> amounts to less than 40% of the \$14 million/year<sup>3</sup> recommended in the Pedestrian and Cycling Strategies.

This funding shortfall is being met to some degree by an increased inclusion of walking and cycling infrastructure within other roadway projects. While these added walking and cycling facilities are welcome additions, they often do not connect to existing walking or cycling infrastructure, and rarely represent the priorities identified for the development of the city’s walking and cycling networks. At the same time, many road renewal projects still fail to include improvements to improve walkability or bikeability of streets during rehabilitation or reconstruction projects, when improvements can be added most affordably.

To address this shortfall, we are recommending annual increases to the walking and cycling program of \$.667M/year over the next five years, starting in 2018 with the expectation that this increase will be matched by the two senior levels of government. To access provincial and federal funding, the city should highlight the strong co-benefits that higher rates of walking, cycling, and transit use provide, including health benefits, reduced greenhouse gas emissions, economic impacts, reduced congestion, and workforce productivity benefits.

In addition, we are recommending that consideration for potential walking and cycling im-

provements be integrated into the prioritization and budgeting process for the local and regional street renewal programs, and that any necessary studies and resulting additional construction costs be incorporated into these budget lines rather than taken from the pedestrian and cycling program budget. We feel that this would align practice with the intention of the Pedestrian and Cycling Strategies recommendation to “ensure that bicycle requirements be addressed in all new and renewal road projects that are part of the bicycle network or where the road provides connectivity or support to the bicycle network”<sup>4</sup> and to “Seek strategic opportunities to implement new sidewalks through partnerships, other capital projects and programs and development opportunities on non-regional roads”.<sup>5</sup>

#### *New Expenditure:*

- Increase funding for walking/cycling program: \$667,000

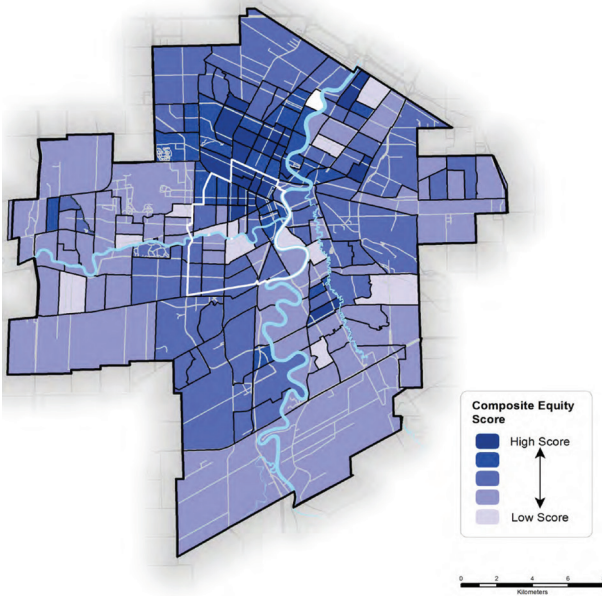
### Increase Staffing Devoted to Walking & Cycling Program

With a growing budget devoted to pedestrian and cycling facilities and programs (and increasing budgets for street renewals which often require retrofits to meet updated standards for walking or biking), it is important that city staffing dedicated to the needs of people on foot or bike also grow to manage the increasing workload. As identified in the City of Winnipeg’s Pedestrian and Cycling Strategies,<sup>6</sup> we are therefore recommending that the city create and fill the following positions as part of the upcoming budget:

- Bicycle and Pedestrian Design Engineer
- Bicycle and Pedestrian Education and Promotion Coordinator

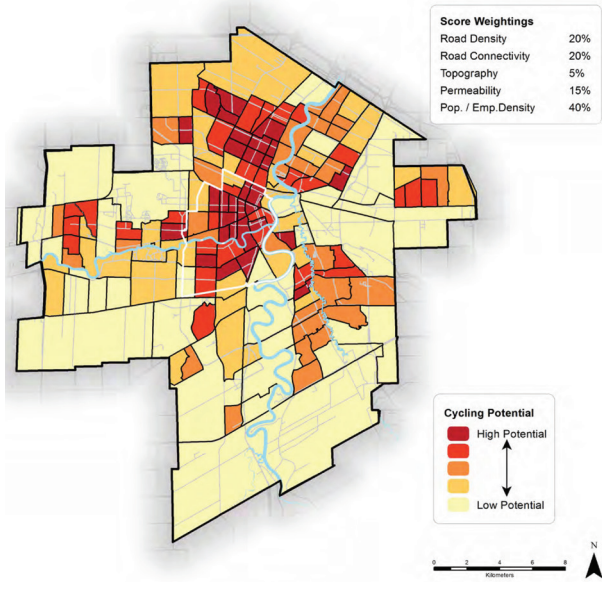
The design engineer position is critical to ensure that designs are consistent and that these designs are routinely included in the planning and budgeting of the increasing number of roadway rehabilitation projects.

FIGURE 1 Equity Analysis



SOURCE: Winnipeg Pedestrian and Cycling Strategies Final Report

FIGURE 2 Walking and Cycling Potential



SOURCE: Winnipeg Pedestrian and Cycling Strategies Final Report

*New Expenditure:*

- Bicycle and pedestrian design engineer (wages/benefits): \$90,000
- Bicycle and pedestrian education and promotion coordinator: \$60,000

Focus Spending in Downtown & Surrounding Areas, and in Disadvantaged Neighbourhoods

With limited funding available to design and develop infrastructure that will make it more comfortable and convenient to walk, bike, or bus to destinations, it is important to ensure that projects to improve walking and cycling infrastructure are focused on areas of the city that have the highest potential to encourage more trips by foot, bike or bus. It is also important to consider areas of the city where limited access to walking or cycling facilities is compounded by socio-economic challenges.

In Winnipeg, the areas most likely to attract new users are the downtown and surrounding

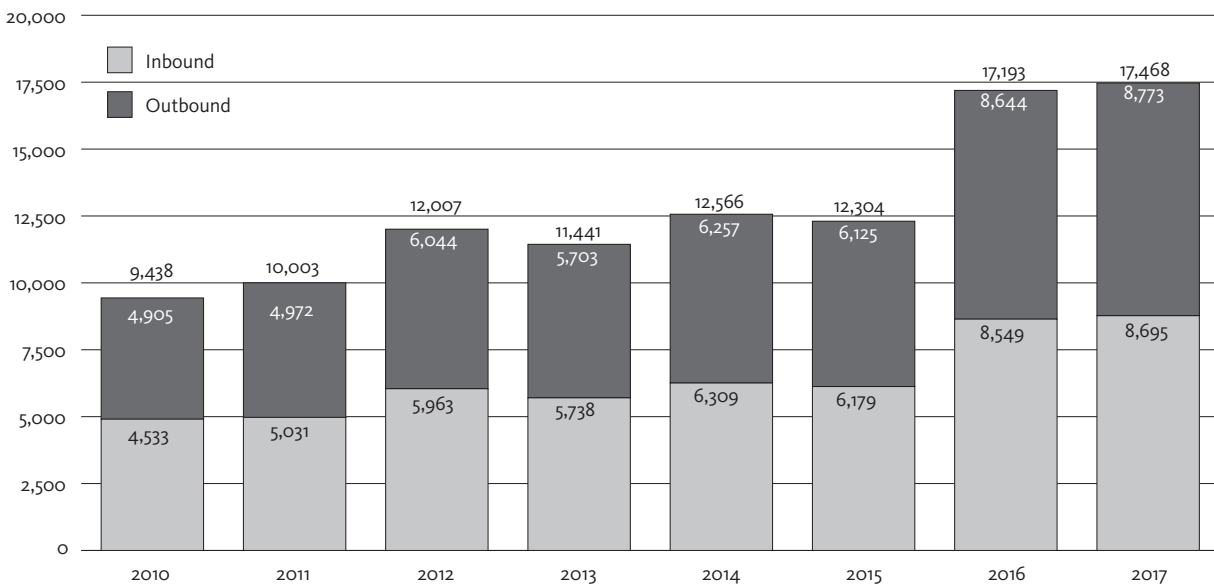
mature neighbourhoods where density is higher and the existing street network forms a connective grid.

Downtown Separated Bicycle Lane Network

Despite having been identified as a short-term “quick win” that should be prioritized in the next one or two years,<sup>7</sup> construction of the city’s downtown separated bike lane network is only starting to begin three full years after the Pedestrian and Cycling Strategies were passed in July, 2015. Full buildout of the downtown separated bicycle lane network is not within the 3-year planning horizon of the 2018 Pedestrian and Cycling Program Action Plan, and even then the planned network will not provide the level of connectivity recommended in the Downtown by the Pedestrian and Cycling Strategies (400m grid width).<sup>8</sup>

We urge the city to fast track development of the downtown separated bicycle lane network by committing to plan for all remaining segments

**FIGURE 3 Total Downtown Bicycle Trips – Annual May Count**



**SOURCE:** City of Calgary Central Business District Cordon Count. The total number of bicycles entering and exiting the downtown are counted annually on a weekday in May from 6 a.m. to 10 p.m. [calgary.ca/bikedata](http://calgary.ca/bikedata)

(and proposed additions along St. Mary & York) in 2019, and by installing adjustable separated bike lanes in 2019/2020 to be followed with permanent installations as the roadways undergo planned renewals.

### Case Study

In 2015, the City of Calgary fast tracked the planning and installation of a five street downtown protected bike lane network using cheaply installed adjustable barriers (similar to those being piloted in Winnipeg right now).

Results:

- Ridership has tripled along the network.
- Bicycle trips into and out of downtown increased by 40% between the 2015 and 2016.
- Perception of safety of people cycling increased from 68% to 91%.
- People are going one or two blocks out of their way to use the cycle tracks.
- The highest ridership occurs where cycle track routes are closer together.

### Cycling Spines

Beyond the Downtown, the city's focus in developing its walking and biking network should emphasize projects that will connect into the Downtown networks or those that will improve access to walking or cycling facilities in areas of the city facing socio-economic challenges and/or historic neglect of the needs of people walking or biking to their destinations. In particular, the following projects should be seen as high priorities:

- St. Matthews & U of W Connection
- North Winnipeg Parkway
- Northwest Hydro Corridor Greenway
- Churchill Pathway
- Transcona Trails Connection to Panet Rd.

### Neighbourhood Greenways in Mature Neighbourhoods

Neighbourhood Greenways are local streets (sometimes supplemented with short pathways) where the needs of people on foot or on bikes are prioritized. Cars are allowed, but are treated as

guests. Neighbourhood Greenways are generally designed (or retrofitted) for lower speeds (30 km/hr.) and lower traffic volumes (cut through traffic is discouraged), and provide safe crossing options for people on foot or bike where they must cross higher speed/volume streets. They provide safe, comfortable and convenient access to neighbourhood destinations such as grocery stores, restaurants, or schools, and provide necessary access to the wider walking and cycling networks. Plans for Neighbourhood Greenways should:

- Aim for 2 to 3 studies per year (either corridor or community studies)
- Aim for 2 to 3 implementations per year as plans are developed and budgets allow
- Integrate with School Travel Plan Studies (Active and Safe Routes to School). School travel planning, with the aim of reaching 6–8 schools per year, should be included within the study areas being considered for neighbourhood greenways.
- Focus on Mature neighbourhoods and prioritize disadvantaged neighbourhoods.

### Crossing Improvements Reserve

The Pedestrian and Cycling Strategies show a need for \$100 million worth of crossing improvements over 20 years from 2015 onwards.<sup>9</sup> The AMB recommends that a reserve fund be established to accumulate funds for crossing improvements,<sup>10</sup> with yearly contributions of \$1M to be started in 2018.

#### *New Expenditure:*

- Contribution to crossing improvements reserve: \$1M

### Regional & Local & Sidewalk Renewals

While funding for regional and local street renewal programs has increased \$13 million per year between 2015 and 2018, none of that increase

has been dedicated towards renewal of our sidewalks. We recommend that beginning in 2018 budgets for sidewalk renewal and within the Local & Regional Street Renewals program be doubled, with a corresponding drop in the amount allocated for Local Street Renewals— Various Locations and for Regional Reconstruction and Major Rehabilitation Works and Regional Mill and Fill Preservation Works.

#### *New Expenditures:*

- Regional sidewalk and curb renewal: \$500,000
- Detectable warning surfaces for regional streets: \$100,000
- Local street sidewalk renewal: \$800,000

Total: **\$1.4M**

#### *New Revenue:*

- Reduction of spending on regional road construction: \$1.4M

### Monitoring

As the city moves forward with implementation of the Pedestrian and Cycling Strategies and its Climate Action Plan, a monitoring strategy that counts how many people are walking or biking along our sidewalks, roads, and pathways is needed to ensure that the strategies are being implemented as intended, and to determine whether the plan is achieving its goals. In addition, a monitoring program may be required to access provincial and federal funding aimed at reducing greenhouse gas emissions.

We are suggesting an annual budget of \$80,000 per year,<sup>11</sup> to be taken out of the \$250,000 annual budget for the Transportation Master Plan.

### Snow Clearing

We're a winter city. If we want to encourage more people to walk or bike, we need to make

sure that our walking and cycling facilities are maintained through winter. For the most part, our current snow clearing policy dates to 1993 and focuses mainly on the need to move cars. It needs to focus on moving people. We are advocating an increase of \$1 million/per year to be dedicated to improvements in snow clearing of sidewalks, bike lanes, and multi-use pathways.

*New Expenditure:*

- Improve snow removal for sidewalks, bike lanes and multi-use pathways: \$1M

**Use Existing Land Acquisition Budget for AT Related Property Acquisition**

Instead of coming out of the general Pedestrian and Cycling Program budget, property acquisition required for pedestrian and cycling facilities may also come from the exist-

ing budget for property acquisition related to transportation improvements. Property acquisition would need to be based on sites identified in completed plans.

*Total Expenditures:*

- Increase funding for walking/cycling program: \$667,000
- Increased staffing: \$150,000
- Contribution to crossing improvements reserve: 1M
- Regional and local sidewalk renewal: 1.4M
- Sidewalk snow removal: 1M

Total: 4.217M

*Total Revenue:*

- Reduction in road expansion: \$1,400,000

Net Expenditures: **2.817M**

<sup>1</sup> <http://www.winnipeg.ca/interhom/CityHall/OurWinnipeg/pdf/SustainableTransportation.pdf> Page 6, Sustainable Transportation: An OurWinnipeg Direction Strategy, City of Winnipeg, 2011

<sup>2</sup> Page 2-1, Adopted Capital Budget, City of Winnipeg, December 2017. [http://winnipeg.ca/finance/files/2018AdoptedCapitalBudget\\_Volume3.pdf](http://winnipeg.ca/finance/files/2018AdoptedCapitalBudget_Volume3.pdf)

<sup>3</sup> Pages 314-315, Winnipeg Pedestrian and Cycling Strategies. 2015, City of Winnipeg. <http://www.winnipeg.ca/publicworks/pedestriansCycling/strategiesActionPlan/pdf/strategy.pdf>  
 \$14 million per year is calculated by subtracting \$55 million in bike/pedestrian improvements to be included in existing roadway projects from the estimated \$334 million capital cost for complete implementation of the Pedestrian and Cycling Strategies, then divided by the 20 year horizon of the Pedestrian and Cycling.

<sup>4</sup> Recommendation 1B.x, Page 291, Pedestrian and Cycling Strategies, City of Winnipeg, 2015  
<http://www.winnipeg.ca/publicworks/pedestriansCycling/strategiesActionPlan/pdf/strategy.pdf>

<sup>5</sup> Recommendation 1A.vi, page 290, Pedestrian and Cycling Strategies, City of Winnipeg, 2015  
<http://www.winnipeg.ca/publicworks/pedestriansCycling/strategiesActionPlan/pdf/strategy.pdf>

<sup>6</sup> Page 319 Winnipeg Pedestrian and Cycling Strategies. 2015, City of Winnipeg. <http://www.winnipeg.ca/publicworks/pedestriansCycling/strategiesActionPlan/pdf/strategy.pdf>

<sup>7</sup> page 312, Pedestrian and Cycling Strategies, City of Winnipeg, 2015  
<http://www.winnipeg.ca/publicworks/pedestriansCycling/strategiesActionPlan/pdf/strategy.pdf>

<sup>8</sup> Page 135, Pedestrian and Cycling Strategies, City of Winnipeg, 2015

<sup>9</sup> Page 314, Pedestrian and Cycling Strategies, City of Winnipeg, 2015

<sup>10</sup> The Pedestrian and Cycling Strategies recommend the establishment of a reserve fund for crossing improvements (page 315).

<sup>11</sup> Based on a plan developed by the Winnipeg Public Service and presented before the Standing Policy Committee on Infrastructure Renewal and Public Works, December 1, 2017. Item #5, <http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=16603&SectionId=&InitUrl=>

## Police Services

### A Bankrupt Future?

Given the proportion of Winnipeg's municipal budget consumed by public police costs, and given the rate of police budget growth, it is not a stretch to claim that the Winnipeg Police Service (WPS) budget will put serious strain on the City of Winnipeg in the 21st century. In fact, it already is. Topping \$288M in 2017, it constitutes the largest departmental expenditure in the operating budget, at 27 per cent. The WPS budget is a municipal emergency that must be addressed with urgency and structural changes.

**Winnipeg Police Service (WPS) budget will put serious strain on the City of Winnipeg in the 21st century.**

### Will Community Policing Save Us?

Most approaches to alternative budgets advocate moving money out of regular duty policing and into community policing, which would ostensibly decrease direct costs of policing as well as indirectly decrease police costs by fostering social development and decreasing crime. We reject these claims. The tendency is that community policing extends police operations, surveillance, and criminalization.<sup>1</sup> Evidence from decades of community policing experiments across North America reveal that community policing is often a mere public relations project focused on reducing negative perceptions of the police rather than changing the operations that fuel those negative perceptions. Similarly, police service responses to calls for greater public accountability often focus on bolstering police resources. In its 2016 strategic plan, the WPS requested more funding for "innovative technologies" including body-worn cameras and a data

warehouse. There is little evidence to show that this technology helps keep citizens safer. The 2016 WPS strategic report acknowledges that "despite a steady drop in reported crime rates, more and increasingly complex tasks and responsibilities for police services have been driving their costs upward".<sup>2</sup> These "more complex tasks" do not result in more public safety.

**Community policing is often a mere public relations project focused on reducing negative perceptions of the police .**

We must ask whether people's health and safety might be better achieved by re-directing that money. This will involve resisting police efforts to put themselves at the center of community development and safety efforts. As Gilmore and Gilmore<sup>3</sup> have observed, police involvement is likely to weaken social development infrastructure. They claim that community policing indicates "no movement whatsoever to shift power away from the police. Quite the opposite: the provision of necessary goods and services through the police ...will further weaken what remains of the social welfare state and the neighbourhoods that most depend on public services". If public police are truly invested in "crime prevention through social development," they should recognize that community and social development is best achieved by organizations other than themselves.

Instead of community policing, we are proposing a decrease in the police budget to free up resources for other public investments.

### Runaway Police Expenditures and Cost Overruns

We have studied cost and expenditure indicators of the WPS budget, in part using freedom of information disclosures. The WPS budget is marred by a number of problems. Between 2010

and 2015, total expenditures on policing increased from \$191.5 million to \$261 million — a 36 per cent increase in five years. These runaway expenditures and the culture of overrun at WPS would not be acceptable in any other department at any level of government. We are arguing that existing funding and future increases earmarked for community health and safety should not go to the police. To demonstrate what redirection of public funding away from police could look like, we have identified many lines in the WPS budget where funding could be scaled back.

Approximately 85 per cent of police costs are salaries and benefits.<sup>4</sup> Wage settlements for police members after collective bargaining have been over 3 per cent in previous years; this does not happen for other workers in Winnipeg or Manitoba. Wage increases set out in the most recent collective agreement were smaller at 2.5 per cent a year from 2017–2020, but still higher than Winnipeg's current 1.8 per cent rate of inflation and much higher than bargaining results for other public sector employees.<sup>5</sup> Between 2010–2015, total spending on WPS salaries and benefits increased by 38 per cent, a real increase of \$62,490,661.

A compounding factor regarding the WPS's biggest expense is that 23.9 per cent of its officers are eligible to retire,<sup>6</sup> the second highest figure for any police service in Canada. These officers are at the top of the pay scale, amplifying salary and benefit costs and driving up the police and municipal budget.

Wage increases for police officers are a large public expenditure on a form of labour that, unlike other public sector work, does not have a long-term positive impact on public good.<sup>7</sup> While the goal of police restructuring should be to reduce the total number of officers, we propose that in the meantime police members' salary and benefit collective bargaining outcomes should be indexed to the average of other collective bargaining outcomes in the city and province to correct for the massive increases police

members have received. Moreover, the positions that make up the 23.9 per cent of retirement eligible officers should be left vacant when those retirements occur.

Curbing salary and benefit increases for public police is a major, necessary change that should be made to control the police budget. A number of smaller changes would also make a big difference if those monies were diverted to actual social programs and community development.

Since 2010, money spent on acting pay has continued to increase. In 2015, the WPS spent \$718,730 on acting pay, which represents a 12 per cent (or \$77,562) increase since 2010. WPS employees continue to receive increased shift premium pay for evening and night shifts. The shift premium pay rate increased from 90 cents/hour in 2009 to \$1.00/hour in 2016,<sup>8</sup> which cost \$975,373 in 2015. Overtime pay cost the WPS almost \$9.5 million in 2015 (\$9,446,651). Compare this expenditure with the cost of running the West End 24 hour safe space for youth in the Spence neighbourhood. With a mere \$380,000 of public funding over three years, WE24 has offered a space for over 550 youth a year to sleep and eat at night on the weekends.<sup>9</sup> They have not been able to secure enough funding to offer this service seven days a week. This is one example of how redirecting overtime costs and acting and special pay could result in public benefit.

As the police service grows, costs associated with equipping each new officer also balloon. Over the past five years, WPS has spent between \$1.5M–\$2M a year on fleet fuels and chemicals alone. Fleet capital lease costs have risen, reaching a high of \$1.95M in 2015. Associated costs including parking space rentals and vehicle maintenance added up to \$1.1M in 2015. The yearly cost of telephones, cellular phones, computer software and hardware, and data has continued to grow, reaching almost \$2M total in 2015 (\$1.86M). We call for a reduction in vehicle, fuel and vehicle main-



tenance, computing, radio and computer, and cell phone operating costs.

Training, workshop, and tuition costs have also been increasing since 2010, reaching \$582,155 in 2015. These costs are often associated with what police claim is increasingly ‘complex’ work—new police roles such as community liaison positions, or equipping officers with new tools. We call for the police to demonstrate the public benefit of these expenses, and to cap training costs. We also call for the department to re-direct training costs to educating officers about cultural awareness, de-escalation techniques, unintentional bias and the social conditions that contribute to people becoming involved in the criminal justice system. More specific recommendations are offered below.

The costs for the WPS tactical support team (TST) are high. The costs for SWAT team use exceeded \$5,400,000 in 2016 and have trended up since 2010. This is because TST is being used for more routine policing activities.<sup>10</sup> There must be a higher threshold for SWAT team use. We call for a moratorium on TST use for routine police activity so that it is deployed as infrequently as possible. We also call for a moratorium on TST equipment purchases. Some have called for the police helicopter and tactical vehicle to be sold. However, the most significant and ongoing expense is the TST itself.

Crime analysis is another overlooked, but escalating cost. The costs for crime analysis exceeded \$1,100,000 in 2016 and have trended up since 2010. We call for the WPS to cap current staffing levels for crime analysts, and assess the extent to which they are producing superfluous analyses.

Tens of thousands of dollars are also wasted on the old police headquarters (151 Princess Street) each year it sits vacant. The property should be repurposed to create a facility providing employment services, computer and language training, community research and development, and social and health programs for Manitobans. Al-

though the criminal investigation will suggest remedies to deal with overspending on the new police headquarters, we call for the WPS to find a way to repay the HQ cost overrun.

### Budgeting Through an Equity Lens

The most significant statistical predictor of number of police officers per capita in Canadian cities is the size of a city’s minority population.<sup>11</sup> More racialized people in a city means there will be more police, but this does not translate into improvements in public safety for those communities.<sup>12</sup> Putting the safety concerns of Indigenous people, refugees, and women at the center of an analysis, there is evidence to suggest that investments in policing can increase the vulnerability of marginalized people,<sup>13</sup> and that safety is better achieved through investments outside the criminal justice system. Increases in policing have been disproportionately targeted in Winnipeg’s Black and Indigenous communities under the guise of outreach to those communities.<sup>14</sup> Through an equity lens, shrinking the police budget is about making more equitable investments in public safety.

**More racialized people in a city means there will be more police, but this does not translate into improvements in public safety for those communities.**

Recommendations from the 2018 ‘Winnipeg without Poverty’<sup>15</sup> report would go a long way to increasing equity. Examples include:

- Replacing the Police Board with a Community Safety Board that has a voting membership including women and members of the LBGT2SQ+ and Indigenous and New Comer communities;
- A program to work with community-based organizations to strengthen cultural awareness, de-escalation techniques and to

educate officers on the social conditions that force people into the criminal justice system;

- Training officers to use their discretionary powers to help individuals into appropriate community programs rather than into custody, and to not fine low-income people for behaviour that does not threaten the public.

Police-centered responses have failed to address the safety concerns facing women, particularly poor and Indigenous women in Winnipeg. Community organizing around the inquiry into Murdered and Missing Indigenous Women has emphasized the tendency of police to understand missing women in terms of criminal culpability, rather than structural vulnerability.<sup>16</sup> Poor women are made most unsafe by a lack of affordable housing and inadequate EIA rates that endanger their abilities to dictate the terms of their own survival. Women and trans people who are engaged in sex work are especially vulnerable to violence because their work is criminalized, leaving them little recourse for harms they face while working.<sup>17</sup> The above recommendations could address these problems.

The Truth and Reconciliation Commission (TRC) notes that offending history and arrest history accumulate and negatively impact Indigenous people.<sup>18</sup> This is one way that systemic racism manifests in the criminal justice system. Policing is a key component of this problem. As the TRC states: “it is assumed that locking up offenders makes communities safer, but there is no evidence to demonstrate that this is indeed the case”.<sup>19</sup> Applying an equity lens to the police budget should lead us to redirect existing police spending toward life-affirming public services like housing and training and employment. Long-term safety and security for all is better achieved by decreasing rather than increasing police funding.

## Looking Forward

Austerity budgets for education, health, recreation, and welfare are harmful to working class people. Sharp cuts to budgets and services in Winnipeg and Manitoba should be viewed as even more outrageous in the context of increased police funding. Instead of responding to emergencies, the police are causing a structural one with their spending. More policing also leads to increased costs down the road, as the remand population continues to grow with those being held for minor breaches of condition — a direct result of increased policing.<sup>20</sup> To this end, we have flagged millions in the police budget that can be scaled back. Our estimates could even be considered conservative given the increasing costs of policing due to urban sprawl.<sup>21</sup>

We have called for the WPS to reduce overrun culture. We conclude with two broader recommendations that cut across the police budget. First, we call for the current organization of police governance (the police board) to be altered. The current budgeting process is not transparent, the police board simply providing a rubber stamp for what police want to do. There should be more public participation in the process.

Second, we are calling for a reduction of 2 per cent in the WPS budget. This would free up much needed funds for social spending. Without such drastic action, a bigger set of fiscal and social problems will overwhelm our city. There are two options: a financially strained and over-policed Winnipeg, or well-funded community, health, and housing sectors benefiting from a scaled-back and minimized Winnipeg Police Service.

We recommend cutting this year’s budget by 2 per cent.

**Total New Revenue: \$5.76M**

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# Capital Budget

Winnipeg's yearly budget is divided between operating and capital. The operating side includes such expenses as salaries, services, and debt financing charges — in short, what it costs to run the city on a day-to-day basis, and includes an additional two years of projected spending. The capital budget, on the other hand, lays out the planned spending on the city's capital assets, and contains an additional five years of projected capital spending. This includes everything from buildings, to vehicles, to computers — things of a permanent or semi-permanent nature. For example, the costs associated with building a road would come out of the capital budget, while the snow clearing costs for that road would be paid for out of the operating budget. Similarly, transit workers' salaries come from the operating budget, while busses are paid for out of the capital budget. The primary importance, therefore, of the capital budget, is in planning for the upkeep and improvement of the city's infrastructure.

Funding for the capital budget can come from a number of sources. Money can be taken directly from the operating budget as “cash to capital.” Additionally, sources such as provincial and federal grants, taxes and levies, and re-

serve funds can contribute to the funding. Debt financing can also be used. In the 2017 budget, for example, all these sources were used to fund regional and local street renewal.

## The Infrastructure Deficit

In regards to Winnipeg's capital budget, the previous AMB (2014)<sup>1</sup> highlighted a significant infrastructure deficit, and predicted that deficit to only grow over a ten-year period. This was based mainly on a 2009 report<sup>2</sup> — the city administrative report on infrastructure deficit and possible funding options. This report pegged the deficit at \$740 million per year, (or \$7.4 billion over ten years) which is enormous, considering the capital budget that year was \$476 million.

The infrastructure deficit is defined as “the added investment in infrastructure assets that would be required to maintain them at appropriate service levels and in a good state of repair.”<sup>3</sup> The above city study showed that not only was the city not spending enough to keep Winnipeg's infrastructure at an appropriate service level, but the amount of money spent didn't even cover upkeep on existing infrastructure. The \$740 million was divided into two parts — a



James Langridge

\$380 million deficit on existing infrastructure, and a \$360 million deficit on planned/new infrastructure. Of the \$380 million deficit on existing infrastructure, \$200 million was needed just to keep infrastructure at its current (2008) unacceptable condition — that is, just to keep things from getting worse — and the additional \$180 million was needed to bring the condition up to acceptable levels. According to the numbers, the state of Winnipeg’s infrastructure in 2009 was crumbling, and since that report, there has been no significant increase in the amount of money spent on capital by the city.

The 2009 report provided more information about the forecasted \$380 million yearly deficit, or a \$3.8 billion deficit over ten years, on existing infrastructure (in 2009). It included some

\$20 million per year in operating expenses (\$200 million over ten years). Since this AMB report deals with the capital budget only, that \$200 million will be subtracted, leaving \$3.6 billion. This means that, ten years from the time the report was released, it was expected that \$3.6 billion above the projected capital budget would have needed to be spent in order to bring infrastructure conditions from the level they were at in 2008 to acceptable service levels.

What makes the picture worse is that the \$3.6 billion didn’t include the need for new infrastructure. When that was factored in, \$3.45 billion in additional funding was needed over the same ten-year period (again, subtracting operating from \$3.6 billion). The total infrastructure deficit, therefore, with respect to the capital

budget, was expected to be roughly \$7 billion (in 2009 dollars) by 2019.

In 2009, capital spending from 2009–2018 was projected to be \$3.5 billion. Adding this amount to the \$7 billion shortfall means that a total of \$10.5 billion is required to bring infrastructure to an acceptable level of service. When the projected spending was revisited in the 2014 AMB, it was found that the combined actual and projected spending amount over the same time period had risen to \$4.4 billion. Though a \$900 million improvement on \$3.5 billion, this still left the city \$6.1 billion short of the projected amount required.

In 2010, the Infrastructure Funding Council was put in place by the Mayor and the Association of Manitoba Municipalities to address the infrastructure. The following year, it released a report identifying the deficit and provided a range of recommendations to reduce it, including a frontage levy and “smart debt” financing. Page 31 of the report also includes a table detailing additional revenue streams, and 10-year look at reducing the deficit.<sup>4</sup> Though significant, the combined proposed revenue measures don’t add up to the projected \$6.1 billion.

A significant step was taken by the city in 2015 in that an asset management policy was put in place. This policy is intended to dictate the way assets are utilized by the city in order to provide the best level of service (LOS). In regards to capital (which comprises much of the scope of the policy), this includes efficient and effective use of assets with respect to minimizing life-cycle costs while maximizing LOS, and maintaining up-to-date information on the state of city assets. In effect, a framework is being put in place to make consistent and efficient decisions with regard to capital investments by the city. It should be noted that, as of March 2018, the city is in the process of redefining acceptable levels of service as part of the asset management policy.

Notably, embedded in the process of creating asset management frameworks for different as-

sets, is a number of steps that should bring clarity to the infrastructure deficit. The most notable is the state of local infrastructure report. Each department is required to submit a report that includes inventory, valuation, and asset condition rating. Additionally, a financing section is included in the framework, including expenditures, revenue, and ways to address a funding gap if it exists. Lastly, the framework overall is meant to be forward-looking with respect to expected LOS. These frameworks should provide a level of transparency, positively influence capital asset management, and is a step in the right direction with regards to reducing the infrastructure deficit.

The previous AMB also suggested that the city increase its borrowing in order to address the deficit. At the time, the city’s debt limits restricted borrowing amounts. In 2015, the limits were increased. City debt limits on “tax-supported and other” expenditures (including municipal accommodations and fleet management) were increased to \$1500 per capita (up from \$1050). Debt limits on self-supporting utilities expenditures were also increased to \$1500 (up from \$950) with totals not exceeding \$2800 per capita. These increased limits allow for additional borrowing and thus additional capital funding.

In March of 2018, the city released an updated state of infrastructure report.<sup>5</sup> New information included a comparison of spending between the 2009 projected and actual amounts. The city claimed \$2.1 billion was spent above the 2009 projections. Also, a new infrastructure deficit was calculated based on funding needs for the next ten years. The amount arrived upon was \$6.9 billion, and showed improvement from the \$9.9 billion (in 2018 dollars, adjusted from \$7.0 billion). This is a full \$3.0 billion difference, and is only partly explained in the report by referencing the \$2.1 billion in additional spending. The deficit was again broken down into new and existing infrastructure categories, with a roughly \$4.0 billion deficit on existing infrastructure and

TABLE 1 Capital Budget Totals 2007–2017. Nominal \$ thousands

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
427,323	421,099	476,489	439,015	369,964	393,049	374,662	379,475	560,500	1,177,680	432,909

\$2.9 billion deficit on new. This is less balanced than the 2009 report, and suggests the city invested more in new infrastructure over the past ten years. This 2018 report gives positive news in that the infrastructure deficit has shrunk in real terms, yet the magnitude of the amount of work left to do is sobering.

Though recent measures have been noted, and are most likely positive, the financial picture has yet to move in the right direction. In 2009, the approved capital budget was \$476 million — significantly short of what was needed. However, from 2010 to 2014, the approved capital budgets were all even lower than in 2009. 2015 saw a slightly higher amount (in real terms) and 2016 contained a huge one-time increase, due to the North End Sewage Treatment Plant. It should be noted that the plant was not included in 2009 planning, and also that without the treatment plant, the 2016 and 2009 capital budgets are comparable in size. The 2017 capital budget also showed a lower level of spending than in 2009. The city reported a capital budget average of \$430 million per year from 2009–2017 in the 2018 infrastructure report (minus 2016), so in short, it appears that not enough has been done to increase the consistent level of capital spending year-to-year. Table 1 summarizes these changes.

The proposed capital budget for 2018 commits only \$357 million to capital projects. Of that amount, \$111 comes from (and goes to) self-supporting utilities — water and sewer. The remaining \$246 million is mostly funded through a combination of cash to capital (\$23 million), a frontage levy (\$10 million), reserve funds (\$62 million), and contributions from other levels of government (\$107 million). External debt, internal financing, and transfers from other capital accounts make up most of the remainder (\$72

million), and help offset the \$28 million in financing payments also listed in the budget.

Additionally, the six-year outlook contains no budget over \$400 million. In light of this AMB report, this seems to be woefully insufficient. The city has recognized the problem repeatedly, with major reports and continual discussion in yearly budgets, but has seemingly done little in yearly budgets to address it.

### Dealing with the Infrastructure Deficit

What needs to be put in place, then, to reduce the infrastructure deficit and bring Winnipeg's infrastructure to an acceptable LOS? First off, any resources spent need to be directed properly, and in the area they can be most effective. The city is currently undertaking processes that contribute to that end. Secondly, the financial resources must be available to undertake this fairly massive project.

**Edmonton (comparable by population and population density) spends almost \$300 more per capita on capital expenditures.**

The scope of the deficit, with respect to the budget, has already been discussed. However, it is beneficial to look at other cities' capital spending in order to examine how Winnipeg compares. Obviously all cities are unique, and have unique challenges with respect to capital funding. However, where Winnipeg sits with respect to capital funding should give a sense both of how we stack up to other cities, and what is a reasonable amount to spend in eliminating the deficit.

Winnipeg's 2018 Community Trends and Performance Report<sup>6</sup> highlighted that Winni-

peg's capital spending was below the average of eight major Canadian cities. The choice of comparable cities isn't explained, but Winnipeg sits 4th lowest in terms of capital spending per capita (at \$689), whereas the average is pegged at about \$779. If Winnipeg was to reach the average, making up the difference would account for an additional \$65 million per year in capital funding. In addition, Edmonton (comparable by population and population density) spends almost \$300 more per capita on capital expenditures. Indeed, if Winnipeg was able to increase spending by that amount, over \$200 million per year could be added to the capital budget.

There are three aspects to eliminating Winnipeg's infrastructure deficit. The first would be to halt the deterioration of our infrastructure. That is, we need to expend enough resources to maintain the current LOS of our infrastructure. Second, our infrastructure needs to be brought up to an acceptable LOS. Third, forward-looking planning needs to account for the continued maintenance and additional infrastructure that will be needed down the road.

### Recommendations

The recommendations of this AMB, therefore, divide the problem into those three smaller goals. First, the city needs to stop the deterioration of existing infrastructure. In practice, that means a maintenance schedule for city assets that addresses deterioration over a specific time period. In 2009, it was calculated that an additional \$200 million per year was needed for this purpose. Additionally, and hand in hand with that, is a plan to increase the level of service of assets to an acceptable level. For example, the recent infrastructure report awarded municipal properties the lowest grade of the report — a D — with almost 40% of those assets in very poor condition. A plan needs to be put in place not only to stop deterioration, but raise the conditions to an acceptable level. The capital spending increase

in our recreation section is an example of how we are dealing with asset deterioration.

Lastly, a comprehensive forward-looking plan needs to be in place to address future needs in a timely manner. On this front, the city is appearing to be proactive, with asset management plans well underway. The good news is that the city has reduced the infrastructure deficit by 30% since 2009, and is attempting to put a framework in place to facilitate addressing the remainder. However, finding \$6.9 billion in additional funding when the yearly budget hovers around \$430 million is obviously a monumental task. Put another way, an additional \$690 million per year over ten years, or \$345 million per year over twenty years, needs to be found. This will take a concerted effort by the municipal government and patience and support from the people of Winnipeg in order to move forward and further tackle the improvement of our city's infrastructure.

**Finding \$6.9 billion in additional funding when the yearly budget hovers around \$430 million is obviously a monumental task.**

Finally, other initiatives in this AMB would go a long way to stemming future infrastructure woes. The city must halt urban sprawl, road expansion and get people to use public transit and active transportation (see Transit and Active Transportation sections). Application of sustainable budgeting principals, as with our mobility pricing strategy and parking lot levy, helps recoup the cost of infrastructure maintenance and forces car owners to recognize their role in its deterioration.

### Proposed Level of Additional Spending on Capital Budget

As noted above, Edmonton — a city of similar size to Winnipeg — spends \$300 more per capita on capital projects. The AMB increases Winni-



peg's spending to a higher, more impactful level, which allows us to borrow \$690M more/year in sinking fund debentures. This will cost the city an additional \$37.6M/year in debt servicing.<sup>7</sup>

*New Expenditure:*

- Halt deterioration of existing infrastructure: \$690M

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<sup>1</sup> Canadian Centre for Policy Alternatives. (2014). "Taking Back the City. Alternative Municipal Budget Winnipeg 2014. Available at: <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba%20Office/2014/04/Alt%20Municipal%20Budget%20web.pdf>

<sup>2</sup> <http://winnipeg.ca/finance/pdfs/ipd/InfrastructureDeficitAndFundingOptionsReportatCouncilJuly2209>

<sup>3</sup> Ibid. (p. 4).

<sup>4</sup> <http://winnipeg.ca/interhom/Mayor/pdfs/newRelationships.pdf>

<sup>5</sup> 2018 State of the infrastructure report (2018). Available at: <http://winnipeg.ca/infrastructure/pdfs/State-of-Infrastructure-Report-2018.pdf>

<sup>6</sup> [http://www.winnipeg.ca/cao/pdfs/CommunityTrendsandPerformanceReportVolume1\\_2018.pdf](http://www.winnipeg.ca/cao/pdfs/CommunityTrendsandPerformanceReportVolume1_2018.pdf)

<sup>7</sup> The AMB estimates a 3.6% interest rate to issue a sinking fund debenture, with a 30 year amortization period.







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