Presentation to Winnipeg City Council – Executive Policy Committee
by the **Manitoba Oblate Justice and Peace Committee**
March 11, 2009

Since 1845 the Missionary Oblates of Mary Immaculate have been in the Valley of the Red River, working with those who, in some way, find themselves on the margins.

We come before you today because we see ominous signs that forces of marginalization are again on the rise in our city, moving us toward a dangerously polarized community, with self-interest and indifference on one side and aggression and despair on the other.

We are deeply concerned that the over-riding principle of this year's operating budget is to reduce taxes. Taking into account inflation, twelve years of tax freezes has meant 12 years tax reduction and of revenue decline. We may soon be the Canadian city with the smallest per capita revenue stream. This would make sense if we were the Canadian city with the least number of needs. But, as we all know, that is not the case.

We have one of the oldest infrastructures of any Canadian city. Our housing stock is one of the oldest and poorest. We have one of the highest rates of immigration – from other countries as well as from reserves and rural communities. We have one of the highest rates of poverty. Consequently we have a higher than average number of young people at risk – a reality reflected in the growing number of youth participating in street gangs.

Happily, our city and province lag behind the rest of the country in feeling the effects of the global recession. However, history tells us that the Manitoba economy always takes its time, in decline and in recovery; sooner or later the global slowdown will affect us too.

We know that economic slow-downs tend to bring to a boil social problems that have been long simmering. Even before this recession began, we have experienced the effects of a city facing social disintegration: increasing gang activity and vandalism, people afraid to walk in our downtown. We believe this malaise is partly the result of a

growing feeling of inequality of opportunity among the people of our city. Therefore, during these months while our economy is still relatively stable, we should be doing all we can to address the social deficits of our community.
To address big problems like these, we must stop depriving ourselves of the financial resources we need to fund community policing, recreation programs and to assure that every citizen has a decent place to call home. We need to reconsider the policy of an automatic annual property tax reduction.

Diets are an excellent discipline. But when dieting becomes obsessive, the body becomes at risk of mal-nourishment, and eventually of a health catastrophe. We believe that our city is in state of fiscal anorexia. We believe that the obsession of successive city councils with reducing city revenues through annual tax cuts is leading us into a period of serious social and infrastructure dysfunction.

We fear that by not allowing revenues to gradually increase now, we will impose the necessity of a whopping tax hike in the future – the current operating budget already predicts a$ 57 million dollar deficit next year. Even by allowing property taxes to rise with the rate of inflation, rate-payers would still benefit from a de facto, tax freeze.

We also encourage you to set aside the counter-productive elimination of the business tax. Given the low rate of business property taxes in Winnipeg, the taxes paid by Winnipeg businesses are already on par with, if not lower than, other cities in Western Canada.

As successive councils have reduced tax revenue, we have tried to make it up by raising fees. Yes, it has been refreshing to have a de facto tax cut every year. However, it is not so refreshing when you need to use a city service – when you go for a swim in a public pool or need an inspection or have a ride in an ambulance – and you realize that it is costing twenty or forty per cent more than it did the year before. This is disconcerting for citizens who have a decent income. It had been disastrous for those who don't. Ever rising fees mean that fewer low income people are able to afford services and amenities that many of us take for granted: recreation, decent housing, even a ride on the bus. Our city is becoming divided between those who get the services they need because they have the money to pay for them and those who sit on the outside looking in, their resentment and anger growing, because they don't have the resources to pay for services that others take for granted.

As even more affluent citizens begin to push back on ever-increasing fees, it becomes attractive to simply reduce services, disguising cut-backs with the language of "reducing inefficiencies". We are not trained economists but we have some questions about some of the inefficiencies that the city has found:

- Between 2005 and 2007 there was a 16% reduction in hours of free recreation programs for youth. The operating budget proposes a further $417,000 reduction in recreation services. We are wondering: what are the inefficiencies that can be so easily eliminated? Is keeping inner-city recreation programs open late into the evening an inefficiency? Is it that we have too many recreation programs? Is giving out special waivers for low income children and adults now considered an inefficiency?
- The proposed budget proposes to extend this attack on the inefficiencies by reducing community policing, cutting back on Dutch Elm disease control, decreasing bridge maintenance, and park maintenance. And still the budget suggests that there is another $11 million in further inefficiencies waiting to be eliminated. We cannot help but wonder: is "inefficiencies" just a new word for "valued services".

A recession is not the time to eliminate jobs and reduce services. In place of another tax reduction, we urge our leadership to implement a freeze on lost revenue. We encourage you to use some of these saved revenues to implement the following measures, some of which we have proposed in previous years.

1. We are heartened by Mayor Katz's proposal to increase resources for the city's Urban Aboriginal Strategy. We would encourage a similar strategy for Immigrant communities. Both strategies should support programs that help people adapt to urban life, should provide on-the-job training or mentoring and should expanded inner city recreation programs. We encourage you to instruct the Recreation Department to find ways to increase access for low-income families, a disproportionate number of which are from Aboriginal and Immigrant communities. The waiver program is a good idea, but many families are ashamed to use it as they see it as a hand-out. Others have told us that they find it complicated and daunting, and so give up before getting access to the programs in which they were hoping to enrol.

2. We admire the rapid action taken by Mayor Katz and council when the Federal Government put more cash on the table for infrastructure projects. We understand that the Federal Government is also making funding available for housing. As we know, our housing deficit is as serious as our infrastructure deficit. We face a critical shortage of housing for low income individuals and families. We urge you to act quickly to access any cash that senior levels of government may offer. Giving the matching nature of such grants, we probably should be considering at least a doubling of the budget line for social housing.
3. As bus fares are rising continue to rise above the rate of inflation, we repeat our call for reduced transit fares or transit passes for low-income individuals.
4. We urge our leadership to consider new sources of revenue – especially measures that, would help conserve the environment and improve the quality of life for most citizens: taxes on plastic bags, on suburban surface parking lots, on housing that is built outside of pre-existing neighbourhoods and a slight increase in water rates (especially for large users).
5. We urge you to rethink the proposal for a municipal water authority, especially the proposal to sell sewer or water services to neighbouring municipalities. By helping the municipalities further reduce their tax base, we fear that we will give an incentive for businesses and citizens to move to these exurbs, furthering reducing our own tax base.
6. Finally, we would like to repeat our suggestion that Winnipeg join many other North American cities in adopting a living wage policy – that would apply to all firms that win contracts to do work for the City. This would be an important step toward lifting many families out of the despair and humiliation of poverty.

-Thomas Novak and Margot Lavoie