CUPE Local 500

Speaking Notes to Executive Policy Committee

Re: 2012 Operating Budget – City of Winnipeg

CUPE Local 500 | Canadian Union of Public Employees

March 13, 2012

CUPE LOCAL 500 SPEAKING NOTES SUBMITTED TO EXECUTIVE POLICY COMMITTEE – MARCH 13, 2012

RE: 2012 OPERATING BUDGET, CITY OF WINNIPEG

Mr. Mayor, Councillors and staff. Thank you for the opportunity to present our views regarding the 2012 operating budget.

We realize that City Council is facing some very difficult decisions this year. In working through these decisions, you will determine the course the city takes today and into the future.

We believe that the city is our greatest investment. Many people often forget that. The services that we provide determine the quality and the order of life in Winnipeg. So there are good reasons to protect the investment we have made in our city. We want to keep it safe, comfortable and affordable. Citizens will otherwise lose vital services they depend on. Winnipeg will become a less attractive community for new and existing businesses.

Local 500 members are dedicated employees of the City of Winnipeg and are proud of the services we provide. We maintain and repair water and sewer lines, we respond to public inquiries about City services, process bill payments and licenses, maintain our parks and city streets, provide recreational programs and maintain facilities.

We remain committed to providing high quality services and we value and take pride in our work. So, when we comment on the 2012 Operating Budget, it's from the point of view of the citizens/taxpayers who we are in contact with on a daily basis. It is also important to emphasize that our members and their families are also taxpayers and use our City services.

There are merits in this budget:

We view the proposed property tax increase as a positive decision due to the fact that our city hasn't had an increase in well over a decade. At the very least, property taxes should keep up with inflation due to the rising cost of fuel, materials, etc. While we respect Council's desire to reduce the City's reliance on property taxes, we can't think of any other major city in Canada that hasn't had a property tax increase for 14 years. This simply won't work due to the much needed funding for the city's physical and social infrastructure.

Business Tax:

We think it's important to comment on the business tax reduction as outlined in the 2012 Operating Budget Public Consultation document presented on January 30, 2102 (see attached) which indicates that business tax rates have been reduced by 34% (9.75% to 6.39% over time). We believe businesses and commercial properties need to contribute more to the financial well being of the city. They benefit tremendously from the

services provided by the City and should pay their fair share.

Vacancy Management:

There is $13m in Vacancy Management in this budget. This practice has taken its toll on almost every single department within the City of Winnipeg. It is inconceivable to think that the workforce can continue to absorb these levels of cutbacks while still maintaining service levels to the public. We believe that Vacancy Management is a non-transparent erosion of the City's front line-services and ultimately, will impair the City's ability to deliver needed programs.

Areas of Concern Regarding the City's Physical Infrastructure:

- Back lanes are in general need of repairs and there are a huge number that need to be replaced throughout the city.

- There is a growing back-log of curb replacements throughout the city that needs to be addressed sooner, rather than later.

- Road replacement and repairs: While the City has invested in new trucks for filling holes faster, there remains much work required to get our roads back on track to levels much the same as in the seventies or early 1980's.

- Many of the city's sidewalks are currently being patched with asphalt rather than being replaced. This is simply a band-aid solution.

- Tree pruning is still lacking the cycles it once held in the 1980's. There is more than enough evidence that well maintained and pruned trees prevent disease, but also adds to the beautification of our city.

- Over the last two decades the street sweeping program has been steadily reduced. Street sweeping after spring clean up is only carried out as the budget permits.

- The "system check" program regarding signs is not regularly used, and therefore, signs are only replaced when they fall down or the public calls to complain.

These are but a few examples of the impacts to service levels as a result of budget shortfalls.

User Fees:

Over the past number of years, we've witnessed an increase in user fees. Some examples would be higher green fees at our golf courses, arena ice bookings, recreation programming and swimming lessons. These fee increases have excluded many adults, seniors and children from taking part

in various programs and recreational activities in our community. One might argue it makes little sense to lower the business tax while expecting the citizens to shoulder the burden of higher user fees.

Conclusion:

To varying degrees we are seeing the City's Level 2 departments come under some type of budget constraint. All of these reductions in staffing levels equal less service to the citizens of Winnipeg. In our view, we feel that the citizens have come to expect that their streets and sidewalks will be maintained and in good condition. That pools and arenas will be maintained and that city parks will be litter free and the grass cut and trimmed.

Many of these core services are under resourced and in need of increased investment.

We also have concerns about succession planning within the civic service. A very high percentage of the civic work force is eligible to retire in the very near future. We submit the City must plan now to deal with this high level of "workforce knowledge" that is being depleted from the civic service.

We also feel it is important to state there are many positive initiatives where Local 500 and the City have and are working together, such as:

- Joint Education and Training Initiatives;
- Jointly trusted pension plan;
- Willingness to improve workplace health and safety;
- A/B side scheduling in the Water and Waste Department;
- Scheduling shifts in our arenas.

We appreciate the City's willingness to work with us on initiatives such as these. The bottom line, however, is that Level 2 departments, where the majority of CUPE members work, are suffering greatly from the restraint measures imposed over the years. The effects of these restraints include:

- A decreased capacity to deliver services to the public;
- Poor morale within the civic workforce;
- Reduced ability to redeploy injured and disabled workers;
- A huge increase in workplace complaints and grievances.

Every City department needs a certain amount of inflation level adjustment for this year's operating budget. Given the infrastructure deficit, they all need more. We strongly urge City Council to review the budget from the point of view of maintaining our infrastructure and stabilizing our ability to deliver needed public services.

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Winnipeg Free Press: February 6, 2012 (Section B2)

Increase Biz Tax: Councillor

ROOKIE St. Vital Coun. Brian Mayes wants the city to consider increasing the business tax to pay for a backlog of infrastructure repairs.

On Friday, Mayes called for Winnipeg to examine how it may increase business tax revenue to augment property-tax revenue in the 2012 operating budget. Mayes noted business tax revenue dropped to $57.6 million in 2007 from $63.2 million in 2002.

Mayor Sam Katz has since frozen business taxes at $57.6 million by gradually increasing the number of businesses exempt from paying the tax.

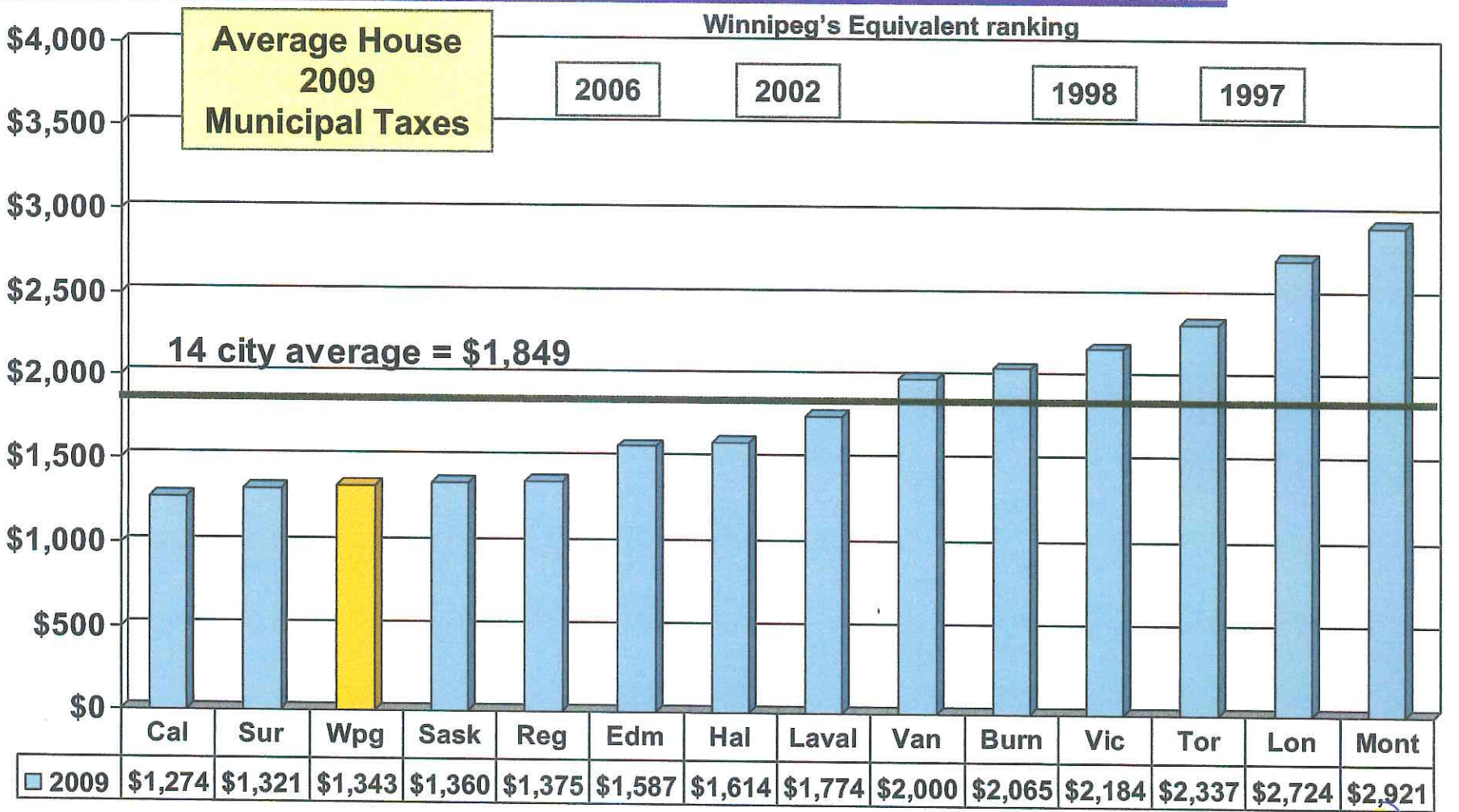
Returning to the 2006 business-tax rates would raise an additional $4.6 million a year, said Mayes.

General Update – Significant Financial Issues

- Taxation
  - Property tax rates reduced or frozen for 13 years
  - Business tax rates reduced by 34% (9.75% to 6.39%)
- Assessment
  - Shorter cycle (2 years)
- Challenges
  - Infrastructure deficit
  - Major wastewater projects mandated by Clean Environment Commission
  - Funding rising costs of public safety
  - Small percent of "tax pie"
  - Lack of growth revenues
  - Pension costs

Winnipeg

Winnipeg's residential municipal property taxes are more competitive than 10 years ago



	Cal	Sur	Wpg	Sask	Reg	Edm	Hal	Laval	Van	Burn	Vic	Tor	Lon	Mont
2009	$1,274	$1,321	$1,343	$1,360	$1,375	$1,587	$1,614	$1,774	$2,000	$2,065	$2,184	$2,337	$2,724	$2,921

Source: City of Edmonton 2009 Residential Property Taxes & Utility Charges Survey, released January 2010. Out of 21 cities in survey, used 14 largest cities (Regina and larger approx 200,000 plus population) that provided average data.

Winnipeg

Operating Budget Context (Cont'd)

- City service levels are valued by Winnipeggers
- Continued focus on efficiencies
- Winnipeg has the lowest operating cost per capita when compared to other large Canadian cities

Winnipeg



PHIL HOSSACK / WINNIPEG FREE PRESS ARCHIVES

Wendy Land and the 130-year-old elm in her yard. It's to be removed today due to Dutch elm disease.

Homeowner to lose elm, blames city budget cuts

By Aldo Santin

WENDY Land is losing an old friend today. The elm tree that has stood in Land's yard on Wolseley Avenue for 130 years is expected to be removed this morning, a victim of Dutch elm disease.

"My family has lived in this home for 30 years," Land said. "Losing this tree is proof that the city is losing the fight against Dutch elm disease."

She believes the tree in her front yard is a sister tree to the iconic Wolseley Elm that was removed in 1960.

City officials marked the tree for removal last summer, prompting Land and several others to hold a wake for it. She said the city notified her Wednesday that city crews will cut the tree down today.

"Twenty years ago, the city announced it had defeated Dutch elm disease... but after some cutbacks in the last few years, the disease has gotten ahead of the city," Land said.

She said she is part of a group that wants the budget, adding she worries the city will lose too many of its prized trees.

Winnipeg has the largest urban population of elm trees in North America, but city officials acknowledge it's losing 4,000 to 5,600 of the trees every year to the disease.

About 5,600 city trees were lost to Dutch elm disease in 2010, a 14 per cent increase from the previous year.

Infected trees must be removed immediately to prevent the disease spreading to neighbouring trees. Land said the budget cutback has resulted in the city not removing diseased elms, which causes the infection to spread. She said that's how her tree became infected.

"This is the fourth tree in four years on our street that has become infected," she said, adding the disease has spread because the city failed to take the proper action.

The city is bringing down its draft operating budget next week. Land said she and her group will pressure councillors to increase spending on Dutch elm disease control.

City barely keeping up with repairs to crumbling roads

PAUL TURENNE
Winnipeg Sun

e City of Winnipeg is
ally treading water
it comes to rehabilitat-
worst roads.
cording to city data
ntly completed and
sed to the *Winnipeg*
his week, the number
or streets in the city —
orst rating — remained
-or-less the same in 2011
has been the past few
, meaning for every bad road city construction crews bring back up to snuff, there's another one that slips down into the worst category.

'About the same'

"It's roughly about the same," said Rod Hamilton, an asset management engineer with the city's public works department. "The poor (inventory) has been pretty consistent over the last little while." According to the 2011 roads assessment recently completed by the city, about 19% of Winnipeg's local streets and 15% of the regional streets are rated as poor. About 46% of regional streets — major arteries and neighbourhood throughfares — are rated new or good, while about 38% are rated fair. When it comes to local streets, primarily residential roads, 65% are new or good, with another 15% rated fair.

Hamilton said the one trend the city has identified in its 2011 data is that there are a growing number of regional streets in the fair category.

"The only thing that stood out a little bit is there were some going from good to fair," he said.

Hamilton said the city began a "mill and fill" project in 2005 that saw crews essentially shave off the first two inches of asphalt on roads, do whatever repairs were needed below, then replace the asphalt surface. It was never meant to be a terribly long-term solution, but Hamilton said this year's assessment has shown the first of the streets that were done five or six years ago are already starting to slip down a category.

Hard to make dent

Last month the *Sun* reported that the city is well aware there are far more streets in the poor category than there is money to fix them all. This is the "infrastructure deficit" politicians often refer to.

Hamilton told the *Sun* last month that although the city does completely rehabilitate some poor streets to restore them to good condition, it has begun to shift its resources more towards simply attempting to keep the good and fair streets from getting any worse. That situation will make it extremely difficult for the city to ever make a dent in the more than 1,500 road segments rated as poor; something the 2011 data seems to support.

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CAA boss 'embarrassed' by state of streets

By Jen Skerritt

THE head of Manitoba's motor club is "embarrassed" by some of Winnipeg's roads and said the city needs to spend more to fix them.

Mike Mager, president and CEO of CAA Manitoba, said fixing the bumpy, pothole-laden streets should be a priority, and he's disappointed the city's 2012 operating budget does not devote more money to the problem.

"I'm downright embarrassed," Mager said.

This week, Winnipeg unveiled its $900-million spending blueprint for city services, which includes everything from policing and road repairs to waste-water treatment and tree pruning. The budget includes an additional $2 million for the thin bituminous overlay program, which will help resurface 33 local streets in 2012.

Overall, Winnipeg plans to spend $50.2 million on road construction and maintenance this year, up from $47.8 million the previous year.

Mager said the additional $2 million is a small amount, and Winnipeg needs to do more.

"Our roads aren't safe; they cause a lot of damage to our vehicles," Mager said. "It's something that should be a top priority."

Finance chairman Coun. Scott Fielding (St. James) said Winnipeg has made infrastructure a priority and invested more in capital road projects. However, he said, the city needs to find a better way to fund things such as road repairs, including partnering with other levels of government.

To date, Fielding said, the province has not responded to the city's call for a bigger share of growth revenues.

"We've absolutely got to do more, but at the end of the day it's not just the City of Winnipeg," Fielding said. "The province has refused to come to the table when it comes to infrastructure funding."

Budget documents show Winnipeg uses concrete pavement more than other Canadian cities, which costs more to repair than asphalt pavement. Many city streets sit on clay soils, and concrete helps bridge gaps in the weak soils.

In 2010, the percentage of streets rated in good shape increased slightly, those rated in fair condition dropped slightly and the streets in poor shape stayed the same.

Overall in 2010, 63 per cent of Winnipeg streets were in good shape, 17 per cent were in fair condition, and 19 per cent were found to be in poor condition.

Late last year, a *Free Press* review of city street data found that for every stretch of roadway the city fixes every year, one or more streets fall into a worse state of disrepair. Between 2009 and 2010, Winnipeg improved 87 of the city's major arteries, including stretches of St. Anne's Road and Portage Avenue, city data analyzed by the *Free Press* indicate. But during that same time period, 23 other major roadways got worse — about 11 per cent of all regional streets.

Mager said he would have liked to see Winnipeg devote more of the $14.8 million it will raise with the property tax hike toward addressing the problem.

CAA Manitoba plans to launch a campaign in early spring that asks the public to list the top 10 worst roads in the city. Mager said the organization will present the final list to the mayor's office.

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the communities served by the various branches. The programming objectives should link to the Division's strategic goals.

Management Response
Management agrees with this recommendation. The Library supports the need to collect, analyze and make changes in its programming based on specifically identified performance measures. Considerable work has been done in the past few months to develop an electronic way of gathering all program statistics (LIBPSS). The LIBPSS system includes a wide variety of statistics, including program attendance, target groups and participant evaluations. Data is captured for accuracy at the branch level and Administrators use this data for program planning and evaluation. This data will be used to measures the success of programs, set realistic targets and ensure programs are successful in meeting the needs of the library users throughout the city. Data is now being input at the branch level across the system. By October 2012 the Library will have a full year's worth of data using the new system and will be able to report on the success of programs and recommend changes based on specifically identified performance measures.

Collection Selection and Acquisitions

The collection is the core of all library services and serves diverse users of all age groups across a variety of demographics and socio-economic backgrounds including newcomers, students, business people and professionals with a wide range of needs and expectations. The collection consists of a variety of material from fiction to non-fiction covering topics to balance all viewpoints in order to support the users in all aspects of their lives. Library material is offered in a number of formats including DVDs, CDs, MP3's, cassettes, electronic databases, audio books, eBooks, and large print material. The library has grown its collection of material in many languages for newcomers, literacy material and resources for citizens learning English as a second language and access formats for the visually challenged.

Comparison of Library Material Expenditures in Canada

Compared to other Canadian cities, in 2009 the Library Services Division had one of the lowest total library materials expense, which includes funds from provincial grants, trust funds and book sales. The Division spent $2,870,535 on library material compared to other Canadian cities such as Ottawa with a materials expense of $4,705,108 and Edmonton with a materials expense of $5,569,227.

2009 Materials Expenditures per Capita

	2005	2006	2007	2008	2009
Winnipeg	**$4.07**	**$4.24**	**$4.21**	**$4.16**	**$4.25**
Calgary	$6.80	$7.47	$7.70	$7.22	$6.75
Edmonton	$7.02	$7.13	$7.40	$7.95	$7.12
Halifax	$4.60	$4.36	$4.62	$4.73	$4.95
Vancouver	$7.89	$7.73	$7.13	$8.98	$9.31
Regina	$7.23	$7.57	$7.57	$7.72	$8.15
Ottawa	$4.83	$4.68	$4.86	$5.01	$5.18
Saskatoon	$8.54	$7.59	$7.57	$7.50	$7.81
Toronto	$6.57	$6.67	$6.68	$6.21	$6.24
Montreal	$5.10	$5.05	$4.55	$5.16	$4.17
Other Cities Similar Populations					
Fraser Valley	$5.33	$4.10	$4.55	$4.95	$4.41
Mississauga	$3.23	$3.42	$3.32	$3.33	$3.28

Source: Canadian Urban Libraries Council, 2009 Canadian Public Library Statistics

The Division's business plan identifies eight key goals with strategies to support each goal (See **Appendix 4**); however, few performance measures have been established to monitor whether the Division is achieving the goals and how effectively and efficiently the Division is providing services. A review of programming and collection acquisition and development performance along with any related analysis of the statistics available is discussed in the observations and recommendations section of this report.

Financial Information

The financial results for the Library Services Division are shown in the following exhibits.

An increase in library revenue is mainly due to small increases in provincial funding, library fines and library trust funds. Revenue from the City of Winnipeg has fluctuated over the past five years within a narrow range of approximately $600,000. Total revenue, not including funds from the City of Winnipeg, has increased by $310,620 or 9.75% since 2006.

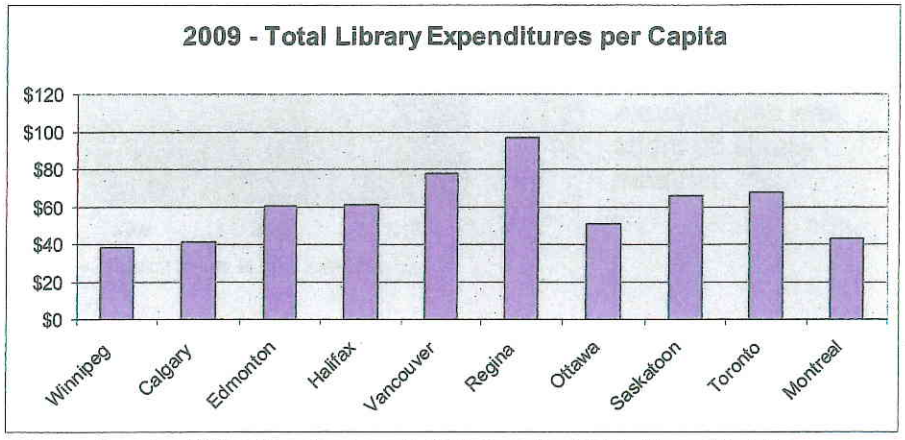
Library Revenue 2006 - 2010

	2006	2007	2008	2009	2010
City of Winnipeg	22,294,532	22,712,302	22,501,523	22,536,444	22,895,389
Provincial Library Grant	$1,910,118	$1,910,118	$2,010,118	$2,010,118	$2,010,118
Library Fines	$801,922	$821,639	$733,181	$723,110	$759,050
Miscellaneous	$332,809	$325,267	$719,087	$348,946	$369,870
Library Trust Funds	$71,505	$36,320	$427,139	$315,539	$307,662
Sale of Surplus Books	$67,763	$81,779	$68,733	$55,753	$48,037
Total	**$25,478,649**	**$25,887,425**	**$26,459,781**	**$25,989,910**	**$26,390,126**

Source: Library Services Division

The revenue sources for the Division are similar to those of other jurisdictions, library services are a subsidized public service. We did observe that some libraries charge a user fee for a library card, which in effect can limit access to the service. The City of Winnipeg Charter Act maintains that the city must permit residents of the city to have free use of the circulating and reference books of every public library and branch that it maintains.

In 2009 total library expenditures were $25,989,910; compared to other major Canadian cities Winnipeg had the lowest total library expenditures per capita at $38 per capita.

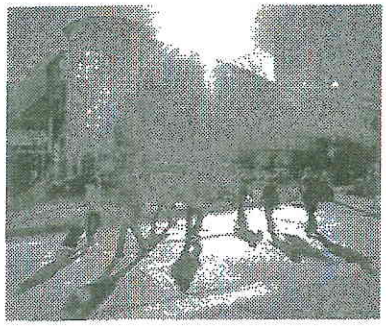


Source: Canadian Urban Libraries Council, 2009 Canadian Public Library Statistics

Total expenses have increased overall by approximately $911,477 or 3.6% since 2006. Expenses have increased largely due to increases in Salary and Benefits which increased by $524,848 (3.7%) since 2006 due to the negotiated wage increases. In 2010 Salary and Benefits accounted for $14,524,468 or 55% of total expenditures.

Bottom-of-barrel salaries in city may repel talent

By: Bartley Kives
Posted: 11/3/2010 1:00 AM | Comments: 0 (including replies)g



Enlarge Image

Experts say until the wage gap narrows, our labour shortages will continue. (WAYNE.GLOWACKI@FREEPRESS.MB.CA)

Winnipeggers earn the lowest salaries among residents of Canada's largest cities -- and this poor compensation may be keeping workers away.

In 2009, the average Winnipeg salary was $38,050, according to Conference Board of Canada data. The same year, workers in 12 other Canadian cities the board surveyed earned higher salaries, with Alberta leading the way.

In Calgary, the average wage was $60,520 in 2009 and in Edmonton, it was $54,370. But workers outside of the oilpatch also earned more than Winnipeggers, creating a gap that may hamper this city's economic growth.

"This is a significant issue when trying to retain or attract employees," City of Winnipeg economist Georges Chartier wrote in Our Changing City, an April 2010 presentation obtained by the *Free Press* through access to information legislation. "Until the gap closes, Winnipeg's labour shortages will likely continue."

Conventional wisdom has held that Winnipeg's relatively low cost of living will allow the Manitoba capital to attract and retain workers. But this thinking went out the window during the mid-2000s oil boom, when a variety of Winnipeg industries found it difficult to hire or retain skilled workers and professionals.

Although the boom in Alberta is over, some shortages remain in health care, construction and other trades. However, the benefits of living in Winnipeg -- less congested streets, lower housing costs and a generally less hectic lifestyle -- may balance out lower salaries, at least for certain types of workers.

Executives, for example, tend to look at more than just wages, said Colleen Coates, a compensation expert for Winnipeg-based People First HR Services.

"When I'm a CEO and I'm thinking of relocating, I'm taking in every aspect of the job," she said. "Regardless of which city you're in, every city has its challenges."

The City of Winnipeg itself has experienced even greater human-resources challenges. In 2008, the city auditor warned the city is in danger of failing to be able to deliver services due to a combination of mass retirements at a senior level and the inability to hire and retain professionals, senior managers and skilled tradespeople.

Low wages seem to be part of the problem with the city's workforce. According to economist Chartier's presentation, the average salary for a City of Winnipeg employee in 2008 was the lowest among eight surveyed Canadian cities.

City workers earned an average of $66,800 that year, compared to an average wage of $84,500 in Toronto, the top-paying city in the survey.

The City of Winnipeg employed approximately 8,200 people that year, or 12.2 workers per 1,000 citizens. Among surveyed cities, only Hamilton employed fewer people per capita -- 10.6 per 1,000 citizens.

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THE NUMBERS

Average employee salaries in 13 Canadian cities in 2009:

- Calgary: $60,520
- Edmonton: $54,370
- Ottawa: $47,030
- Toronto: $46,660
- Hamilton: $43,590
- Vancouver: $41,440
- Regina: $40,710
- Victoria: $39,550
- Quebec City: $39,260
- Saskatoon: $39,210
- Montreal: $38,240
- Halifax: $38,170
- Winnipeg: $38,050

Average salaries for city workers in eight Canadian cities in 2008:

- Toronto: $84,500
- Calgary: $83,200
- Hamilton: $81,600
- Edmonton: $78,800
- Ottawa: $76,200
- Regina: $74,000
- Saskatoon: $67,200
- Winnipeg: $66,800

Source: Our Changing City