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CANADIAN CENTRE
for POLICY ALTERNATIVES
MANITOBA OFFICE

Presentation to Executive Policy Committee: March 17, 2015.

Good morning Mayor Bowman, Deputy Mayor Pagtakhan and Councillors.

Councillors Pagtakhan, Mayes and Orlikow are familiar with the Canadian Centre for Policy Alternative's Alternative Municipal Budgets. We do them every 3 or 4 years in consultation with community groups. We offer suggestions that come directly from citizens and we think outside the box when we offer policy suggestions. It's important to throw ideas out that might seem unrealistic at first, but which, with time, become normalized. We think that over the years our discussion about the damage being done with tax freezes finally became mainstream thought. But I remind you that you first heard that argument in our 2008 Alternative Municipal Budget – and a lot of people said we were crazy. At that time our budget adjusted taxes for inflation, just to make the point that we were actually going backwards if we didn't. We're very pleased to see that lesson has been learnt.

Mayor Bowman has rightly pointed out how the 14 year tax freeze has taken a toll on the City's revenues, and you've increased taxes to the rate of inflation. Now that we've moved you this far, we have to up the ante. Increasing to the rate of inflation is in reality a tax freeze. We need to increase taxes further if we're going to deal with the serious issues facing our city: poverty, the infrastructure deficit, and bringing our transit system into the 21st century.

Other presenters today will have spoken to the need to address poverty, and that is covered in our 2014 Alternative Municipal Budget: I brought copies for all of you. I do want to talk about transit and the infrastructure deficit today.

All our Alternative Budgets have recommended finishing Rapid Transit, but we consistently talk about the need to ensure that the whole system works for all Winnipeggers. Since 1970, Winnipeg's area has expanded by 80 per cent. Over the past 25 years, its population has grown by 33 per cent. More people need to travel greater distances: how has Winnipeg Transit responded to these demands? The bus fleet has seen a net increase of 10 over 25 years.

Looking at the citizen-per-vehicle ratio confirms that Winnipeg's fleet is too small. Ottawa's ratio is 897 people/bus; Calgary's, 979 and Edmonton's, 858. Winnipeg Transit's ratio is 1175/bus, and the LRT systems in our comparison cities will be taking a lot of pressure off their buses, so one might wonder why the ratios in these cities aren't even smaller. The reason they're not is because more people use public transit per capita in these cities.

Winnipeg has the third lowest per capita usage of public transit out of Canada's 10 largest cities. A viable Rapid Transit system will no doubt increase ridership, but in the meantime, regular bus service needs to be greatly improved to attract more riders.

The City should concentrate on 4 core service improvements:

1. Increase the bus fleet by a minimum of 200. This will reduce the number of over-packed buses during rush hour and allow for more buses on feeder routes.
2. Increase the number of buses in service during off-peak hours to accommodate those who rely on public transit for shift work, getting to recreation facilities or appointments, shopping or visiting family and friends.
3. Increase security measures for passengers and operators.
4. Make a low-income bus pass, similar to the one offered in Calgary, available to Winnipeggers.

In terms of the $7.4B infrastructure deficit, our 2014 AMB offered an interesting analysis of capital borrowing and taxes. We know that Winnipeg's long tax freeze is partly responsible for our inability to cope with our crumbling infrastructure, and this tax-increase aversion is in stark contrast to other Canadian cities. But Winnipeg stands out in another area: it has spent considerably less per capita than other cities on infrastructure.

We're glad to see that the 2015 budget is increasing capital borrowing. We would encourage you to consider increasing it even more.

Taking on more debt would require a tax increase (6 per cent in our 2014 analysis) but there are a number of compelling reasons to deal with our infrastructure deficit now:

- Interest rates are at historic lows
- The net cost of borrowing [borrowing costs – (construction inflation + additional deterioration costs)] is very low; likely in the area of 1 per cent
- The infrastructure deficit imposes costs on Winnipeggers in the form of commuting delays, car repair bills, stress and even increased healthcare costs arising from accidents
- Winnipeg's property taxes are the lowest of Canada's major cities and have gone up only 4.4% since 1999, in contrast to between 46 and 72 percent in other cities.

Also included in our 2014 Alternative Budget was a discussion about the tremendous pressure urban sprawl is putting on tax payers. Low density cities like Winnipeg increase the infrastructure burden by adding miles of roads, overpasses, sewer pipes and other amenities to the infrastructure inventory. While development fees cover some of the expense and new development generates tax revenues, the revenues do not cover the ongoing, long-term costs of sprawl (referred to by Calgary's Mayor Nenshi as sprawl subsidies).

It makes much more sense to increase density; even Our Winnipeg recommends strategies for more compact growth. Our Alternative Budget offers ideas around promoting more infill development, retrofitting existing suburbs, and downtown development. We urge to consider some of these ideas.

Another theme we use consistently is that of adopting a comprehensive plan such as that laid out in Our Winnipeg. Many of the values that came through the public consultations in Our Winnipeg are repeated on our Alternative Budget. Included in that vision is a commitment to the Arts and to Green Spaces.

We were happy to see the increased spending on the Arts, but hoped to see more on Green Spaces. Our Alternative Budget speaks to the need to implement a Green Space Master Plan. Our parks, urban forest, golf courses, river valleys and wild spaces should be considered as a whole and the value these spaces bring to all Winnipeggers needs to be recognized. Other Canadian cities such as Edmonton and Halifax have implemented such plans.

Finally I'd like to add that other 'cost savings' such as vacancy management, contracting out and increasing user fees do more harm than good in the long run. Vacancy management means fewer public servants to help run the city; contracting out often means higher costs and lower quality services. Our Alternative Budget recommends a study to determine if contracting in snow removal would lower costs and provide better service. Multiple studies done in the US show many municipalities are contracting in these sorts of services to save money. And charging low-income Winnipeggers amongst the highest rates in the country to take an ambulance, or increasing transit and recreation fees, prohibits hundreds, if not thousands, of people from accessing required services. These sorts of measures diminish our sense of community and increase the great divide between the haves and the have nots. If we truly wish to address systemic racism, we need to consider how these measures affect racialized Winnipeggers.

Thank you for the time to speak to you today. Everyone who puts together the Alternative Municipal Budget looks forward to further consulting with you around future budgets and other policies.

Lynne Fernandez

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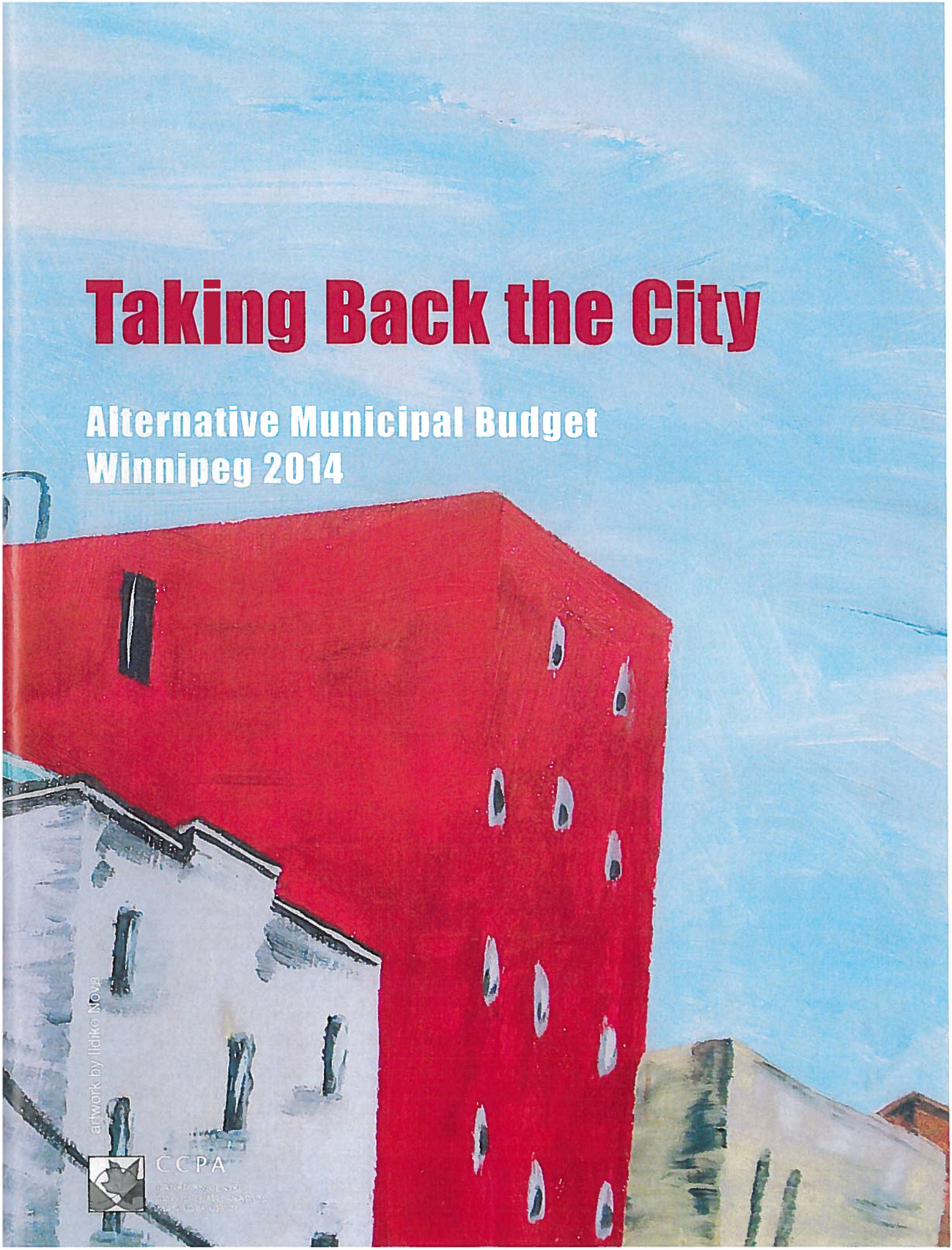
Taking Back the City

Alternative Municipal Budget
Winnipeg 2014



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