

# Civic Leaders Dinner: Winnipeg Chamber of Commerce

Thursday, November 16, 2017

Good evening. Congratulations to Loren Remillard and the Winnipeg Chamber for this inaugural of the Annual Civic Leaders Dinner.

This is a great opportunity to mix 'n mingle with civic leaders, to share perspectives on fundamental issues, requiring resolution in support of making this a great city.

The context that colours any discussion tonight is the municipal revenue challenge – not a topic you might expect focus on from our association, but tonight it is.

The truth is that municipalities have limited sources of revenue. The big one is property taxation. But that is a problem, because without a more diversified revenue stream, the homeowner and business owner is squeezed repeatedly to keep up with not just inflation, but a growing list of needs in a city trying to deliver high-quality services and modern amenities.

Winnipeggers want:

- A good, reliable, safe, efficient transportation system moving people to jobs and products to market, connecting our economy to the rest of the world
- They want top quality services and modern, attractive amenities

At the top of this list is transportation. There is a reason for that.

Winnipeggers have repeatedly said in public opinion polling that the condition of their streets is their No. 1 concern.

We need to understand that we are behind on the investment levels required to keep that system in good condition and add to it in support of growth.

There is a reason for that, too.

Cities cannot themselves shoulder the financial burden of keeping core infrastructure up to par.

Municipalities -- which own more than 60% of infrastructure -- receive only 8 cents of every tax dollar collected.

That is a dire imbalance.

The MHCA with partner business organizations -- like the Winnipeg Chamber -- has long advocated for a New Fiscal Deal involving the province, municipalities and the federal government, to balance not just the roles and responsibilities, but also revenue distribution.

A 'New Fiscal Deal' is required in recognition of the fact that revenues assigned and allocated to municipalities at the turn of the century have basically remained as is and are inadequate for the pressures for infrastructure, amenities and services that ratepayers today expect civic government to provide.

Annually, the mayor and council agonize over the challenge of balancing budget, of closing budget deficit gaps.

That exercise has been perennial for decades and all municipalities, Winnipeg being no exception, are in the same predicament.

Faced with antiquated and inadequate-to-task revenue streams, municipalities have difficulty establishing and setting budget targets or firming up program objectives. Quick sand is not a foundation upon which to build.

The difficulty is further exacerbated when senior government funding levels – which are inevitably part of the solution – are uncertain.

It is difficult to make revenues match demand; to get above the deficits that have dogged Winnipeg, for decades.

Structural deficits, which is what municipalities face, require structural changes as part of the solutions.

A New Fiscal Deal is a structural change – and a necessary one.

I appeal to everyone in this room to recognize this real challenge.

Let's get working together as a community, towards that critical, enabling objective of a 'New Fiscal Deal.'

Thank you!