





CANADIAN FEDERATION OF INDEPENDENT BUSINESS

In business for your business™

City of Winnipeg 2019 Budget Recommendations

Jonathan Alward, Director, Provincial Affairs

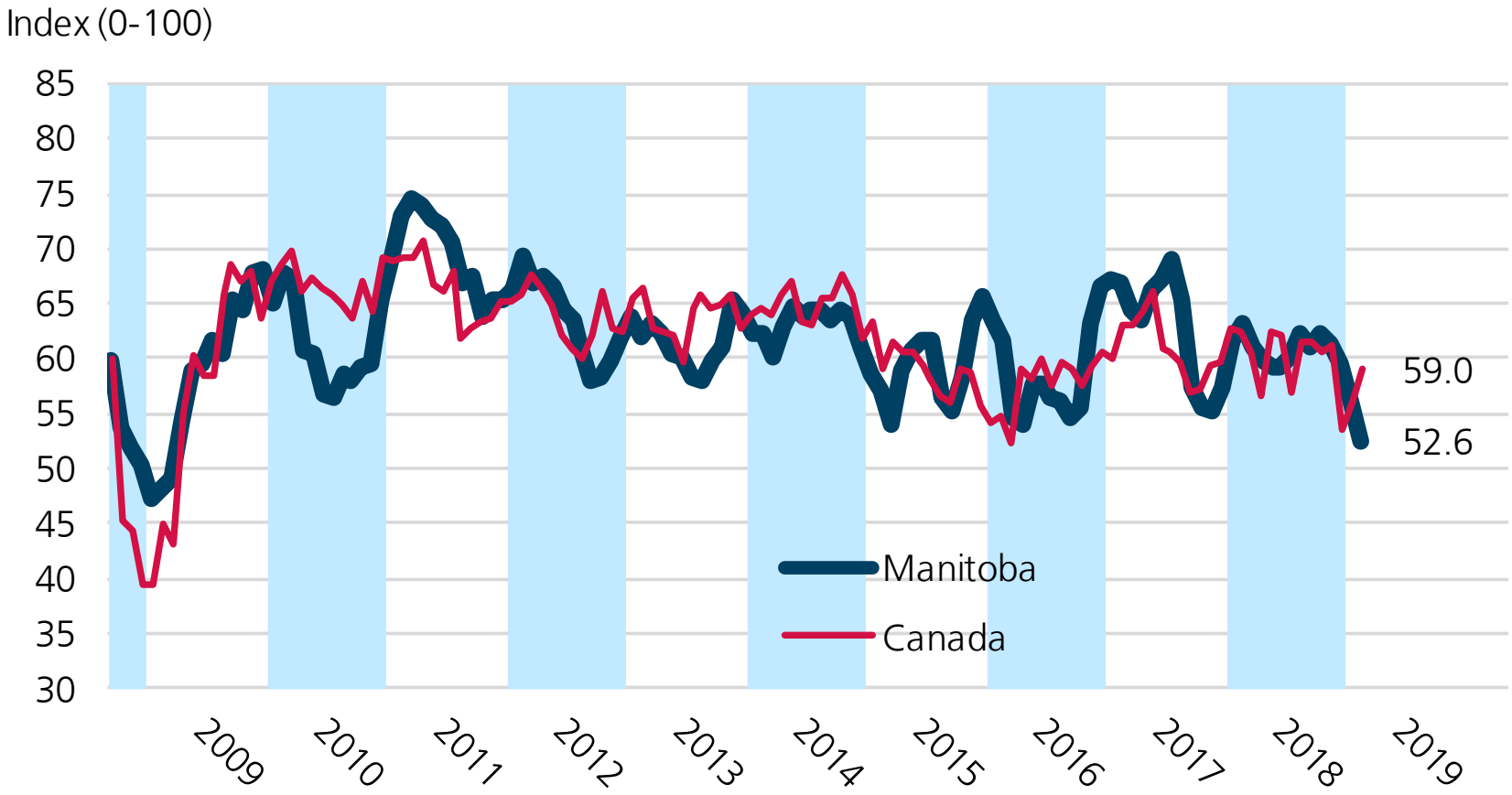
March 13, 2019


Representing across Canada
110,000 members
CFIB
MEMBERSHIP PROFILE
Yukon
200 members
Northwest Territories
250 members
British Columbia
10,000 members
Alberta
10,000 members
Saskatchewan
5,250 members
Manitoba
4,800 members
Ontario
42,000 members
Quebec
24,000 members
Newfoundland & Labrador
2,000 members
New Brunswick
5,000 members
PEI
1,000 members
Nova Scotia
5,200 members

About CFIB

- Represents independent business
- **110,000** independently owned and operated business members across Canada, including **4,800** in Manitoba and **1,700** in Winnipeg
- Non-partisan, not-for-profit organization
- Deals with federal, provincial and municipal issues
- Represents all sectors, all reasons
- One member = one vote

MB small biz optimism continued decline in February



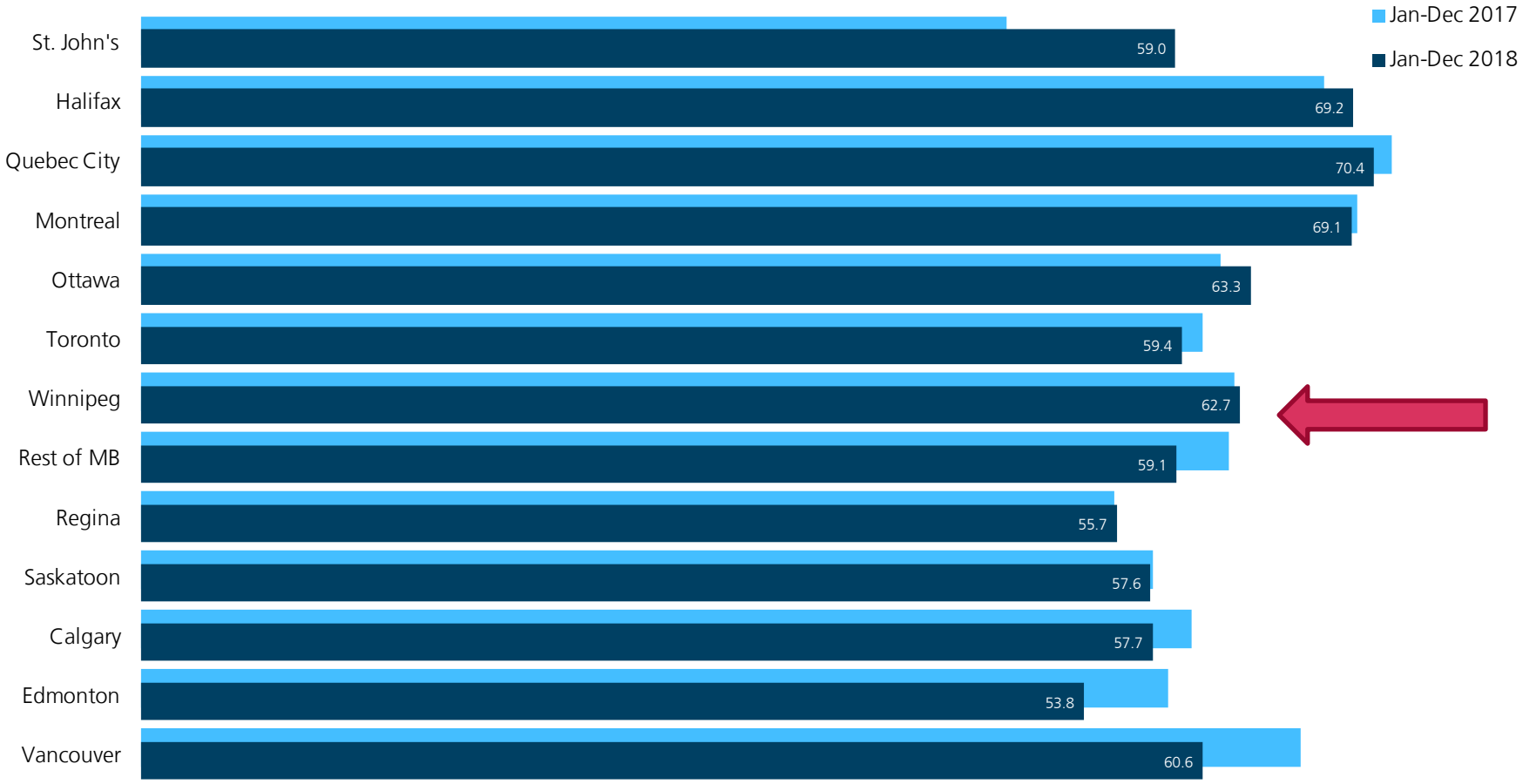
Source: CFIB Monthly Business Barometer, Manitoba, February, 2019.

Winnipeg optimism slightly ahead of MB average



Source: CFIB Monthly Business Barometer, Manitoba, January, 2019.

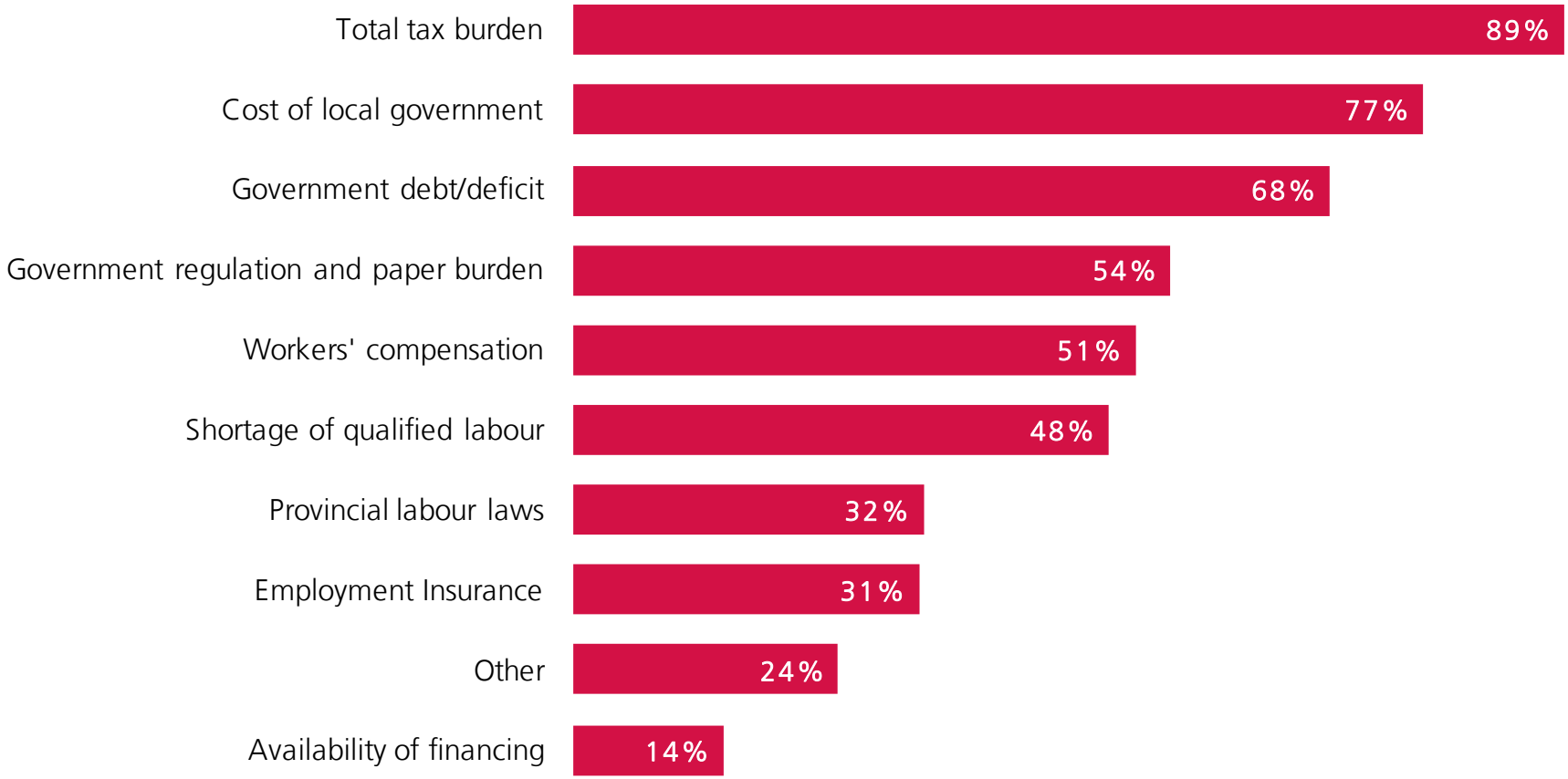
Small biz optimism across Canada



Source: CFIB Monthly Business Barometer, Canada, January, 2019.

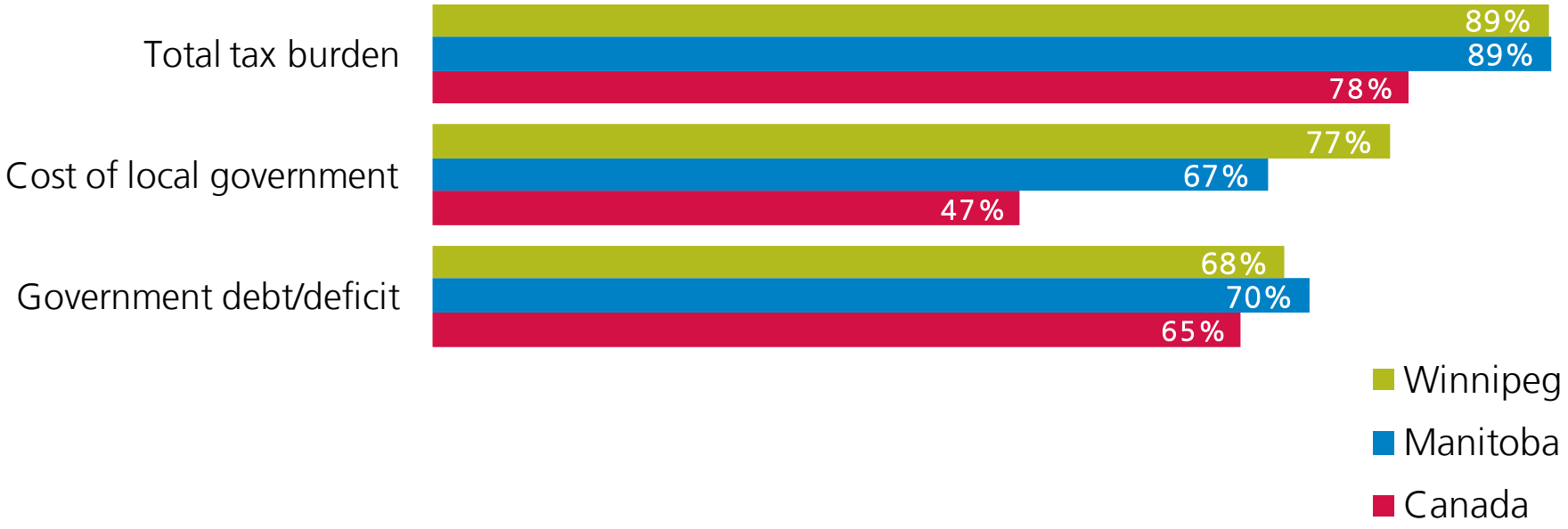
Priorities for Winnipeg entrepreneurs

Which of the following are a serious concern for your business?



Source: CFIB Our Members' Opinion Survey, July – December, 2018, Winnipeg respondents, n = 251.

Comparison of Winnipeg, Manitoba and Canada



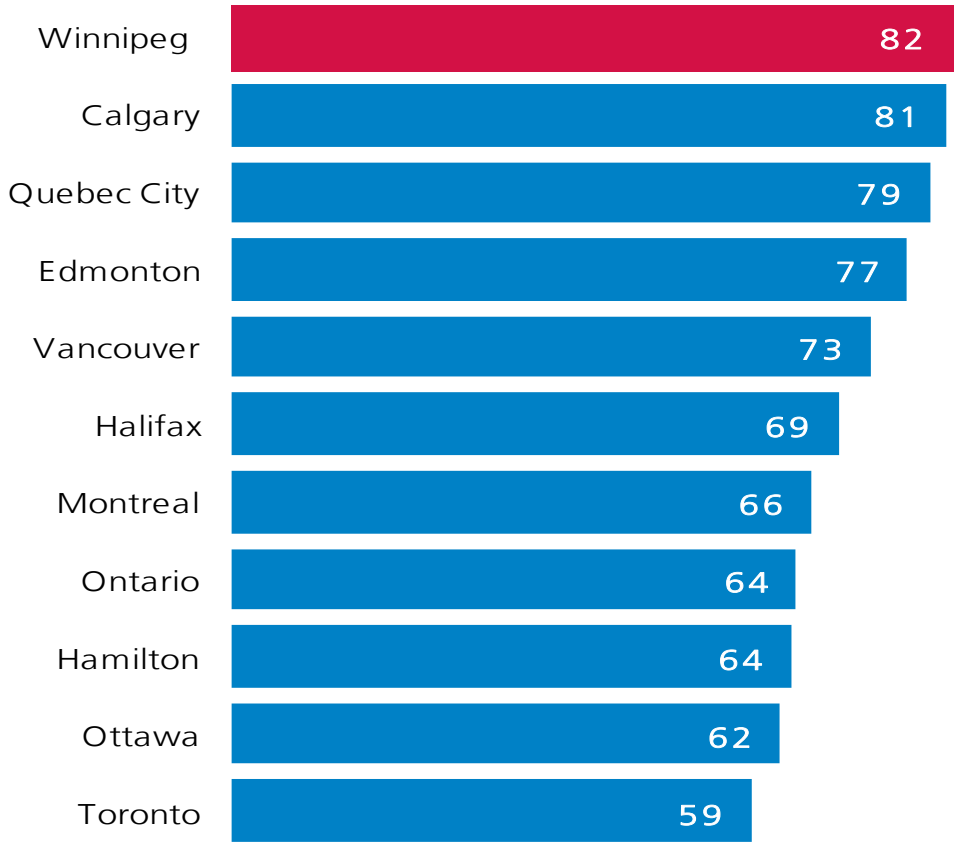
Source: CFIB Our Members' Opinion Survey, July to December 2018, National respondents n=13,951, Winnipeg n=251.

Winnipeg's proposed tax/fee changes

- Property tax increasing again by 2.33%
- Winnipeg Business Tax decreasing again (5.14% to 4.97% and threshold increasing from $33,300 to $33,900)
- No frontage levy increase, no new fees
- Waste diversion and impact fees increasing
- Other fees increasing at rate of inflation

In your community, which of the following would you like to see improved to help your business succeed?) (% response)

Property Tax Levels



Source: CFIB, 2017 National Survey on Municipal Issues, July 2017, n=5,573.

Winnipeg commercial taxation

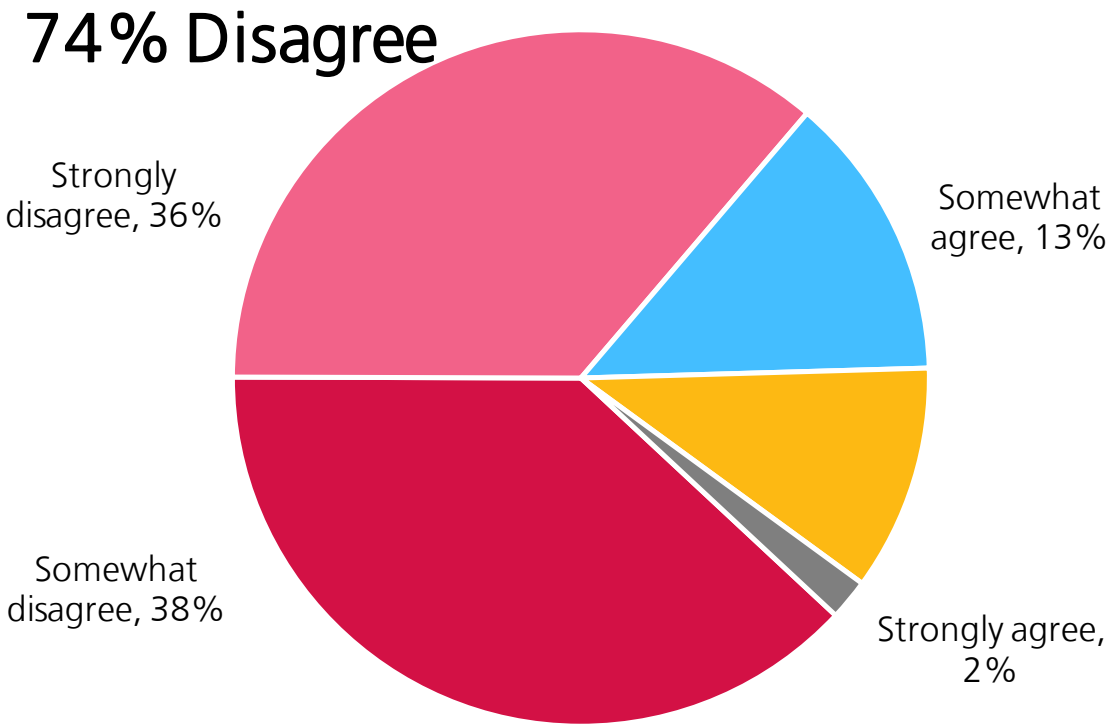
Property Tax Gaps: (commercial/residential ratio)

- Saskatoon: 2.00
- Regina: 2.23
- Edmonton: 2.39
- Brandon: 2.40
- **Winnipeg: 2.62 (does not include WBT, BIZ levy or impact fees!)**
- Calgary: 2.89

Source: CFIB Entrepreneurial Report, 2016.

Value-for-money

Over the past four years, the value-for-money in terms of municipal services I receive and municipal taxes/fees I pay as a business owner has improved. (%response)

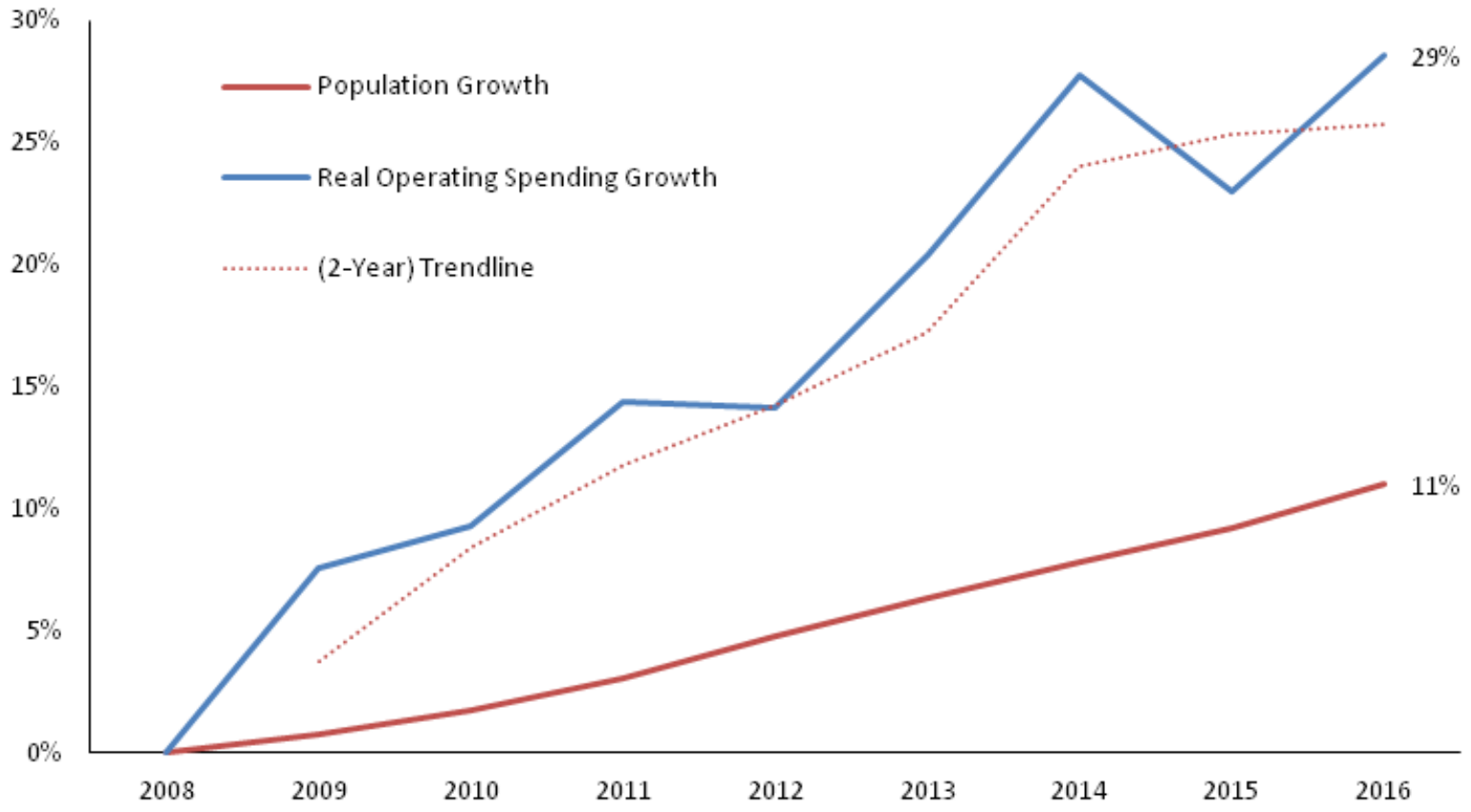


Source: CFIB Manitoba Pre-Budget Survey 2019-2020, November 2018, Winnipeg respondents, n= 105.

Proposed tax supported spending

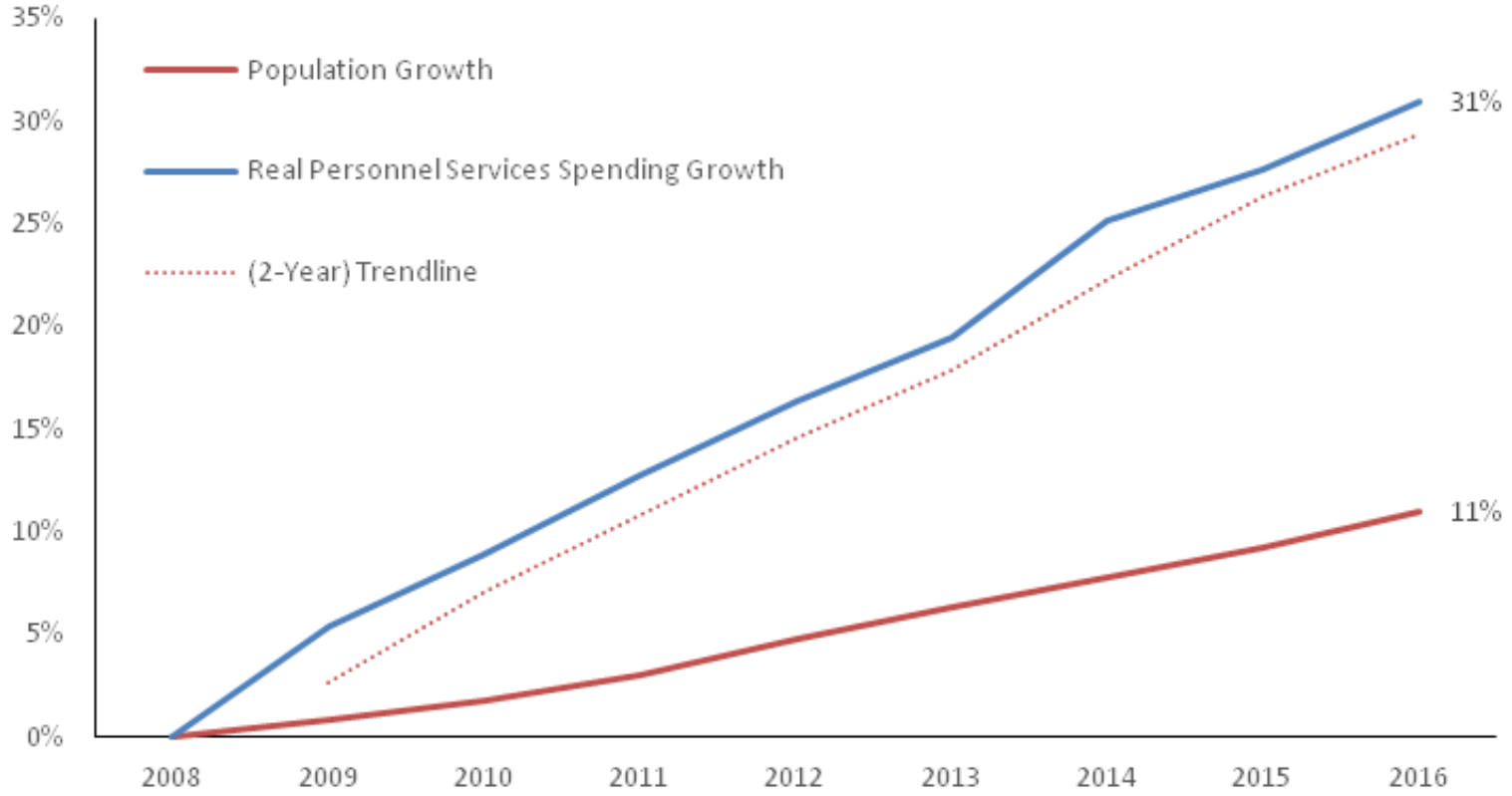
- Tax supported operating spending increases by 3.95% (well above 2018 level)
- Spending growth is beyond estimated inflation + population growth
- Currently in deficit and spending increases in 2020, 2021 are concerning
- Water & sewer dividend is decreasing
- Core services review to take place

Trends in Winnipeg Real Operating Spending Growth



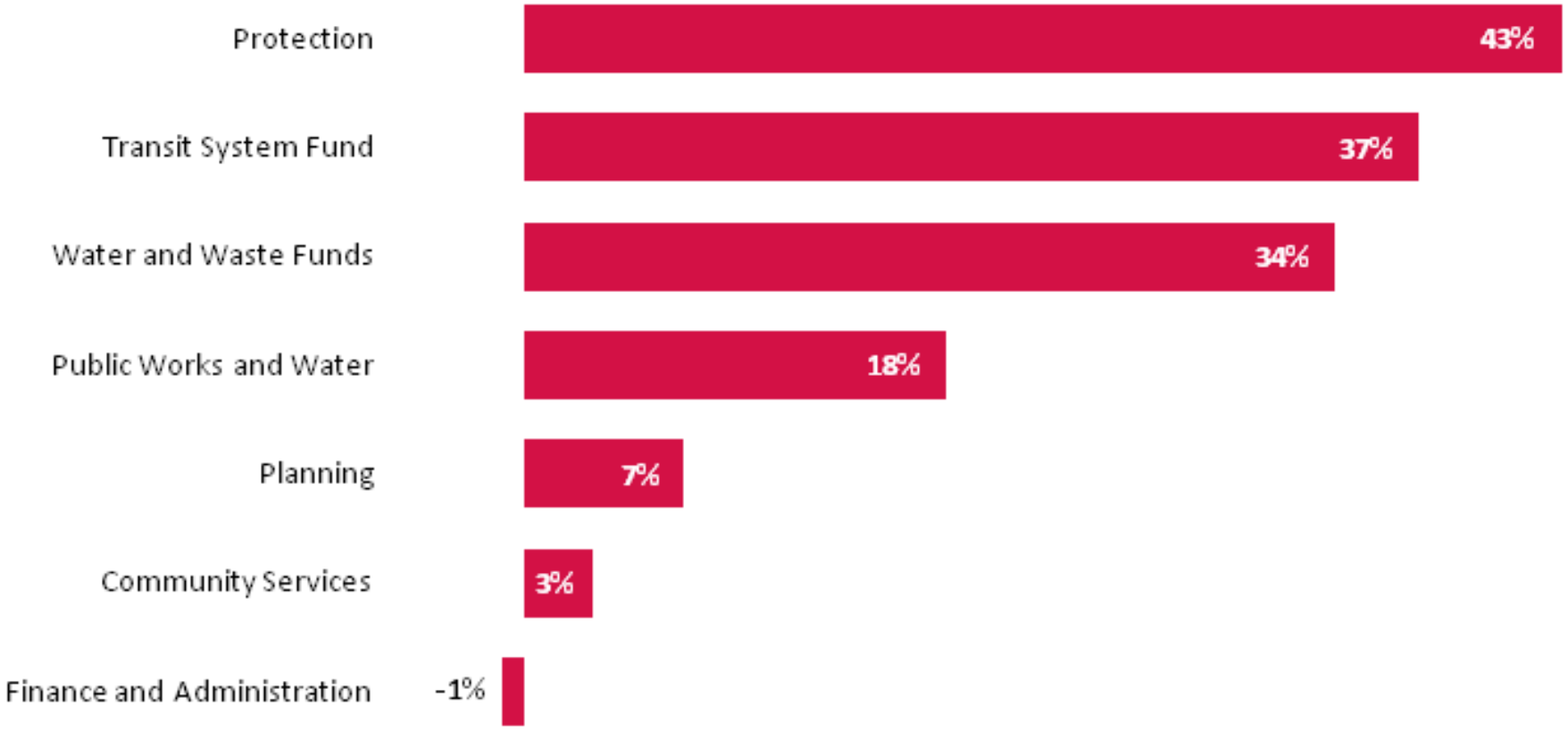
Source: Municipal Audited Consolidated Financial Statements 2008 – 2016, MB Municipal Population Estimates 2008 – 2016 Statistics Canada, Consumer Price Index Winnipeg, Statistics Canada.

Trends in Winnipeg's Real Labour Cost Spending Growth



Source: Municipal Audited Consolidated Financial Statements 2008 – 2016, MB Municipal Population Estimates 2008 – 2016 Statistics Canada, Consumer Price Index Winnipeg, Statistics Canada.

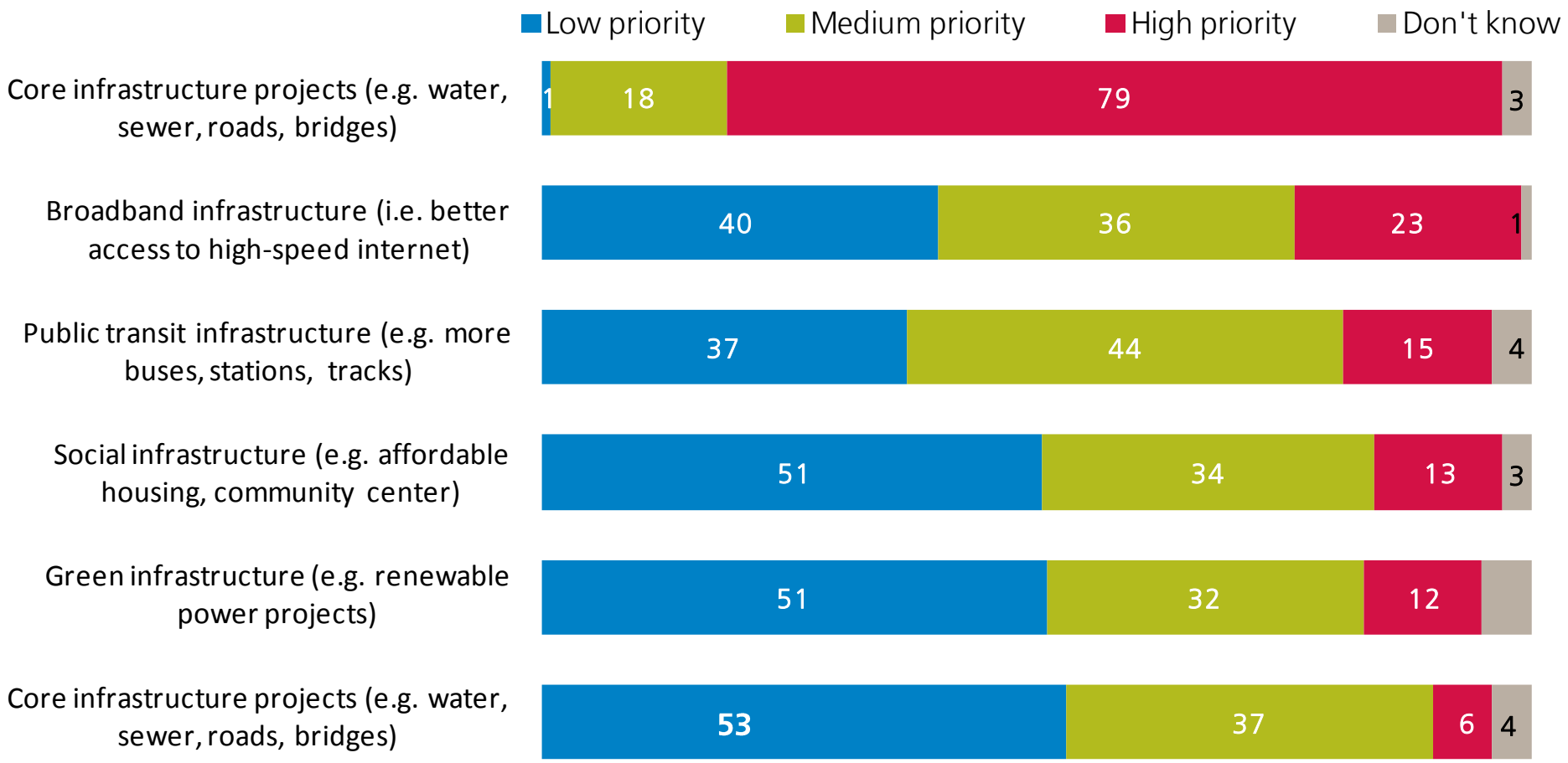
Real Growth by Department (2008-2016)



Source: Winnipeg Audited Consolidated Financial Statements 2008 – 2016, Consumer Price Index Winnipeg, Statistics Canada.

Infrastructure Spending Priorities

How should governments prioritize the allocation of <u>more</u> funds to each of the following types of infrastructure projects? (%response)

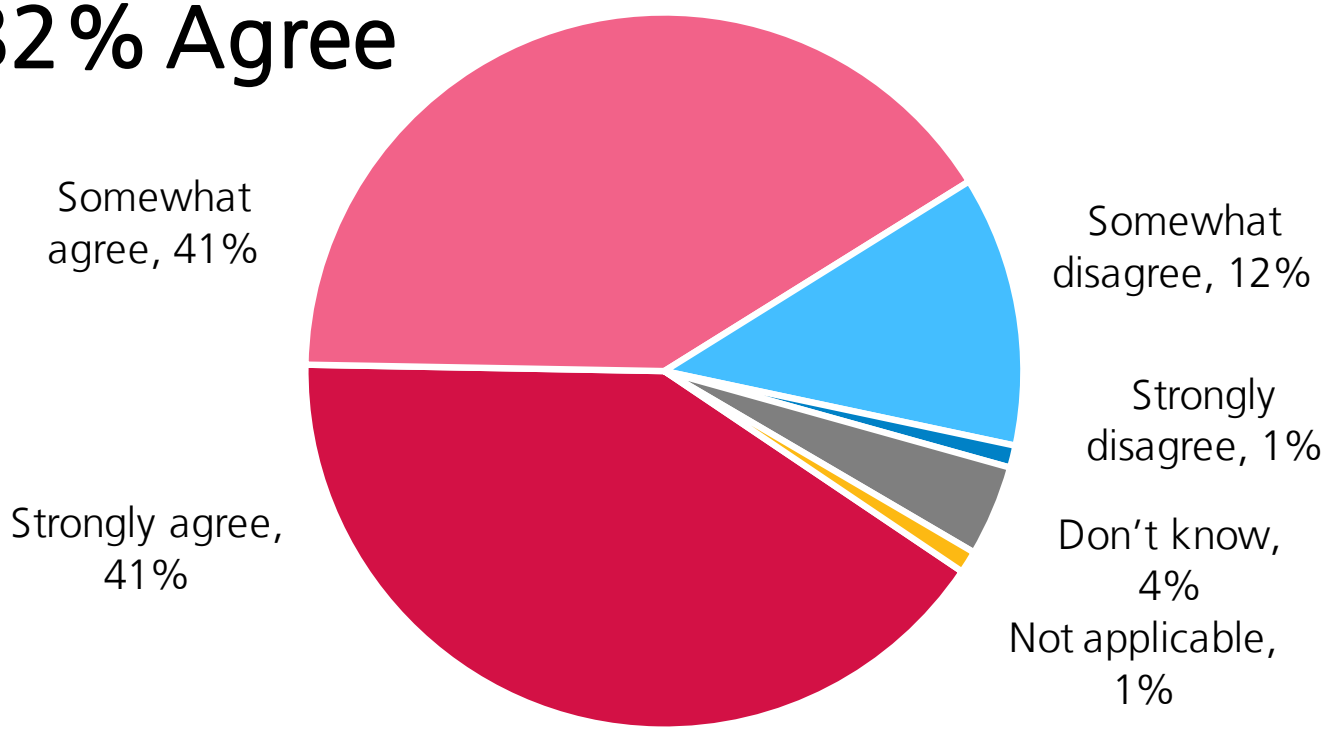


Source: CFIB, 2017 National Survey on Municipal Issues, July 2017, Winnipeg respondents, n=88.

Infrastructure Spending Levels

My municipality should only spend more than current levels on improving local infrastructure by finding efficiencies in other spending. (%response)

82% Agree



Source: CFIB Manitoba Pre-Budget Survey 2018-2019, December 2017, n= 223.

Recommendations

- Deliver 4-year budget that is balanced
- Deliver sustainable spending growth from 2019 to 2023 (end of multi-year budget)
- Implement findings from core services review and value-for-money review of grants to curb spending growth in 2020 and 2021

Recommendations Continued…

- Continue reducing labour costs and realize savings (ex. reduce size and cost of the municipal civil service, through attrition)
- Realize savings by offering needed tax relief and increasing infrastructure spending
- Eliminate the Winnipeg Business Tax over the duration of the 2020-2023 multi-year budget

Future Work to Improve Biz Climate

- Continue work with CFIB and others to reform the permitting process and reduce red tape (annual top 10 red tape headaches)
- Work to help mitigate the impacts of municipal road construction to small businesses

Questions?

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