SPEAKING NOTES

Presentation to Executive Policy Committee March 17, 2008

City of Winnipeg Proposed Operating Budget 2008

Mike Davidson, President of CUPE Local 500

- Thank you Mr Mayor. As President of CUPE Local 500, I represent over 5,000 city staff.

- Today I represent them as people who know how the city functions and how we can improve services to the public, not just cut costs.

- I also am speaking on their behalf as taxpayers and citizens who are committed to Winnipeg as their chosen home.

- The proposed Operating Budget fails to address the immediate and long-term needs of the City of Winnipeg.

- As CUPE members, citizens and taxpayers in Winnipeg, we believe this budget does not deal with essential needs of our Physical Infrastructure and Social Programs, for the present and into the next decade.

- The budget not only avoids dealing with difficult decisions, it makes the problems we now face even worse.

First I'd like to talk about funding to maintain our Physical Infrastructure.

- A large part of the operating budget deals with the daily maintenance of our physical infrastructure.

- We know that the Capital Budget allocates funds for major renewals and building of new infrastructure – that is our roads, buildings, water and sewer systems. But it is the Operating Budget that allocates resources for the regular upkeep of the infrastructure.

- We believe there is insufficient funding for maintaining the city's physical infrastructure, which is going to add to the already huge infrastructure deficit.

- By deferring maintenance costs and not adequately resourcing the upkeep of our roads, water and sewage network, civic buildings and parks we are only passing on the cost to future generations of taxpayers.

For example,

- The 3.6m or 2% increase allocated to Public Works is insufficient. Although the current level of inflation is 2%, the increase in costs in construction are much higher as evidenced in the City's reassessment of capital projects after original internal estimates.

- There is no budget increase to water and waste, facilities management and civic accommodation. The budget must increase at least to

accommodate rising costs of building materials, which have increased a great deal in the last couple of years.

- Without adequate funding, the roads will continue to fall apart.

- When trees are not regularly pruned it leaves the public vulnerable to more property damage after major storms for example.

- If we don't do more to maintain city vehicles and equipment, they will have to be replaced – which will cost more.

So very simply, if the budget does not allocate sufficient funding to maintain the physical inventory of infrastructure, we will be faced with greater costs in the future.

Second, we see the same deficiency in funding our Social Programs.

- In our view, the risks of under funding the maintenance of parks, social programs, recreational facilities, cultural activities and many more public activities is equal to under resourcing the maintenance of physical infrastructure.

- Winnipeg's social and cultural programs (pools, children, youth and seniors programs for example) are already crumbling because of the lack of City funding and policy support.

- While huge corporate entertainment interests can still get significant City financial support to generate a profit, small community based facilities must struggle to survive.

Here are a few examples of what I mean.

- A number of services are generating surplus revenues which are then being transferred to the General Fund. These surpluses should be reinvested in these facilities, such as the Golf Courses, to show they are revenue positive for the city and the public.

- It is good to increase funding for Police and Fire/Paramedic services, but this is being done through budget reductions or increases to user fees in other line departments that will ultimately impact other front-line services.

- Community Services is faced with over $1 million in budget reductions but the cuts appear minimal when considering the addition of the $1 million for the Aboriginal Youth Strategy.

- In this budget 15 fulltime positions have been cut from Community Services. Four of these positions are from the division that works directly with the aboriginal community and six positions are cut from the already understaffed recreation division.

- If we can not maintain pools and recreation centres and programs, young people will not have the opportunity for clean and healthy social contact.

- If we under fund our mosquito control, it will restrict summertime social activity and discourage tourism.

- If we underfund our Animal Control and Health Inspection services, we will run the danger of serious health risks for the public.

So if the budget does not adequately fund these public services, we will again be faced with greater costs in the future.

One more important point to add is that millions of dollars of cuts are hidden in various lines, instead of new allocations.

- For example, 'operational efficiencies' add up to over $10m.

- 'Expenditure Management' is also evidently a way of hiding the fact that there will be more reductions, but officials have not decided yet where these will be,

- In addition, some specific allocations are very vague – for example, Corporate Risk Management is adding $5.8m to the budget, which is a significant jump over 2007 expenditures, and without any explanation,

- There is $12m in Vacancy Management in this budget. By cutting staff and leaving positions vacant, it undermines the ability of the City staff to deliver quality services. We believe that vacancy management is a dangerous and non-transparent erosion of the city's front-line services.

- Ultimately, fewer people doing more work will impair the City's ability to deliver needed programs to the citizens of Winnipeg.

In Conclusion:

- We know that City officials are well aware of the danger of deferring funding for the maintenance of city physical assets. According to a City report entitled, The State of Public Works Infrastructure in the City of Winnipeg, presented to the Standing Policy Committee on Public Works in September of 2003, officials pointed out that a dollar spent for maintenance will defer $3 to $4 in rehabilitation expenses a few years later, and defers more costly reconstruction for many years further ahead.

- We have major needs to pay for and now is the time to seriously consider increasing city revenue, not just cutting costs.

- The budget boasts that this is the 11th year of the property tax freeze. Currently Winnipeg's property tax is the fourth lowest in Canada and we believe the public is willing to accept a tax increase.

- In a survey CUPE did of the public in November, 2007, 57% of the respondents said they would consider modest tax increases if they knew the city was committed to improving public services. Such a tax increase is not out of line with other Canadian municipalities. However, residential property taxes should not be increased to offset decreases in the business tax.

- Local 500 members are committed to providing quality public services to the citizens of Winnipeg

- We have a strong and proud history of working with the City on joint initiatives such as the 311 Contact Centre, Joint Education and Training Fund and Health and Wellness Programs.

- We are prepared to work with City officials to develop a budget that meets the citizen's needs now and into the future.

- We are confident that a budget can be developed that meets community and business needs, instead of dividing us into competing camps.

Thank you.

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