CANADIAN FEDERATION OF INDEPENDENT BUSINESS

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City of Winnipeg 2017 Pre-Budget Recommendations

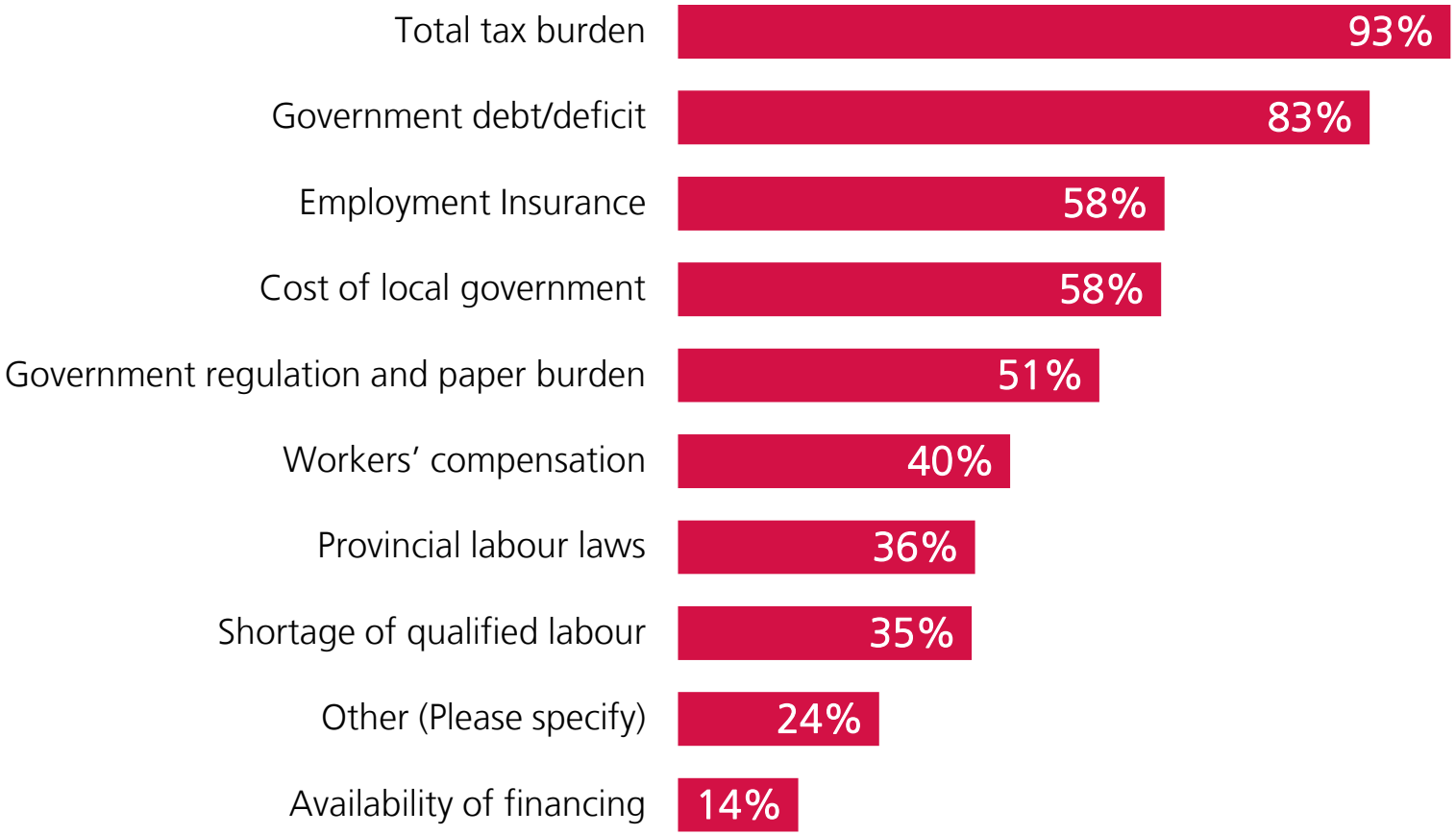
Jonathan Alward, Director of Provincial Affairs, Manitoba

December 8, 2016

About CFIB

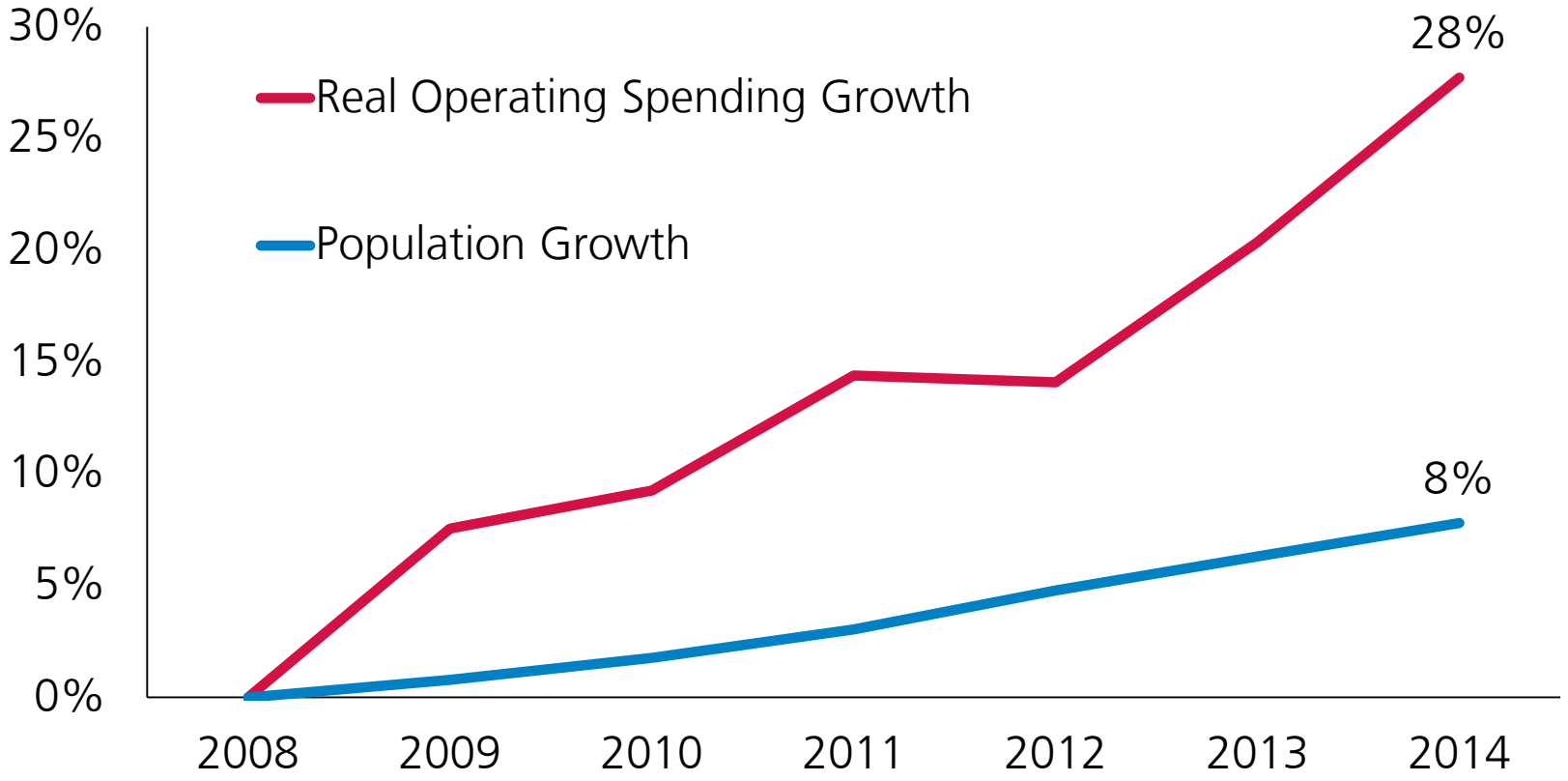
- Non-partisan, not-for-profit political advocacy organization
- **109,000** independently owned and operated business members across Canada, including **4,800** in Manitoba and **1,700** in Winnipeg
- Members from every sector of the economy, every region of the country
- Our members determine our policy positions. by using surveys, ballots and face-to-face contact. Every member has an equal say.

Cost of local government is a concern!



Source: CFIB Our Members' Opinion Survey, January to March, 2016, n=216.

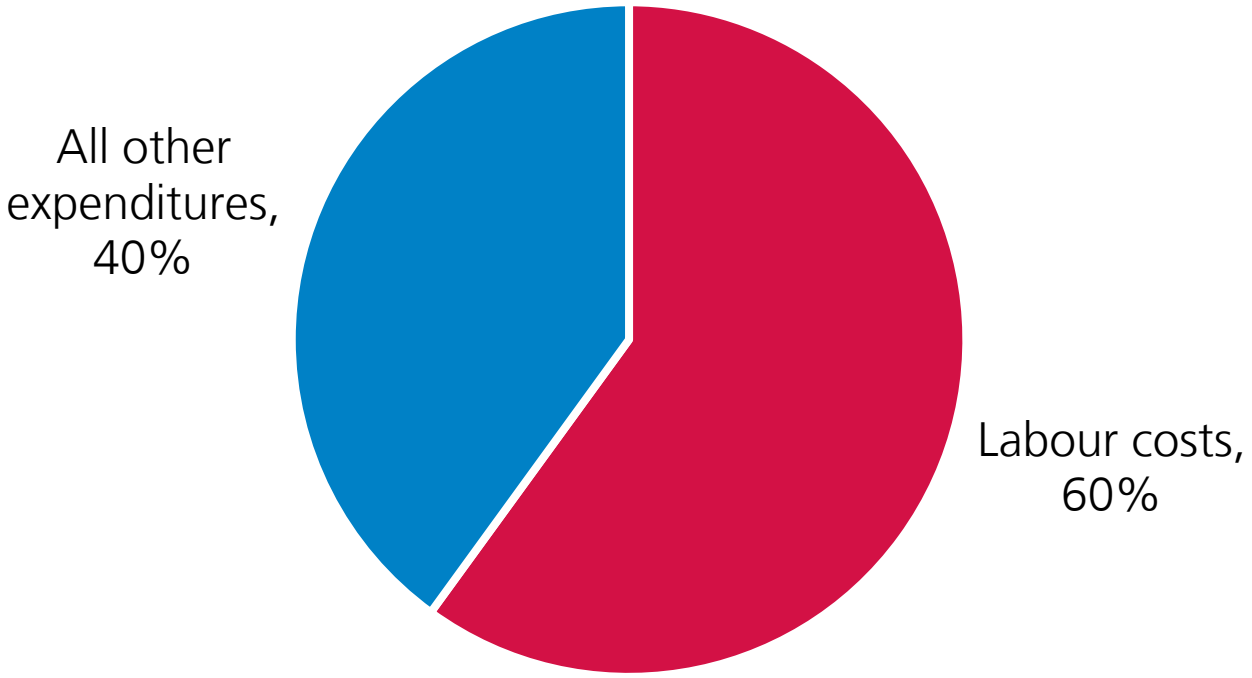
Winnipeg Real Operating Spending and Population Growth: 2008-2014



Source: City of Winnipeg Annual Audited Consolidated Financial Statements 2008-2014, Manitoba Municipal Population Estimates 2008-2014 Statistics Canada.

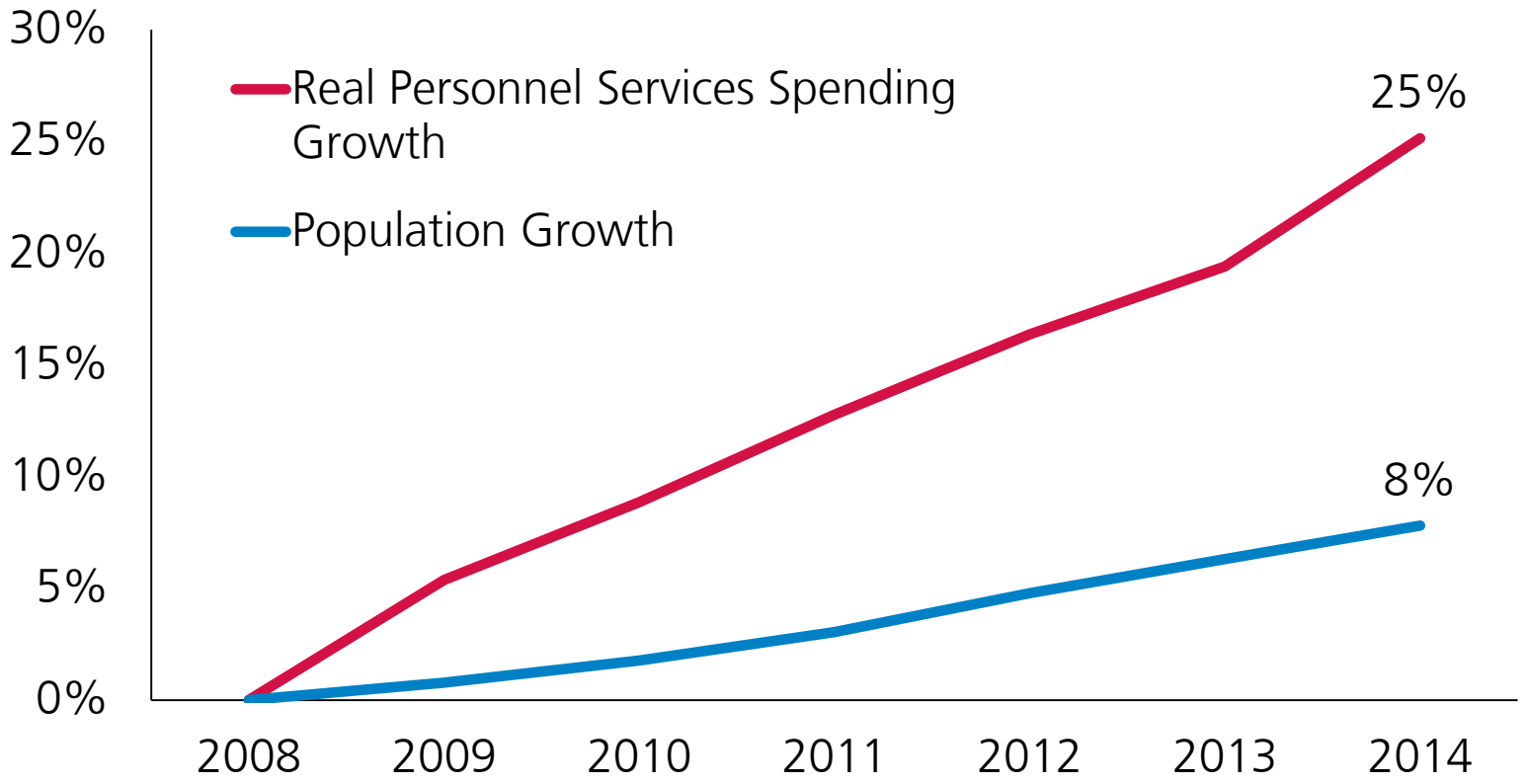
Labour costs drive overspending!

Winnipeg labour costs as a per cent of total spending: 2014



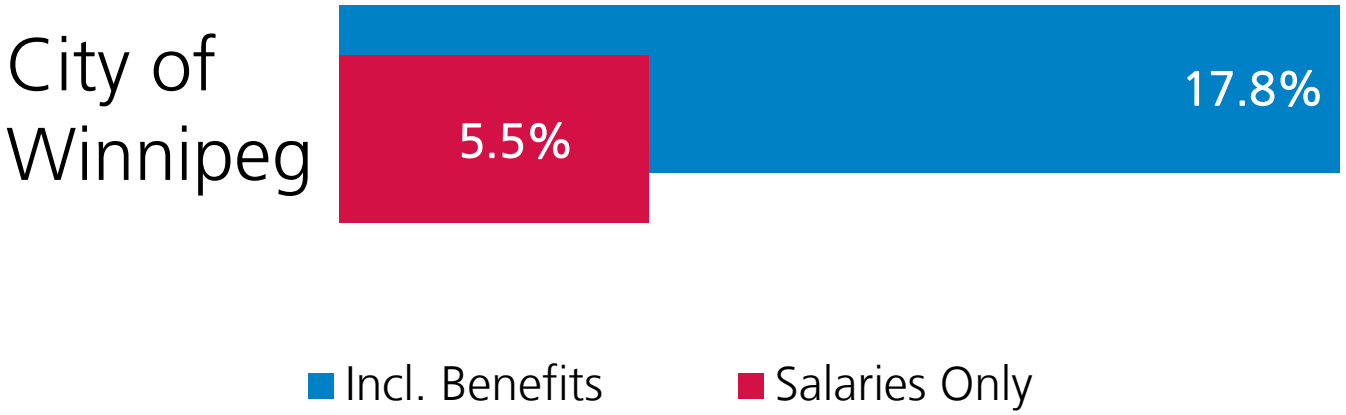
Source: City of Winnipeg Annual Audited Consolidated Financial Statements 2014, Manitoba Municipal Population Estimates 2014 Statistics Canada.

Winnipeg Real Labour Cost and Population Growth: 2008-2014



Source: City of Winnipeg Annual Audited Consolidated Financial Statements 2008-2014, Manitoba Municipal Population Estimates 2008-2014 Statistics Canada.

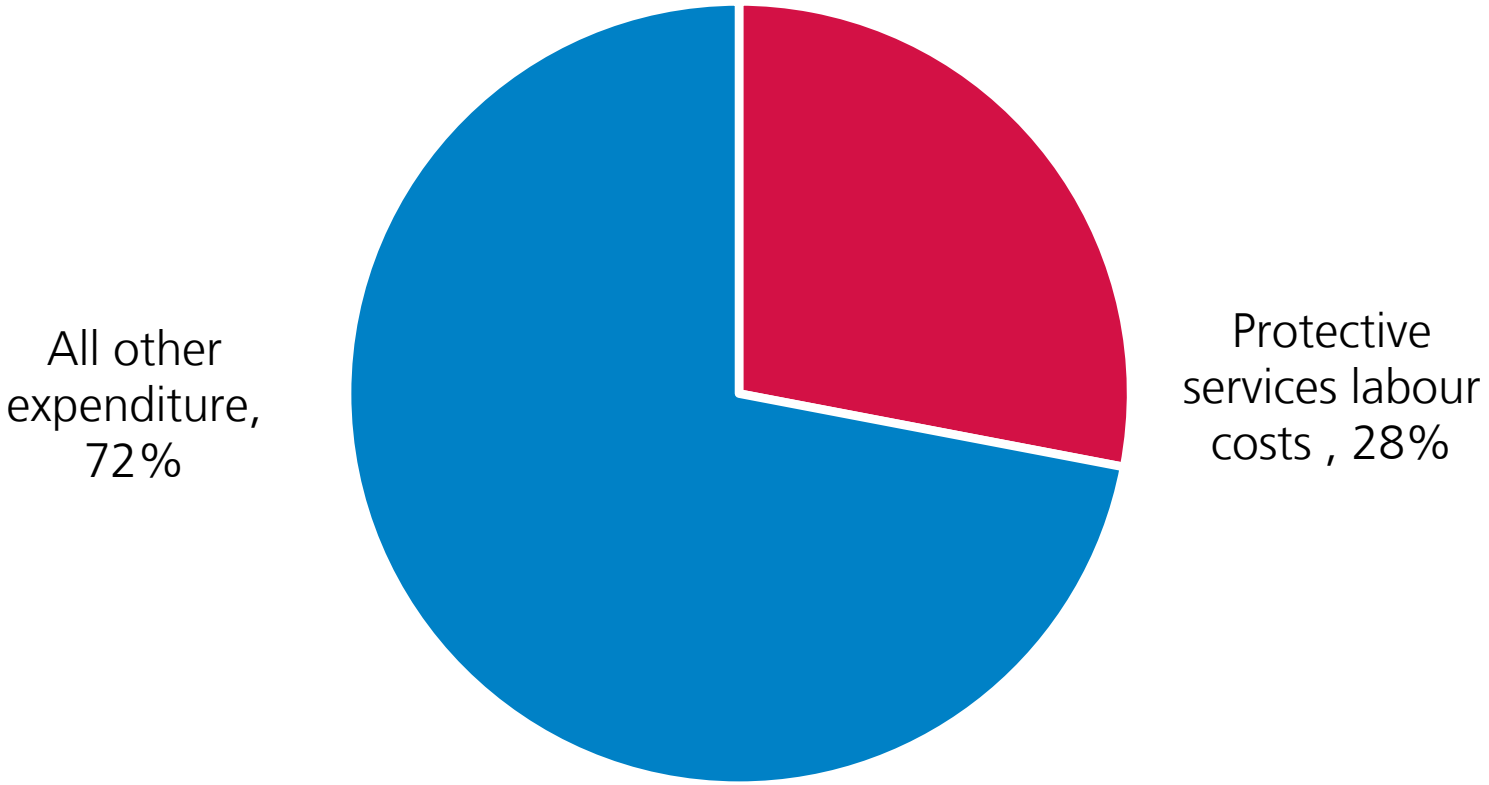
Public sector workers earn more than private sector workers



Source: CFIB Wage Watch Report 2015.

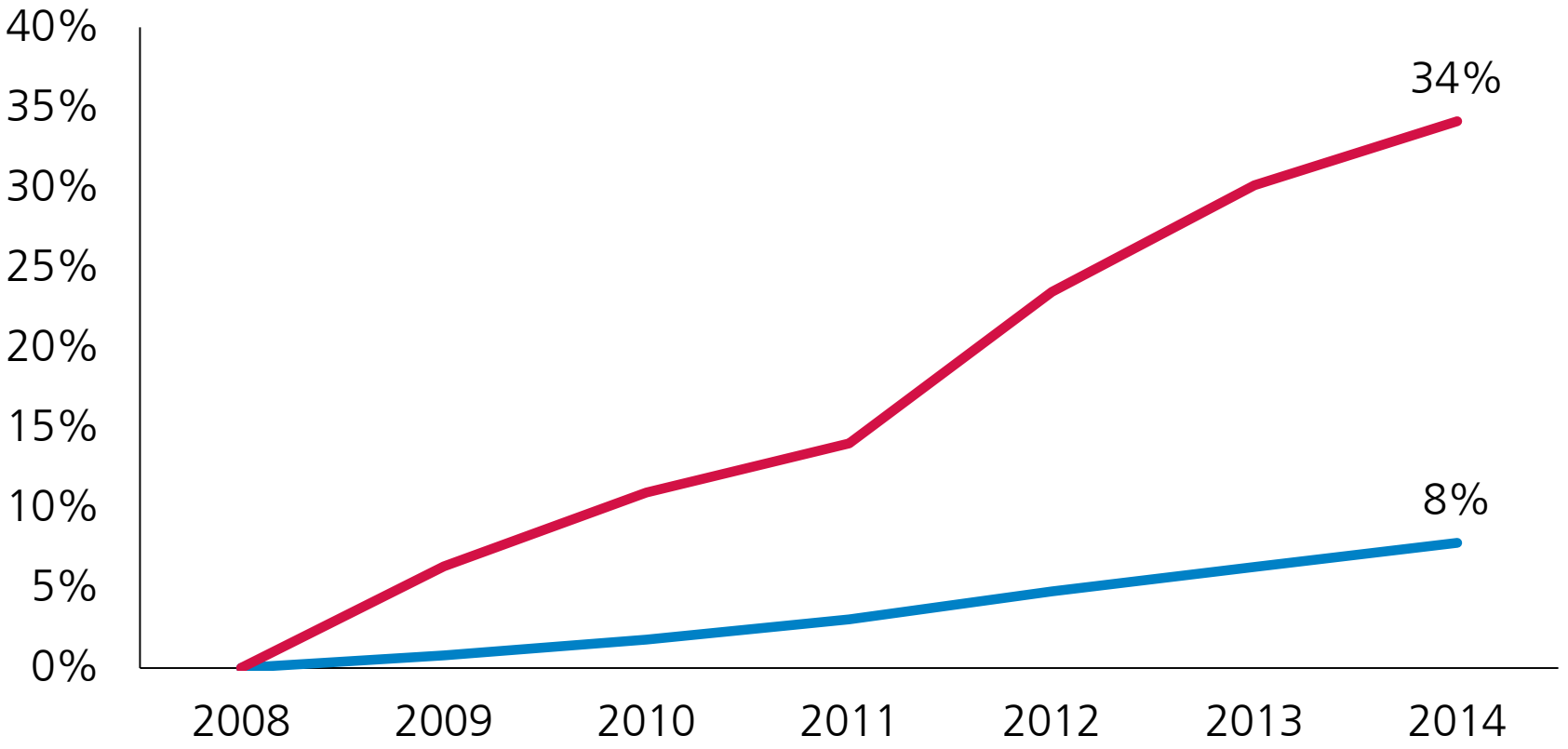
Unsustainable protective services costs

Real protective services labour costs as a per cent of the 2014 budget



Source: City of Winnipeg Annual Audited Consolidated Financial Statements 2014, Manitoba Municipal Population Estimates 2014 Statistics Canada.

Real protective services labour cost growth



Source: City of Winnipeg Annual Audited Consolidated Financial Statements 2008-2014, Manitoba Municipal Population Estimates 2008-2014 Statistics Canada.

Taxes

- Winnipeg Business Tax decreasing from 5.3% to 5.25%

- Property tax increasing 2.33%

Recommendations

- Long-term sustainable spending needed
- Review core services
- Reduce labour costs
  - *Reduce the size & cost of the municipal civil service, through attrition*
  - *Limit employee wage increases to the rate of inflation*
  - *Reform pension plans*
- Table a long-term plan to eliminate the Winnipeg Business Tax