



# Annual Report

# 2008

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Presence • Profile • Impact



## MHCA Board of Directors

### Executive Officers

Gord Lee, P.Eng., G.S.C.  
MHCA Board Chair  
Nelson River Construction Inc.

Chris Lorenc, B.A., LL.B.  
MHCA President

Barry Arnason  
MHCA Vice Chair & Aboriginal Committee Chair  
Arnason Industries Ltd.

Robert Reidy, P.Eng.  
MHCA Secretary/Treasurer &  
Safety Program Chair  
Taillieu Construction Ltd.

Boris Gavrailoff, P.Eng. G.S.C.  
MHCA Past Chair & WCR&HCA/  
Canada & CCA Rep.  
Bituminex Limited

Henry Borger Jr.  
Winnipeg Committee Chair  
Borland Construction Inc.

### Committee Chairs

Derek Walker, P.Eng.  
Highways  
Mulder Construction & Materials

Mickey Stanley  
Events  
Toromont CAT

Greg Orbanski  
Equipment Rental Rates  
Tri-Line Construction Ltd.

Kevin Brown, P.Eng., G.S.C.  
Education, Training & Gold Seal  
Maple Leaf Construction

Paul Venn  
Membership  
B&B Rentals Ltd.

Warren Sigfusson  
Aggregate Producers  
Sigfusson Northern Ltd.

### Directors at Large

Dave Cumming  
Zenith Paving Ltd.

Gilles Collet  
Collet Gravel Inc.

Ted Smook, B.Com., G.S.C.  
Smook Brothers (Thompson) Ltd.

Calvin Edie  
Edie Construction Ltd.

# CONTENTS

|  |    |
|--|----|
| Agenda .....                               | 3  |
| Minutes of 2007 AGM.....                   | 4  |
| Chairman's Message.....                    | 6  |
| President's Message .....                  | 6  |
| CCA Report .....                           | 7  |
| TRIP Canada Report.....                    | 10 |
| MHCSP Report.....                          | 14 |
| MHCTA Report .....                         | 18 |
| Gold Seal Report.....                      | 20 |
| MHCA Chairman's Report.....                | 22 |
| MHCA President's Report .....              | 27 |
| MHCA in the Media .....                    | 34 |
| Elections to MHCA Board of Directors ..... | 43 |
| Treasurer's Report .....                   | 44 |





## **Manitoba Heavy Construction Association**

### **2008 ANNUAL GENERAL MEETING**

**Winnipeg Convention Centre, Room 1**

**9:45am**

**November 28, 2008**

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## **AGENDA**

1. Call meeting to order.
2. Approve minutes of the 2007 AGM
3. CCA National Report – Paul Charette, CCA Chair
4. MHCSP Report – Stan Kruse, Director
5. MHCA Activities Report – Gord Lee, MHCA Chair
  - (i) MHCA
  - (iii) Roadbuilder Council
  - (iv) Gold Seal
  - (v) Manitoba Heavy Construction Training Academy (MHCTA)
6. President's Report – Chris Lorenc, MHCA President
7. Financial Reports – Bob Reidy, Treasurer
  - a. Audited Financial statements
  - b. Appointment of Auditor
8. Elections to MHCA Board of Directors – Boris Gavrailoff, Nominations Committee Chair
9. Other business.
10. Adjournment.



# Manitoba Heavy Construction Association

## ANNUAL GENERAL MEETING

9:45am

November 23, 2007

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# MINUTES

1. Call meeting to order.

The meeting was called to order by the Chairman at 10:02 am.

2. Approve minutes of the 2006 AGM.

The minutes of the Annual General Meeting, November 24, 2006, were adopted on motion by Taillieu/Arnason.

3. MHCA Activities Report

The Chairman presented the attached report entitled "MHCA Chairman's Report – Presence, Profile, Impact".

4. Trade Transportation & Related Priorities

The President presented the attached report entitled "MHCA President's Report – Trade and Transportation – Steps to Prosperity".

5. MHCSP Report

The Director of the Manitoba Heavy Construction Safety Program presented the attached report entitled "2007 MHCA Safety Program Report".

6. Financial Reports

a. Treasurer's Report

The Treasurer presented the attached report entitled "2007 Treasurer's Report". It was adopted on motion by Bob Reidy/Boris Gavrailoff.

b. Treasurer's Resolutions

On motion by Don Eppler/Barry Brown Charles H. Wepler, C.A. was appointed auditor of the corporation to hold office until the close of the next annual general meeting or until his successor is appointed.

On motion by Mulder/Edie the Directors of the Corporation were authorized to fix the remuneration of the auditor for the current year in such amounts as they may, in their own discretion, determine.

On motion by Henry Berger/Cal Moon it was moved that all acts, contracts, proceedings, elections, appointments, accounts and payment made, done and taken by the Directors and Officers of the Corporation during the fiscal year ended June 30, 2007 be and the same and are hereby ratified, sanctioned and confirmed.

7. Elections

Immediate Past Chair and Nominations Committee Chair, Boris Gavrailoff presented the report of the 2007 Nominations Committee. Gavrailoff requested nominations from the floor. There being none nominations were closed and the nominations committee report adopted on motion by Wilf Taillieu/Barry Brown. Gord Lee, Bob Reidy, Derek Walker, Ted Smook, Mickey Stanley, Henry Borger, Warren Sigfusson were elected to a two year term. Paul Venn was elected to a one year term on motion by Cumming/Edie. The full report of the 2007 Nominations Committee is attached.

8. Other

No other business was discussed.

9. Adjournment

There being no other business before the membership the Annual General Meeting was adjourned at 11:08 am.



The 2007-2008 year was another busy one for the industry and our Association.

Manitobans and Canadians in general are likely asking themselves where things are headed as they contemplate the near and longer term impacts that will result given the recent upheavals in the financial markets. Members of our industry are no doubt asking themselves the very same questions and speculating as to where these events will ultimately lead us.

Over the last few years, many in our industry will agree that we have experienced reasonably strong growth in the volume of infrastructure work that has been initiated or completed to date. Industry is also quite aware of the promises made by Local, Provincial and Federal governments in the way of additional spending commitments to address the enormously large and growing infrastructure deficit that all taxpayers know is so glaringly apparent. The question that surely arises from the current state of affairs is whether or not government will hold steady in their commitment to meeting the infrastructure objectives that have been set and

do so under the significant challenges that now face the financial markets and the potential repercussions of a weakened economy that may result.

In the face of such adversity it is important to keep perspective of the many positives that still remain large in the Manitoba marketplace. Consider the importance and positive impact that will result from the recent strength in the province's population growth, the effects this has begun to have in shoring up labour shortages, the momentum behind the establishment of an Inland Port, the formation of a Western Canada Transportation System linking seamlessly into the North American Super Corridor, the growth in hydro electric development at Wuskwatim, Conawapa and Point Du Bois, the potential expansion of wind energy development and the impact of the Canadian Museum for Human Rights.

The go forward strategy of today's government will require a stretching in imagination and problem solving skills to new levels in order to maintain the current momentum in overcoming the continuing infrastructure challenges that still lie ahead. It will be incumbent on our industry to continue its persistent and frequent call on government to provide a performance-based management approach to critical infrastructure and for industry to provide the leading edge ideas and policy for government whenever called upon.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gordon Lee'.



We've had another great year of momentum for the industry and our Association, along with the issues that we have made a priority.

It would certainly appear that governments are understanding the relationship between trade, transportation and infrastructure, and enhancing productivity of the nation's economy.

A series of policy shifts, coupled with reports from credible arm's length institutions, along with an 'ahead of the political process' public opinion, have all resulted in positive sustainable decisions and directions from Canada and by extension, our province. Whether it is the recently signed \$718 million Building Canada Fund Agreement; the drive to establish an inland port in Winnipeg in support of a nation-building trade enhancing initiative; Manitoba's Tax Increment Financing (TIF) and Centre Port Canada legislation; the Western Canada Transportation System initiative; increased infrastructure programs by municipalities; earlier tendering by some public sector project owners; all point to prominent mind set policy changes which are welcome and overdue.

We still have a long way to go. A report from the IRPP points out directly the relationship between the nation's investment in infrastructure and productivity. The report also speaks to a massive infrastructure investment gap and its adverse impact on Canadian manufacturing costs and productivity. The report's author estimates that an injection of up to \$200 billion—\$72 billion for new projects and \$123 billion for maintenance of existing facilities—will be necessary over the coming years to close the gap.

The Report of the Standing Senate Committee on Transportation from June 2008 speaks to the need for national action from things like harmonization of trucking regulations to developing a national inland port strategy to help Canada compete in the global economy. It recommends for example, "that the government establish inland port free trade zones to attract investment and to enhance the efficient and cost effective operation of inland terminals."

Economists argue that Canada faces 'global disadvantage challenges' related to taxes, crumbling infrastructure, lack of a mature national trade strategy, and an inability to attract foreign investment.

Gaps in public policy will always exist. While the MHCA has made many significant and visible contributions, our responsibility as business owners, risk takers, employment providers will continue to be to work with governments at all three levels to press for economic policies based upon regional and national interest and with the public's best public interest in mind.

Let this great momentum continue to build into 2009!

A handwritten signature in black ink, appearing to read 'Chris Lorenc'.



# THE CANADIAN CONSTRUCTION ASSOCIATION 2008 REPORT

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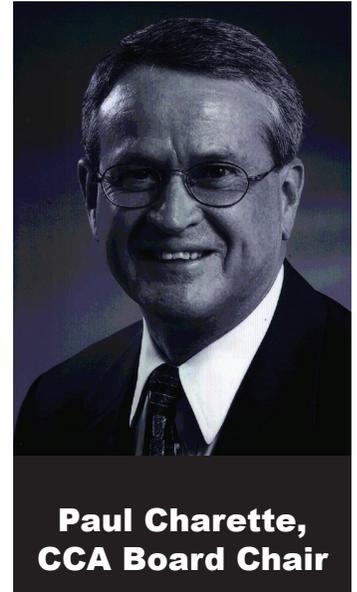
## THE VIEW FROM OTTAWA

*The following is an update on some of CCA's current national priorities:*

### Supporting Our Community College System

This year, CCA is focusing in particular on the need to enhance industry training capacity within the Canadian community college system. Many of the industry's construction trades obtain the classroom portion of their apprenticeship training at community colleges. In addition, many of the industry's supervisory positions are filled by Construction Engineering Technologist and other graduates from our local colleges.

The college system in Canada because of past neglect does not possess the capacity to provide effective and first-rate training. The Association of Canadian Community Colleges (ACCC) advises that several institutions have wait lists of upwards of 9,000 people for skilled trades programs. Algonquin College in Ottawa has said that it receives in excess of 39,000 applications for their trades programs for 7,400 available first-year spaces. Red River College in Winnipeg has a waiting list of three years for their Carpentry Program. Many college facilities across Canada were built 40-45 years ago, with an expected lifespan of roughly 40 years. CCA is partnering with the Association of Canadian Community Colleges (ACCC) on this initiative and has established a national coalition to lobby the federal government to achieve greater funding for the college system. While education is a provincial jurisdiction in Canada, CCA feels the federal government must assume a leadership role similar to that which it has done with respect to municipal infrastructure needs.



**Paul Charette,  
CCA Board Chair**

### Immigration Reform

Immigration policy and process in Canada is not construction friendly. We have a federal point system that places too much value on higher education and language proficiency rather than trade experience and occupations in demand. Permanent entry into Canada through this federal door has become virtually impossible for construction workers because of this bias and a current back-log of more than 900,000 applicants! Many would-be permanent immigrants to Canada are being told to avoid the federal process altogether and instead seek to gain their permanent residency through Provincial Nominee Programs.

There have been some modest improvements with the introduction this year of the new Canadian Experience Class that allows foreign workers already working in Canada under temporary visas to apply for permanent residency without having to leave the country and without having to challenge the point system.

In addition, through CCA-National's efforts, a number of reforms have been made to the Temporary Foreign Worker Program over the past year that has facilitated the entry of temporary foreign construction workers. As well, through an arrangement between Canada and Mexico and participating provinces like Alberta, there is a new facility by which Mexican workers can work on a temporary and seasonal basis in certain sectors including construction.

More work, however, is required here, for without the contribution of immigration to our future workforce, we will be attempting to recruit our workers, along with our competitor industries, from an ever-diminishing pool of talent.

## Public-Private Partnerships (P3s)

The CCA Board of Directors has established a Task Force on Public-Private Partnerships (P3s) under the aegis of the Standard Practices Committee.

*The creation of the Task Force has been prompted in part by the following:*

- The increasing trend by Canadian governments to use the P3 approach;
- The need to educate the CCA membership, particularly SMEs as to the different contractual arrangements, risks, responsibilities, and practices associated with P3s;
- The need to ensure the opportunity and ability for Canadian firms to participate in P3 projects and to ensure an on-going Canadian capacity to meet the demand for this project delivery method;
- To ensure that Canadian governments opt for the P3 method of delivery when it is the best option.

One issue that has emerged as being of particular concern is the “bundling” of projects.

## Enhancing the Effectiveness of Foreign Trade Zones in Canada

The current legislative/regulatory environment in Canada prevents the establishment of effective Canadian “foreign or free trade zones” (FTZs). FTZs in other countries, including the U.S., assist greatly in attracting foreign and international trade investment because of the distinct advantages they can offer. CCA is pursuing with the Canadian Manufacturers and Exporters (CME) the establishment of a national coalition to address the legislative and regulatory reforms required to allow effective and competitive FTZs in Canada.

## Tax and EI Reforms

CCA continues to press for much-needed tax reforms including:

- A more equitable tax treatment of employer-provided vehicles in certain circumstances;
- Expansion of the Apprenticeship Tax Credit to trades other than just Red Seal trades;
- Further enhancement of the Small Business Deduction;
- Accelerated capital cost allowance for construction equipment and machinery.

Budget 2008 introduced some significant changes to the governance and management of the Employment Insurance (EI) Fund which go a long way in addressing CCA’s concerns relative to the EI rate-setting process and the use of EI Fund surpluses. CCA is also seeking further reforms to the EI system including:

- The elimination of the employer multiple (i.e. a return to 50-50 employer-employee contributions);
- A mechanism for refunding employer over-contributions; and
- A yearly basic exemption.

## Standard Documents

One of the more important roles of CCA is the development of standard industry forms and guides. Here are just some of the new standard forms and guides:

- CCDC2 2008 - Stipulated Price Contract - CCA, through its participation in the Canadian Construction Documents Committee (CCDC), was instrumental in influencing important changes in the long-awaited new version of CCDC2, last updated in 1994, and the flag-ship standard construction contract used in Canada;
- New version of CCA 1 Standard Stipulated Price Subcontract to complement the new version of CCDC2;
- New Subcontract Bidding Guide, ( i.e. CCA 51);
- New Construction Accounting Best Practices: Revenue Recognition Guide focusing on issues related to the recognition of revenue and the “percentage of completion” vs. “completed contract” methods;
- New Model Code of Ethics for a Construction Firm that can be used as a starting point by individual firms to develop their own corporate code of ethics; and
- New Guide for the Construction Industry When Doing Business in the United States.

## Other Priorities

Other priority issues for CCA include (see CCA Road Builders and Heavy Construction Council Annual Report):

- Obtaining an exemption for the road building/"short haul" sector from the new Hours of Service regulations;
- Expediting the implementation of the various federal infrastructure programs;
- Monitoring and staying ahead of environmental policy trends and developments that will impact construction.

A handwritten signature in black ink that reads "P. A. Charette". The signature is written in a cursive style with a horizontal line extending from the end of the name.

Paul Charette

Chair, CCA Board of Directors

November 28, 2008



# 2008 TRIP CANADA/CCA ROADBUILDERS & HEAVY CONSTRUCTION COUNCIL REPORT

## 1.0 THE YEAR IN REVIEW

From an overall government relations perspective, 2008 was another successful year for the CCA Road Builders Council and TRIP Canada. A number of long-standing objectives for the Council were solidified through Budget 2008, as well as several significant reforms to federal immigration policy that will better help the sector meet its future employment needs. Highlights of these achievements are:

### 1.1 Federal Infrastructure Renewal Funding

Building on earlier TRIP Canada initiatives, CCA was able to persuade the federal government to make permanent the \$2 billion Gas Tax Transfer to municipalities beyond fiscal year 2013-2014. This money will provide municipalities with the predictability they have requested to help them fund municipal infrastructure renewal.

### 1.2 Federal-Provincial Infrastructure Transfer Framework Agreements

With the strong urging of CCA, the federal government concluded the signing of federal-provincial framework agreements this fall. These agreements make joint funding of infrastructure projects between the federal government and the provinces possible. Of the \$33 billion included in the Building Canada plan, more than half or \$17.6 billion is earmarked for municipal governments through transfers from the Gas Tax Transfer and rebates of the GST. In the case of Western Canada, this amounts to almost \$3.4 billion over seven years. As well, a further \$3.1 billion will be available for provincial infrastructure projects, bringing the total federal funding for infrastructure renewal to over \$6.5 billion over the next seven years. In detail, the funding breaks down like this:

#### Western Canada Funding:

##### Building Canada Fund

|                                     |   |
|-------------------------------------|---|
| Communities                         | \$359.488 million                                 |
| Major Infrastructure Component      | \$2,036.212 million (Manitoba's per capita share) |
| Provincial Base Fund                | \$175 million                                     |
| Red River Floodway Expansion        | \$141.50 million                                  |
| Gas Tax Transfer                    | \$3,374.54 million                                |
| Municipal Rural Infrastructure Fund | \$58.45 million                                   |
| <b>TOTAL FUNDING</b>                | <b>\$6,528.69 million</b>                         |

### 1.3 Hours of Service

Working through the CCMTA, a provincial and federal exemption process has been established to provide relief from the regulations. The CCA Road Builders Council submitted in June an application proposing an exemption for all winter maintenance, an increase in the gross weight of vehicles to 11,794 KG, and a full exemption for short-haul drivers that operate within a 160 km radius per day. The application was one of four received and is still with Transport Canada for a decision. The change in Ministers should mean we are unlikely to be given a definitive response before the end of the year.

## 1.4 Federal Immigration Reforms

Immigration policy and process in Canada is not construction friendly. We have a federal point system that places too much value on higher education and language proficiency rather than trade experience and occupational demand. Permanent entry into Canada through this federal door has become virtually impossible for construction workers because of this bias and a current back-log of more than 900,000 applicants. Many would-be permanent immigrants to Canada are being told to avoid the federal process altogether and seek to gain permanent residency through provincial nominee programs.

There have been some modest improvements with the introduction this year of the new Canadian Experience Class that allows foreign workers already working in Canada under temporary visas to apply for permanent residency without having to leave the country and without having to challenge the point system.

In addition, through CCA's efforts, a number of reforms were made to the Temporary Foreign Worker Program over the past year that facilitate the entry of temporary foreign construction workers. As well, through an arrangement between Canada and Mexico and participating provinces, there is a new facility by which Mexican workers can work on a temporary and seasonal basis in certain sectors including construction.

## 2.0 LOOKING FORWARD

### 2.1 The New Parliament

The re-election of the Conservative Government has restored stability to Ottawa, and while the Government came up short of its intended majority, it should be able to govern for the next 8 months without fear of threats or serious challenges from the opposition parties.

The makeup of the House of Commons will now be:

|                      |            |
|----------------------|------------|
| Conservatives.....   | 143        |
| Liberals.....        | 77         |
| New Democrats.....   | 37         |
| Bloc Quebecois ..... | 49         |
| Independents.....    | 2          |
| <b>Total .....</b>   | <b>308</b> |

To pass legislation, the government needs to out vote opposition parties. At present, with full attendance, the opposition parties have 165 votes, giving them a 22 vote differential over the government. However, if we minus the Speaker and the two independents from this total (one independent is a former Conservative expelled from Caucus over the Atlantic accord debate, and the other is a former radio host from the Quebec City area who votes mostly Conservative), the government only needs 19 MPs to be absent from the House or to vote with the government to pass legislation. This should give the government the flexibility it requires to manage more easily its legislative agenda.

Two additional factors will also influence House stability over the next few months:

#### i) The Liberal Leadership Race

Given that the Liberals do not want to fight another election under the leadership of Stéphane Dion, it is unlikely they would vote to bring the government down before a new leader is in place.

#### ii) The Economy

Canadians expect all politicians to put away partisanship for now and to work collaboratively to improve the economy. Therefore, no party will want to be seen promoting distractions (i.e. issues not directly linked to economic development), so expect an orderly Parliament, at least until the next federal budget.

From a CCA/TRIP Canada perspective, the re-election of the Conservative government provides the association with the continuity it requires to advance a number of our proposed policy reforms.

### 2.2 The New Cabinet

In selecting his new Cabinet, the Prime Minister's clear goal was to send Canadians the message that the economic management is paramount to the new government. Most of his choices for the key economic portfolios are experienced ministers who did well in managing their portfolios in the past Parliament. Of significance to CCA are:

### **i) Minister of Finance**

The Honourable Jim Flaherty

Retaining Minister Flaherty at the critical Finance portfolio was engineered to reassure jumpy financial markets and guarantee policy continuity throughout this difficult period of financial instability. From a CCA perspective, his reappointment will be helpful as he knows the industry well and appreciates its importance to the economy, particularly in difficult economic times where the industry can provide a significant boost to the economy through public sector investments in infrastructure development.

### **ii) Minister of Transport, Infrastructure and Communities**

The Honourable John Baird

The appointment of Minister Baird to the department responsible for infrastructure funding sends a strong signal that the government is serious about accelerating the delivery of the infrastructure money already booked in Budget 2007. Minister Baird is known as a “no nonsense” minister with a reputation for overcoming bureaucratic inertia and should be successful in the delivery of his new and challenging mandate.

### **iii) Minister of Citizenship and Immigration**

The Honourable Jason Kenney

The appointment of Minister Kenney is also a strong signal to the immigrant and business communities that the government is serious about improving Canada’s immigration system. Minister Kenney is known as a quick thinker and someone who thinks outside the box. He found unique ways to overcome challenges in his last position (as evident during his management of the Brenda Martin case) and has a strong relationship with the Prime Minister.

### **iv) Minister of Human Resources and Skills Development**

The Honourable Diane Finley

The move of Minister Finley back to the Department of Human Resources and Skills Development is also a signal that the government is serious about addressing Canada’s labour shortage challenges. Her experience as the former Minister of Citizenship and Immigration and knowledge of the pending skills shortage crisis should make advancing CCA recommendations from EI reforms to the expansion of the Apprenticeship Tax Credits system to non-Red Seal trades a little easier.

The key theme for the new government will be economic management and minimizing the impact of the current global financial crisis on the federal treasury. Every new policy proposal will be seen through this lens meaning in all likelihood very tight fiscal discipline on the part of the government and no new spending initiatives unless they have already been booked. From a CCA perspective, this means that new initiatives such as more money for colleges or new tax measures (i.e. an increase to the capital cost allowance for diesel vehicles and equipment) may be more difficult in the current environment and may require a more long-term lobbying approach.

## **3.0 LOOKING FORWARD – CCA PRIORITIES**

The government’s recent Speech from the Throne contained a number of important themes that fit with a number of CCA priorities. While not specific, they are broad and can assist us in opening a dialogue with ministers and officials to help promote reforms in these key areas.

### **3.1 Hours of Service**

The most pressing priority for CCA over the next six months will be the pursuit of a federal exemption for the road-building sector from the Hours of Service regulations. During our initial meeting with Minister Baird, the Minister appeared open to the idea of working with CCA on a federal exemption. The Minister was very interested in hearing about the existing regulatory framework across the country and asked for additional information from CCA regarding the reaction from the driver community to potential changes to the federal Hours of Service regulations.

CCA is working with provincial road-builder associations to help compile the information requested by the Minister. In addition to our pursuit of a federal exemption, CCA is also working with the Alberta Roadbuilders and Heavy Construction Association to advance a meeting with the four western provinces to discuss a harmonized exemption along the lines of what CCA proposed at the federal level. If successful, CCA would then seek to apply these results across the country.

## 3.2 Tax & EI Reforms

While the current global financial crisis will have a considerable impact on the flexibility of the federal government to make additional changes to tax policy, several proposed CCA reforms can be characterized as pro-competitive measures that if implemented will help encourage spending and make the economy more competitive. In the recent Throne Speech the Government stated:

*“Our Government has already cut taxes to lower costs for business and help them compete and create jobs. To further reduce the cost pressures on Canadian business, our Government will take measures to encourage companies to invest in new machinery and equipment.”*

Building on this government goal, the CCA will be advancing the following recommendations for the government’s spring budget:

- i) Amend the current Accelerated Capital Cost Allowance regulations to restore the depreciation rate on diesel powered vehicles and equipment from the current 30 percent to a 50 percent rate. This will help encourage Canadian industry to replace older, less fuel-efficient equipment with newer and more environmentally friendly equipment and vehicles. Uptake of this measure will help Canada’s manufacturing sector and boost flagging retail sales.
- ii) Amend the current Revenue Canada interpretation of the employer-provided vehicle rules to obtain more equitable tax treatment for employees that utilize these vehicles for commuting to job sites.
- iii) Eliminate the employer multiple for EI payments (i.e. restore the ratio to 50-50 employee-employer).
- iv) Introduce a yearly basic exemption for the EI account.
- v) Create a mechanism for refunding employer over-contributions to the EI account.

## 3.3 Infrastructure Renewal & Borders and Gateways

The government has indicated a strong interest in moving forward with the rapid implementation of its Building Canada plan. The Prime Minister has made it clear that he intends to use infrastructure spending to stimulate Canada’s stalling economy, a measure clearly supported by Premiers across Canada. In the recent Speech from the Throne, the government stated:

*“Public infrastructure is vital not only to create jobs for today, but also to create the links between communities and regions to help generate jobs for the future. Our Government is committed to expediting our Building Canada plan to ensure that projects are delivered as quickly as possible.”*

The new Minister of Transport, Infrastructure, and Communities is keen to accelerate the pace of funding and he has initiated discussions with his provincial counterparts as to how best to achieve this goal. CCA has offered the new Minister our full support, and we expect to work closely with his office and our members in the promotion of new infrastructure investments across Canada. In this context, the Minister has asked CCA to encourage its members to draw to his attention any extraordinary delays in project approvals, which CCA committed to do.

With regard to gateways and inland ports, the appointment of Peter MacKay as the Atlantic Gateway Minister is another positive sign of the government’s increasing interest in developing a network of national regional gateways to help facilitate the movement of goods across the country. CCA will work closely with our members to continue to promote and advance the development of these regional gateways with the new government.

## 3.4 Enhancing the Effectiveness of Foreign Trade Zones in Canada

The current legislative/regulatory environment in Canada prevents the establishment of effective Canadian “foreign or free trade zones” (FTZs). FTZs in other countries, including the U.S., assist greatly in attracting foreign and international trade investment because of the distinct advantages they can offer.

With the recent Throne Speech, the government restated the importance of trade to Canada and committed to taking steps to expand opportunities for Canadians to benefit from foreign investment. Specifically, the government committed to:

*“Our Government will also expand the opportunities for Canadian firms to benefit from foreign investment and knowledge, while taking steps to safeguard consumers and our national security.”*

While this statement makes no specific reference to Free Trade Zones, it can be viewed as committing the Government to ensuring its legislative framework maximizes the opportunities for Canadians to benefit from foreign investment, and in this context, CCA will argue that the current FTZ legislation does not expand the opportunities for Canadian firms to benefit from foreign investment as much as it could if a more competitive free trade zone regime were adopted by Canada. CCA will also be pursuing with the Canadian Manufacturers and Exporters (CME) the establishment of a national coalition to address the legislative and regulatory reforms required to allow effective and competitive FTZs in Canada.



# 2008 MHCA SAFETY PROGRAM REPORT

## Introduction

The Manitoba Heavy Construction Association's Safety Program (MHCSP) provides assistance to the heavy construction industry in Manitoba in the areas of training, site visits and inspections, technical and field assistance, and education and awareness relating to safety, health and environmental issues.

MHCSP and its services are accessible to all of the 407/408 WCB industry code employers in Manitoba. This number currently totals approximately 850 companies. MHCSP works with the following Heavy Construction operations in Manitoba:

- Roadwork
- Sewer and Water
- Pipeline Construction
- Excavation Foundation
- Construction Dams/Wharfs
- Under Water and Piling
- Trenching and Drainage
- Stone Crushing and Gravel
- Equipment Operator

In 2008, the heavy construction total injury numbers have decreased in Manitoba. We will strive to continue our mandate to reduce accidents within our industry. Renewed efforts to revitalize our COR program will continue in 2009. The following report will outline a summary of MHCSP activities for 2008.



**Stan Kruse,  
MHCA Safety  
Program Director**



## MHCSP Program Activities 2008

The MHCSP team continues to experience a demand for its services in 2008. The following provides insight into MHCSP activities for 2008.

**Training** – 1802 participants and 161 classes were trained in 17 topic areas. COR training continues to occupy the majority of MHCSP's training activity. In 2008, MHCSP has seen an interest in the COR program among small to medium contractors including the First Nation Contractors and Development Corporations.

| Month        | Student     | Course/Classes |
|--------------|-------------|----------------|
| January      | 112         | 9              |
| February     | 243         | 16             |
| March        | 155         | 18             |
| April        | 495         | 30             |
| May          | 212         | 17             |
| June         | 56          | 8              |
| July         | 239         | 31             |
| August       | 7           | 2              |
| September    | 82          | 6              |
| October      | 34          | 5              |
| November     | 167         | 19             |
| <b>Total</b> | <b>1802</b> | <b>161</b>     |

|                  |              |            |              |                   |            |            |              |
|------------------|--------------|------------|--------------|-------------------|------------|------------|--------------|
| <u>January:</u>  | Winnipeg     | 7 classes  | 92 students  | <u>June:</u>      | Winnipeg   | 11 classes | 72 students  |
|                  | Cross Lake   | 2 classes  | 32 students  | <u>July:</u>      | Winnipeg   | 21 classes | 180 students |
| <u>February:</u> | Winnipeg     | 7 classes  | 120 students |                   | RM Stanley | 7 classes  | 68 students  |
|                  | York Landing | 6 classes  | 80 students  |                   | The Pas    | 3 classes  | 6 students   |
|                  | Macgregor    | 2 classes  | 28 students  | <u>August:</u>    | Winnipeg   | 3 classes  | 13 students  |
| <u>March:</u>    | Winnipeg     | 11 classes | 119 students | <u>September:</u> | Winnipeg   | 5 classes  | 67 students  |
|                  | Brandon      | 5 classes  | 27 students  |                   | Brandon    | 1 class    | 15 students  |
| <u>April:</u>    | Winnipeg     | 13 classes | 159 students | <u>October:</u>   | Winnipeg   | 5 classes  | 34 students  |
|                  | Niverville   | 1 class    | 3 students   | <u>November:</u>  | Winnipeg   | 9 classes  | 45 students  |
|                  | Brandon      | 11 classes | 245 students |                   | Thompson   | 10 classes | 122 students |
|                  | Thompson     | 7 classes  | 61 students  |                   |            |            |              |
|                  | Winkler      | 2 classes  | 24 students  |                   |            |            |              |
| <u>May:</u>      | Winnipeg     | 14 classes | 139 students |                   |            |            |              |
|                  | Portage      | 1 class    | 6 students   |                   |            |            |              |
|                  | Garden Hill  | 2 classes  | 68 students  |                   |            |            |              |

MHCSP continues to be involved in the delivery of a variety of courses for industry. In 2008 we edited and updated all our COR courses along with training programs that fall into the critical life safety areas.

The following courses have been re-written:

- Principles of Health and Safety Management
- Leadership for Safety Excellence
- COR Auditor

MHCSP continues its Construction Safety Officer (CSO) program for Manitoba in 2008. Currently we have 21 CSO graduates, and plan to implement the National CSO standards in 2009 adopted by the Canadian Federation of Construction Safety Associations.

MHCSP is researching new methods of training (i.e. on-line applications) to meet the needs of the industry. MHCSP will continue its training efforts for 2009.

**Site Visits and Site Assistance** – We partnered with WCB again in 2008 with the Safe on Site program during the 2008 construction season. Visits were made to Brandon, Minnedosa, Winkler, Morden, Steinbach, Thompson, Dauphin, Swan River, multiple northern communities and other rural locations in Manitoba.

**Education and Awareness** – over 90 weekly bulletin articles, 7 MHCSP “Safety Informer” (MHCSP’s Monthly Publication), articles in the Annual Directory and Magazine, and other related direct correspondence through faxes, mailings and/or emails to the heavy construction industry in 2008. Education and awareness is in the areas of safety, health and environment related issues that could have an impact on the industry.

Education and Awareness efforts continue in 2008 with special attention to assisting the industry on the introduction of COR National Standards.

**Certificate of Recognition (COR) Program** – currently there are 136 COR Certified companies in Manitoba, up from 132 companies in 2007. The COR program in Manitoba now follows the National COR Standard effective May 1, 2008.

| Annual Report - COR              |            |
|----------------------------------|------------|
| COR Companies Good Standing      |            |
| Category 1                       | 102        |
| COR Companies Conditional Status |            |
| Category 2                       | 2          |
| Category 3                       | 8          |
| COR Companies Lapsed Status      | 24         |
| Registered Companies             | 59         |
| <b>Total No. of Companies</b>    | <b>195</b> |
| External Audits 2008             | 79         |
| External Audits 2009             | 31         |

With Manitoba Infrastructure & Transportation and City of Winnipeg now requiring companies to have a COR or Equivalent as a pre-qualification for bidding on construction tenders greater than \$100,000.00 or those projects deemed high risk such as winter roads construction. MHCSP believes that an increase for its services will continue for 2009 (other government departments have verbally recognized their movement towards similar pre-qualifications as well. Discussions are ongoing with Manitoba Hydro and Vale Inco respecting COR as a condition of contract.

**WCB Incentives** - We have been successful in achieving a 5% rebate in WCB premiums for 2008 for COR/SECOR certified category 1 companies in Manitoba. This savings will assist Manitoba companies in the 407/408 rate group to offset costs in successfully implementing a safety program in their companies. This rebate program is now in its final year of a three year trial. MHCA will continue to lobby WCB to continue and enhance the COR rebate program.

**SAFE on Site** – MHCSP partnered with WCB – SAFE Work to participate in SAFE on Site. WCB helped sponsor the Red River College Occupational Health and Safety Certificate Program and upon completion of the course, hired two interns to work in association with both construction industry safety programs. This intern worked in association with Manitoba Heavy Construction Association and those companies that fell within the 407/408-industry code. An additional person was hired for the construction sector in Brandon for 2008.

The focus of the program was informal, on site safety assessments to identify and assist industry in improving their on-site safety and promoting the importance of a positive safety culture. It was an opportunity to provide resources, promote the benefits of the COR program and inform industry of the training available through the Safety Program. The ultimate goal was to reduce the injuries within the industry through the busiest part of the construction season as a result of increased awareness and participation in safe work practices and procedures by all workers.

Through continued cooperation the industry can look forward to reduced injury claims and the benefits that come with a positive safety culture.

**Road Builders Safety Training System (RSTS)** - On December 1 will release a MHCA version of RSTS. This computer based training program offers an awareness and orientation program to the heavy construction industry.

**CALVIN** – MHCSPP has now implemented CALVIN, a computer software program that will assist MHCSPP with the administration of the COR process. Various modules include training, calendar, certificates, safety passports, a live link to our website that shows COR companies in good standing and a multitude of other features. This program was developed by the New Brunswick Construction Safety Association and used by eight construction safety associations across Canada.

## Conclusion and Next Steps

MHCSPP continues to progress in working towards implementing injury prevention practices and a safety, health and environmental attitude at workplaces in the heavy construction industry.

We believe in its ongoing relevance to the heavy construction industry. The overwhelming success of the program's training, its education and awareness efforts, and providing assistance to the industry regarding safety, health and environment issues are easily demonstrated.

The following is a list of MHCSPP Priorities for 2009

- Continue to work with WCB in promoting an incentive program for companies that have become COR certified and maintained their certification through audits and performance;
- Continue promotion of the Safe Work model and awareness on the new WS&H Regulations to Industry in Manitoba;
- Continue training efforts and promotion of the COR program in Manitoba;
- Introduction of the electronic version of the National COR Audit 2009 through CALVIN;
- Increase site visits to heavy construction contractor's worksites and yards to provide safety health and environmental assistance
- Continue revisions to our website to include on-line training, a Resource Page, etc.
- Continued efforts in the area of promotion and training for CSO's in Manitoba;
- Work with WCB and firms in heavy construction identified as "target firms" in prevention efforts with an emphasis on claims management and return to work programs;
- Plan for the upcoming Manitoba Construction Conference February 3 & 4, 2009 in Winnipeg; the Western Heavy Construction Conference on Safety Health and Environment in Brandon April 2009
- Offer regular training services in Brandon, Thompson, Winkler/Morden in 2009
- Introduction of one additional Safety Advisor position to the department, enhancing our service to the industry;
- Lead and promote our SafeROADS campaign in Manitoba for 2009
- Partner with Red River College's Occupational Health and Safety Program by having an intern gain work experience in a placement with the association.
- Introduction of Road Builders Safety Training System (RSTS) Manitoba version in 2009.

Respectfully submitted,



Stan Kruse

Director, Safety Program



# 2008 MHCA TRAINING ACADEMY REPORT

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1. MHCTA has developed a plan to deliver the Operator Training Program in the Winnipeg general area, in March 2009. At the present time, MHCTA is accepting applications from interested students. Also at this time this program is advertised on the MHCA web site.
2. MHCTA has contacted The Association of Rural Municipalities and offered assistance to the RM's in developing their COR program and Operator Training and Certification.
3. MHCTA is having training materials transferred to an electronic format, so members can certify their own operators on specific equipment. All of the equipment programs should be transferred to the electronic format by March 2009. The transfer of information from hard copy to electronic format is a very time consuming project.
4. During not so busy periods I (Greg Huff) have been providing assistance to The MHCS program.
5. Budgets to provide an equipment operator training program have been drafted and provided to the following communities: Pukatawagan, Wasagamack and The City of Selkirk.
6. Pukatawagan has verbally informed MHCTA that we have been awarded the contract. Arrangements are being made for time frames to deliver the training, and after time frames are agreed to, a contract will be sent to Pukatawagan for signature.
7. MHCS and MHCTA have bid on contracts to provide Winter Roads Training to northern communities on behalf of Manitoba Infrastructure and Transportation. The contract has been awarded, and the first training program was delivered in Thompson the week of November 17, 2008.
8. A five day Equipment Training Program was provided to the RM of Stanley during the week of July 6, 2008.
9. A 30-day Equipment Training Program was provided to the Floodway Authority. This training consisted of training 10 students utilizing four different types of equipment. Training dates for this were July 21, 2008 to August 24, 2008.
10. Equipment evaluations were provided to MPI to determine the operating abilities for an individual whom had been injured. This process took three days and MPI was very satisfied with the service we provided.
11. South Indian Lake has asked us to provide a quote to provide training in South Indian Lake. A quote will be provided after some consultations.
12. Pickerel Narrows has verbally informed us that they have training dollars in place for equipment training. We will be asked to quote in early 2009.



**Greg Huff,  
MHCA Training  
Academy Manager**

13. MHCTA has had consultations with University College of the North, we have provided them with a quote and are waiting for a response.

14. MHCTA has had consultations with Competitiveness, Training and Trades.

There are two divisions we have talked to: Industry Training Partnerships and Employment Manitoba. There were positive discussions along the lines of them helping MHCTA with advertising and funding of the equipment training program.

15. MHCTA has provide a quote to SENATI which is a Government origination of the Country of Peru. MHCTA has provided a quote to provide thirty day of training in Canada or in Peru.

Sincerely,

Greg Huff

Program Manager

Manitoba Heavy Construction Training Academy



# 2008 GOLD SEAL PROGRAM REPORT

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The Gold Seal Program has had another outstanding year in 2008 with continued strong growth in the number of applications from all sectors of our industry. We expect to have reached the 700 application threshold by the end of this year which will be an increase of approximately 20% from our previous high of last year. It has been particularly encouraging to see the growth in the number of applications for Gold Seal Interns (GSI) and P.GSC as more companies promote the value of training and continuing education amongst their employees. The number of companies and individuals who have become Gold Seal Champions is also on the rise and this is viewed as a positive sign that Gold Seal is continuing to be supported by those in the industry.

The National Gold Seal Committee has also been hard at work. We have reviewed our Terms of Reference, updated our policies and procedures, and issued guidelines for the use of the Gold Seal logo in printed communication. We are continuing to update profiles and exam questions based upon market changes, accrediting Gold Seal approved courses, and encouraging the development of new courses to be made widely available. We also designated four Gold Seal Managed projects (two in Quebec, one in Winnipeg and one in Alberta), and updated the Gold Seal Web site to make it easier to use.

The Gold Seal Committee has also issued a new set of certification requirements to reflect changes in the construction marketplace and its requirements today. The following changes take effect January 1, 2009:

- The minimum experience requirement to be Gold Seal certified via exam moves from three years to five. Applicants holding provincial CSO certificates which conform to the Canadian Federation of Construction Safety Associations (CFCSA) standard, as well as applicants holding CEC and PQS certificates from the Canadian Institute of Quantity Surveyors, will continue to enjoy automatic eligibility to write the Gold Seal exam until January 1, 2010.
- Recognizing that professional development is being delivered in a wider variety of formats, the Education and Training section will be treated as one category, with no minimum course length.
- The Gold Seal policy of applying a surcharge for applications from individuals working for companies who are not local association members will be rescinded. All applicants will pay a standard fee, currently at \$300 + GST.

It should be noted that anyone who applies prior to December 31, 2008 will continue to be eligible under the current guidelines.

We have also seen that the number of jurisdictions across Canada including provincial governments, municipalities and private buyers that are asking that successful bidders demonstrate management competence by way of Gold Seal certifications in the project team is increasing. Most companies involved in these situations are accepting the requirement as a part of doing business. In a recent case, the York District School Board near Toronto specified the requirement for Gold Seal certified managers. The Gold Seal office was able to assist the winning bidder very quickly in meeting this condition, and that company has now asked all of its managers to become certified.

In fact, many companies are now incorporating Gold Seal in their Human Resources strategy. The need for more skilled employees and to attract new people has been recognized and encouraging them to work toward an industry developed certification has proven to be effective in motivating and retaining key employees in this highly competitive marketplace.



**John Schubert,  
National Gold  
Seal Chair**

A firm's performance is nothing but the performance of its employees, and the success of these people is quite simply the product of two main factors: ability and motivation. Both of these factors are controllable through the human resource function, thus making human resource management a major contributing factor to the success, or failure, of an individual organization.

Gold Seal Certification speaks to leadership and excellence in the construction management and can assist in bringing about a new corporate culture for the company.

A handwritten signature in cursive script that reads "John Schubert".

John Schubert,  
National Gold Seal Chair



# 2008 MHCA CHAIRMAN'S REPORT

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## Continuing the Momentum

After another banner year, we see the momentum in our industry continuing to increase, as infrastructure remains at the top of everyone's "wish list" for improving our Province.

I submit to you that the Manitoba Heavy Construction Association (MHCA) has earned through the hard work of its successive Board Chairs, Board members, Committee Chairs and standing committees, to be a big part of "Continuing the Momentum" for our Association, and more importantly, our member companies that continue to see exponential growth in the industry.

The MHCA is committed to ensuring that infrastructure will continue to be at the forefront of policy activity and attention throughout the Province of Manitoba and beyond.

Just recently, The Association of Manitoba Municipalities (AMM) commissioned its largest ever public survey earlier this year and the results released in November 2008 were: infrastructure is overwhelmingly the most important issue facing communities across the province.

In September 2008, after much negotiation with the Federal Government, the Province of Manitoba signed on the dotted line to receive its share of the Building Canada fund, the federal government's historic long-term infrastructure plan.

The agreement means Manitobans and their communities will receive a significant boost for their priority public infrastructure initiatives – a boost worth \$718 million.

In November 2008, we were pleased to publicly endorse and support the proposed PTH 75 Reconstruction and Rehabilitation Project for which the Manitoba government is submitting for federal government consideration as a priority for funding under the Gateways and Border Crossings Fund (GBCF).

In February 2008, Probe Research asked Winnipeggers to choose between two city spending priorities: fixing roads and infrastructure, or building bus rapid transit.

Slightly more than one half of survey respondents chose the repairs, while just more than a quarter chose rapid transit, which means Winnipeg resident polled would rather see existing taxes pay for road repairs instead of rapid transit.

Studies have continued to show that Canada is far behind in maintaining its infrastructure and will continue to fall behind unless something drastic is done.

An August 2008 report from the University of Waterloo estimates that an injection of up to \$200 billion — \$72 billion for new projects and \$123 billion for maintenance of existing facilities — will be necessary over the coming years to close the gap.

This is just the tip of the iceberg – infrastructure will continue to be at the forefront of people's minds for many years to come until they see the results they want. This is only great news for our industry – news that will continue the momentum we've seen over the past couple of years.

The areas of engagement with which the MHCA is associated boggle the mind. They include but are not limited to the following highlights:



**Gordon Lee,  
MHCA Chair**

## **2009 MIT Construction Program**

We have continued communication with MIT reminding of meetings at which concerns expressed about early tender schedule and tendering that is late/inconsistent with tender schedules.

We have also noted that the industry has had significant volumes of earth-moving contracts occasioned by the floodway expansion project which is coming to its end. To service the project, significant investment has been made in earth-moving assets. We have thus requested that as government structures projects on a go forward basis, that earth-moving projects regain a fair share of construction programming attention.

## **Mayor's Trade Council (MTC)**

The MHCA initiated the notion that the City should develop a comprehensive trade strategy with supporting and strategic investment in its transportation system.

The report effort, chaired by the MHCA President, was completed in 2008 after a nine-month effort and adopted by City Council almost immediately.

Its approach and recommendation were built around the imperativeness of seamless public policy priorities as between the three levels of government.

Its recommendations resulted in the engagement of the Province of Manitoba, business leaders in our province and federal politicians all in support of developing the inland port strategy, which we will continue to hear more about.

## **Manitoba International Gateway Strategy (MIGS)**

The provincial government tabled the Manitoba International Gateway Strategy (MIGS). Its purpose was to consolidate strategies and assist investment to build upon Manitoba's strategic location and to platform Manitoba's ability to competitively provide national, continental and global trade services.

The MHCA was part of the group of business associations which identified members to the group leading the effort, the MIGS Council. As a result of the contribution made by the MHCA, our President was also then named to that Council. Its responsibility is to provide the Premier and MIT Minister with transportation investment and policy advice.

## **Western Canada Transportation System (WCTS)**

It was the MHCA which initiated the formation of the WCTS, a private sector group of members representing the four western provinces. Its objective was to collaborate with and assist the four western provincial governments in realizing a seamless multi-modal transportation system should be built to enhance western Canada's trade prowess.

You will hear more about this project, which reflects western provincial and now territorial government recognition of the need to invest tens of billions of dollars into western Canada transportation assets.

## **Public Private Partnerships (PPP)**

The MHCA has long been advocating for the use of PPP's as a delivery mechanism for infrastructure projects. Its acceptance continues to gain momentum.

## **Gold Seal Certification**

Barry Brown and Chris Lorenc continue to serve on the National Gold Seal Committee.

It is a program designed to give public recognition by and through an education, experience and examination process of the excellence in Construction Management in Canada.

Its acceptance by private and public sector owners as a Condition of Contract will only grow. We have seen substantial increases in numbers nationally, and while Manitoba lags behind in the pickup, it is only a matter of time before its momentum floods with applications.

## **Construction Management Degree Program**

The MHCA partnered with the CCA and the WCA in assisting Red River College promote the necessity of a Construction Management Degree Program, which will now be launched at Red River College in 2009. An important attribute is that its delivery will be synched, where possible, with the 'construction seasons' so that those wishing to pursue the degree can do so while still working in our industry.

## **Manitoba Heavy Construction Training Academy (MHCTA)**

While still a bit of a struggle to expand its operations, the investments made to date have allowed the MHCA to be in position – once priorities have been addressed by governments – to develop an industry-led and government approved curriculum, both to test existing and train new entrants to our industry.

## **Temporary Foreign Workers**

We are working with the CCA, the federal and the provincial governments in an attempt to streamline access to sponsorship of Temporary Foreign Workers to assist in the labour crunch. More announcements are pending further discussion.

## **Ground Fault Protection**

We believe the requirement for ground fault protection has finally seen reasonable resolution after years of effort. There is a willingness to work with the industry.

## **MIT Permits**

The time to have MIT permits issued is an ongoing problem. Delays in issuing bridge permits costs the industry thousands of dollars and the MHCA pressed for as early a resolution to the log-jam as possible.

We have been able to engage with MIT in constructive discussions and hope that an outcome will be streamlined with faster approvals in 2009.

## **Manitoba Heavy Construction Safety Program (MHCSCP)**

There was a considerable effort invested by industry and the association in improving the delivery of the MHCSCP and changing the focus of the COR audit process into an exercise of continuous improvement.

As a result of the consultation, the MHCA Board of Directors at its September 29, 2008 meeting unanimously adopted a number of initiatives to respond to greater demands for more training and safety program visibility in the field. A highlight of some of the program changes include:

1. Host at least two general industry MHCSCP Information Sessions: one in April and the second in early November to broaden opportunity for industry input;
2. We have and will continue to host training sessions in Portage la Prairie, Brandon, Morden/Winkler Dauphin and Thompson catchment areas. We will make ourselves available to other Manitoba communities however remote based upon availability.  
In addition we will continue to facility 'company group' training to minimize costs and maximize exposure to safety training;
3. Remind, repeat and expand invitation to industry to participate on the MHCSCP Advisory Committee;
4. Publish more informative articles in the Weekly and Informer related to safety topics e.g.: FAQs, trends, tips etc.... MHCSCP COR/SECOR Auditors have agreed to participate in the preparation of such articles;
5. Facilitated interest by more in the industry to become accredited MHCSCP COR/SECOR auditors.
6. Require 'Auditor Refresher Course' once every fourth year but recommend that it be taken annually to ensure currency of information;
7. We reviewed and confirmed our training cost approach: the principle is \$100 per person per day of training which part of the 407/408 rate category. Those not within the WCB rate code are charged \$300 per day per person;

8. Significantly expand presence of MHCSP Safety Advisors in the field with visits across Manitoba. In 2009 we will have four Safety Advisors.
9. To assist in referrals to competent individuals, we will refine our criteria based list of 'MHCSP Accredited Safety Program Trainers' to help industry make comfortable consultant selections;
10. Clarifying the distinction between COR and SECOR (Small Employer SECOR):
  - a. The COR Certification program applies to companies of 20 or more persons in total seeking certification. The COR Certification is reciprocally recognized in Canada;
  - b. The SECOR (Small Employer COR) applies to companies of 19 or less persons in total. SECOR has NO reciprocal recognition in Canada and therefore provides no extra-provincial portability advantages; and
  - c. The MHCSP for the portability reasons above noted will continue to recommend that companies of 10 or more persons in total should participate in the COR Certification Program but leave the individual choice to companies.
11. We have added references in each section of the MHCSP COR/SECOR Audit Document to sections of the WS&H Act and Regulations. Those which do not have such a reference are a natural outcome of an implemented safety & health program or a verification tool of the same.

The COR/SECOR Legal Reference Guide has been added to the back of the Audit document and will be posted on our website.

The MHCSP is the first program in Manitoba – public or private – to provide this type of specific reference. This will offer quick and ready access to information;

12. Industry has had some challenges in preparing Safe Work Procedures.

To assist, we have prepared standard form 'Safe Work Procedures, for the purpose of assisting industry in reviewing precedents for application to individual company realities.

Again, the MHCSP is the first program – public or private – to provide such a reference.

13. Consistency in safety programs standards on construction worksites prompted the Board to request that the provincial government require COR/SECOR or a Canadian Federation of Construction Safety Association (CFCSA) equivalency as a Condition of Contract.

14. Perhaps the most important of the adjustment is the COR/SECOR audit process and experience itself.

We have reoriented the COR/SECOR Audit in all of its aspects. We are mandating it away from the strict 'pass/fail' experience to a 'continuous improvement assessment exercise.'

This still requires achieving and maintaining national standards to entitle a company to COR/SECOR Certification.

The introduction to the COR/SECOR Audit Document has been completely re-written to clarify and explain obligations, expectations and standards required to be met by auditors and participating companies.

In total 16 new sections have been added to the document.

## **Construction Industry Wages Act**

To assist in ensuring our industry is attractive to new entrants, we participated in discussions around adjustments to the Construction Industry Wages Act. A panel was struck to consider next steps. The panel is a joint industry-labour group covering rural and urban construction and is chaired by Bill Hamilton. MHCA is represented on the panel by Barry Brown and Gord Lee.

The Construction Industry Wages Act divides the construction industry into the heavy sector and the industrial, commercial and institutional sector (ICI). The report recommends the first stage of wage increases for both sectors come into effect June 1, 2008.

In the heavy construction sector, the report recommended a general increase of approximately four per cent in 2008. That would be followed by increases of three to four per cent, depending on the type of work, effective Jan. 1, 2009. The last recommended increase would be effective Jan. 1, 2010, and would see wages rise between 2.5 and three per cent.

## **Public Profile**

The MHCA continues to enjoy a high public profile as a result of the combined efforts of our Association.

Our President, Chris Lorenc has been busy:

- Keynote speaker at the Manitoba Chambers of Commerce Annual Meeting; at the Manitoba Good Roads Annual Banquet; At the Frontier Centre as keynote presenter; at the University of Manitoba Asper School of Business Transport Institute; at the Boards of each of the Winnipeg Chamber of Commerce, destination Winnipeg; at the Premier's Economic Advisory Council; at City Council; at Winnipeg City Council's executive Policy Committee;
- He has submitted and has had published an extensive number of 'Letters to the Editor' and Opinion Editorials;
- He met with and was interviewed by the Winnipeg free Press Editorial Board
- He has had countless numbers of meetings with senior politicians at all three levels of government, with their senior policy advisors, with countless numbers of Deputy Ministers, Assistant Deputy Ministers and Department Directors;
- He has participated on Winnipeg Chamber of Commerce led 'policy missions' to Ottawa and was invited by the CCA to be part of the delegation in meetings with Canada's Transport Minister
- He was invited to participate in the North American Super Corridor Organization (NASCO) meetings in Mexico which promote trade links between Canada, United States and Mexico
- He was invited to participate in the Canada-China Trade Mission in November 2008 at which he made two presentations on CentrePort Canada, Manitoba's inland port initiative
- He has conducted hundreds of interviews with radio, television and print media
- He has appeared as guest on the CJOB Information programs countless times; on the Winnipeg Chambers evening program at least on several nights
- He was the spokesperson in a multi-month Safe Roads Campaign

In short, he was busy, and as a result we are visible.

## **WCR&HCA 2009 Convention**

The MHCA is hosting the 2009 WCR&HCA Convention and we are hard at work to ensure a great and memorable convention for all delegates. Ixtapa, Mexico will be the site of the WCR&HCA 2009 Conference. The dates are: February 28 – March 4, 2009 at the Las Brisas Resort Hotel.

## **Conclusion**

And that is but a few of the areas of activity in which your Association is engaged and is helping with '**Continuing the Momentum**'.

The above is intended only to highlight the areas of Association activity and provide you with a sense, depth and breadth of MHCA engagement in the development of public policy.

This is my last report as your Chair. My two year term is up and time to pass along the responsibilities to my successor.

I would be remiss if I did not close by expressing my profound thanks and appreciation fro the support I received as Chair by the Board, to all members of the Board, all MHCA members, and our staff. It has been a privilege to serve as Chair of this dynamic Manitoba Heavy Construction Association.

And so I leave you with one thought: Recognize, acknowledge and be proud that while there are other roadbuilder & heavy construction Associations in Canada, none measure up to yours – the Manitoba Heavy Construction Association (MHCA) and its desire with 'Continuing the Momentum'.

Respectfully submitted,

Manitoba Heavy Construction Association (MHCA)



Gord Lee, P.Eng., G.S.C.,

Chair, MHCA



# 2008 MHCA PRESIDENT'S REPORT

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## Introduction

Our, your Manitoba Heavy Construction Association is now a 66 year old trade association representing the heavy construction and related industries in Manitoba.

Our industry provides great jobs and career opportunities and we do so directly and indirectly for an estimated 17,000 Manitobans.

Our industry makes an ongoing, visible and lasting contribution to the welfare, quality of life and competitiveness of our economy for the benefit of our society. We build, maintain and repair the platform upon which all that we enjoy stands.

We build legacies.

We build Manitoba's and Canada's infrastructure.

But we are more than that.

Our focus is always on promoting – consistent with public interest – sustained investment in infrastructure, providing vocational and safety education and training to and for the heavy construction industry and supporting and initiating policies which help grow Manitoba's economy.

We are builders, we are contributors, we are opinion leaders, we shape public policy, we talk to and liaise with government leaders at all three levels. We talk to and work with the public, the media, with related and extended stakeholders, with other industries, with individuals, organizations and politicians not only in Manitoba, across not only western Canada but nationally as well. We cajole, challenge constructively, we press, we suggest, we offer.

We network, we engage, we develop, we initiate, we offer suggestions to resolve political and public policy problems. We influence, we shape, and we lead!

In short, we do all that is required in a professional, ethical, credible, consistent manner, to entitle 'Presence, Profile, Impact' to be a moniker deservedly associated with the Manitoba Heavy Construction Association.

We have earned that association, we have worked hard for it, and we will continue to contribute so that the moniker "association", is automatic.

And most importantly we are proud of the credibility, reputation and respect that I believe comes to our association and our industry by extension.

What we do not do is rest on our laurels – that is not us, that is not the Manitoba Heavy Construction Association.

You have already heard from Gord Lee our Chairman and Stan Kruse, Director of our Safety Program.

You have in front of you the Annual Report of the Manitoba Heavy Construction Association. There is much in it, but so much more that simply cannot be accommodated because of volume and time. It is however all recorded in the reports submitted regularly to the MHCA Executive and Board of Directors. Its examination would provide proof positive of the myriad of issues, topics, policies, initiatives with which your MHCA is associated.

So let me in a quick summary, share with and offer, the following highlight areas which require continued priority attention for the MHCA on behalf of not only the industry we represent, but the interests of sound public policy.

They are all of equal importance and so the order should not assume more or less importance.



## **Western Canada Transportation System (WCTS)**

You may remember that in 2007 I reported on the development then proceeding related to a Western Canada Transportation System (WCTS).

In summary, in March 2005 the Western Transport Ministers signed off on a report recommending that the four western governments collaborate to build a strategic, seamless Western Canada Transportation System.

In October 2005 the MHCA was instrumental in the formation of the Western Canada Transportation Strategy Group – stakeholders which now are eight in total: WESTAC, Colledge Consulting, Canada West Foundation (CWF), Van Horne Institute, Organization for Western Economic Cooperation, The Asper School of Business Transport Institute, Canadian Manufacturers & Exporters Association (CME) and the Western Canada Roadbuilders & Heavy Construction Association (WCR&HCA). We chair and lead this group.

The initial report called for a \$16 billion investment in a multi-modal transportation system of which roughly \$14 billion was earmarked for highways and related structures.

In December 2007, our group met with all four western Deputy Ministers in Vancouver. It was there agreed that the private sector group would submit its views on regulatory enhancement - we have done that - and the deputies would update the 2005 report and include the Territories. Once completed, a follow up meeting would be convened with a go forward implementation strategy to be considered and agreed upon.

I am very pleased to advise, that the updated report has been completed and is now in process of confidential review by the private sector group. We anticipate meeting with all western and territory deputies in January or February 2009.

## **Trade, Transportation, Mayor's Trade Council, Inland Ports, Free Trade Zones, & CentrePort Canada**

Perhaps the highest visibility topic that will continue to capture our attention is the whole notion of linkages between trade and transportation, and economic growth.

There has been nothing short of a revolution of public policy thinking on topics in Winnipeg, Manitoba and Canada and the MHCA has been actively involved and leading.

The MHCA initiative and I chaired the Mayor's Trade Council (MTC) whose report was overwhelmingly adopted by Winnipeg's City Council in March 2008.

Amongst many of its recommendations were:

- That the City coordinate its trade objectives with those of the provincial government and it in turn with those of the federal government
- That the City consider the development of an inner ring road and trade route system which would be the highest in its order of investment priority, laid out and protected by land use policies which allowed functional and efficient movement of trade and commercial related traffic
- That the city support and participate in the development of an inland port located on lands adjacent to the James Richardson International Airport
- That the City jointly with the province pursue the development of "Free Trade Zones (FTZs)" which have as their primary advantage, the ability on designated lands, to host value add activity with custom duties deferred until export to market or, completion of 'add value' and export to market of product.

The report and its recommendations were provided in the context of emerging policies and priorities at the provincial and federal levels.

In Manitoba, the Manitoba International Gateway Strategy (MIGS) was launched and a MIGS Council struck to offer advice to the Premier and Minister on trade and transportation related strategies. I am now a member of the MIGS Council.

Nationally we saw the maturing of the Asia Pacific Gateway strategy – a \$1 billion program which has resulted in roughly \$200 million of new infrastructure projects for Manitoba – along with the Ontario/Quebec and Atlantic Gateway Strategies. Overlaying those is the National Framework Policy on Gateways and Corridors whose objective is to position Canada to be an international trade destination, gateway and corridor.

An outcome of the MTC Report has been the evolution of the Premier's number one economic policy priority - the development of an inland port on lands adjacent to the James Richardson International Airport.

This initiative has resulted in legislation creating and/or supporting the following:

- Designation of a footprint of 20,000 acres north and west of the airport as the location for the inland port
- Introduction of Tax Incremental Financing legislation allowing direct reinvestment of taxes back to the 'footprint' for infrastructure and related investments
- Creation of CentrePort Canada Inc., to which Board I was appointed. Its mandate is to pursue the business objective of creating an inland port and related add value, import/export related trade activities
- The identification of priority inland port supporting transportation and related infrastructure investments. It is projected that the level of investment is in the order of magnitude of between \$250 million and \$1 billion dollars and more.

If you reviewed the Federal Speech from the Throne (November 19, 2008) and Manitoba Speech from the Throne (November 20, 2008), you would have seen profiled commitment to trade, transportation, liberalization of investment rules, harmonization of regulatory frameworks, reduction of aviation fuel tax, all designed to assist the competitive position of inland ports and trade.

In addition, the MHCA was part of a delegation of businesses and government which met with DFAIT, Transport Canada, Industry Canada, and Finance Canada in September 2008. Its mission was to discuss national trade objectives, national inland port strategies, Free Trade Zones, priority Manitoba infrastructure projects for funding partnerships by and with the federal government.

*An outcome:* Agreement to create a private sector led group to review Canada's existing FTZ legislation and recommend its enhancement.

*An outcome:* Western Economic Diversification has prepared a comparison of Canada's existing framework with that of other jurisdictions and we will be part of the ongoing discussions.

*An outcome:* A MHCA representative along with the CCA President was asked by the Canadian Construction Association to lead this file.

*An outcome:* The MHCA has led the formation of the private sector group – Canadian Construction Association (CCA), Canadian Manufacturers & Exporters Association (CME), the Canadian Chambers of Commerce (CCC), the Canadian Council of Chief Executive Officers (CCCE) to lead this initiative.

*An outcome:* To deliver on the trade objectives set for the nation by the federal government, to deliver on the trade objective laid out by the four western provincial governments, to accomplish the trade objectives laid out by the provincial government, investment in transportation must significantly be increased.

*An outcome:* There is now broad public policy acceptance of the need to strategically invest in transportation assets to provide seamless secure, efficient and cost effective movement of goods within a seamless multi-modal transportation system to enhance Canada's trade profile and thereby grow our economy.

## **Accelerating Building Canada Infrastructure Projects**

What good is an announcement of a program, if its delivery is stalled by red tape or inability to move forward?

The MHCA has, while partnering with the WCR&HCA and the CCA, been pressing for acceleration of the Building Canada Fund Program – in Manitoba some \$720 million of new projects.

You will have perhaps noticed that in the November Federal and Manitoba Speeches from the Throne, governments specifically committed to accelerating infrastructure projects. In fact in Manitoba's case, the commitment is to flow \$4.7 billion of infrastructure and related projects over the next three years.

We will continue to press for efficient and timely management of the tender process at the provincial and municipal levels.

## **Infrastructure Budget and Tender Management**

While on topic, the MHCA has consistently recommended - in order of priority - that the provincial government implement three key budget planning tools around management of its highways construction program to support our mutual business relationship interests:

### **1.1 Rolling Annual Budget/Carry Forward Capital Expenditures**

Consistent with fiscal and political flexibility and related best interests, is the ability to manage investments in infrastructure on a multi-year basis (rolling annual capital budget) without the limiting and inefficient practice of lapsing and re-appropriating funds in the subsequent fiscal year.

Accordingly we recommended:

- That government policies eliminate the practice of lapsing annual appropriations and permit line departments to carry forward capital expenditures.

The above supports sound fiscal, asset and program management practices.

### **1.2 Early Tender Practices**

Early tender practices, consisting of early release of the construction tender schedule, followed by tender calls and contract awards, allow the province to be first in the market place and benefit by competitive bidding.

Accordingly we recommended that the following practices be implemented and resourced appropriately:

- That the construction tender schedule be consistently released annually by October 31;
- That 80 per cent of the program be tendered and awarded November through January;
- That the next 10 per cent (plus any augmented budget amounts) be tendered and awarded before the end of April; and
- That the remaining 10 per cent tendered and awarded before the end of June.

The above accommodates fiscal, program and political flexibility.

### **1.3 Annual and Five-Year Capital Budget**

The ability for industry to organize its resources, human and capital, around predictable capital priorities is paramount to competitive bidding.

Accordingly we recommended the following:

- That an Annual and Five-year Capital Budget be tabled each January and provide the basic details about project type, pre-tender estimate and projected construction schedules. The five-year projections would be adjusted annually to address provincial priorities but provide a long term insight into general provincial investment priorities.

The above facilitates fiscal and planning flexibility.

## **Manitoba Heavy Construction Safety Association COR Program**

The Manitoba Heavy Construction Safety Program (MHCSP) is managed and delivered by the MHCA to the entire heavy construction industry in Manitoba under a long-term funding agreement between the MHCA and the Workers Compensation Board (WCB) of Manitoba.

The MHCSP is supported by two revenue streams. The first is a surcharge on premiums paid by companies classified by the WCB as 'heavy construction and listed as such in the WCB 407/408 rate codes. The list includes roughly 700 companies. The second is program 'user fees,' an expectation by the WCB 'with which the MHCA is obliged to comply.

The program is designed and mandated to assist the heavy construction industry in Manitoba to meet its obligations related to workplace safety procedures, policies and training as required by provincial legislation and regulation.

COR/SECOR is earned not given.

The objective of safety programs is to eliminate workplace incidents and mitigate the severity of those that do occur.

The MHCSP Certificate of Recognition (COR), the Small Employers COR (SECOR) Program reflects Manitoba Law, Manitoba Regulations, the Canada Labour Code and established industry standards and practices some of which nominally exceed legislated requirements.

It also meets national auditing standards as adopted by the Canadian Federation of Construction Safety Associations (CFCSA) allowing for reciprocal 'COR Certified' status achieved in Manitoba to be recognized across Canada.

The MHCA went through an exhaustive five month review and improvement to the program, the services, its delivery and the manner in which we conduct audits. The program will see rough 15 areas of service delivery change. Most importantly the COR/SECOR Audit Process has been reconfigured to a continuous improvement exercise which still requires achievement to national standard to have a COR/SECOR Certificate issued.

The program and its delivery is one that will continue to be monitored for improvement and to reflect the needs of our industry.

## **COR/SECOR as Condition of Contract**

As an extension to the COR Program observation, the MHCA Board has suggested and is pursuing with the Province of Manitoba, the City of Winnipeg and related government agencies and private sector project owners, that COR should be the safety standard required in all Conditions of Contract.

COR is a measurable standard, consistently and annually assessed, externally measured every third year, tested against a national standard that is reciprocally recognized across Canada. The objective in our view should be consistency not only from an industry perspective, but certainly from the government's and owner perspectives as project owner/construction service purchaser.

The only COR equivalency which should be accepted is as provided through the Canadian Federation of Construction Safety Association (CFCSA) of which we are members and which sets the national COR standards and oversees reciprocity.

The above is the background for the MHCA Board motion which was:

*"That as a Condition of Contract, prior to the award of contract the lowest qualifying bidders on all Manitoba government and related agency tendered construction projects, be required to demonstrate current 'Certificate of Recognition (COR/SECOR) Status or a Canadian Federation of Construction Safety Association (CFCSA) equivalency."*

## **Manitoba Construction Sector Council**

The MHCA is a founding member of the Manitoba Construction Sector Council (MCSC). Modeled after the national Construction Sector Council, its founding members are: Manitoba Heavy Construction Association (MHCA), Winnipeg Construction Association (WCA), Construction Association of Rural Manitoba (CARM), Manitoba Homebuilders Association (MHBA) and the Manitoba Building Trades Council (MBTC).

Its mandate will be to in a coordinated manner, jointly where appropriate and individually where required, support human resource training and related initiatives to position our industries to provide ongoing education to its existing workforce and offer education and training to new entrants, so that we have collective access to the required skills sets.

## **Public Sector Tendering**

In late spring 2008, the MHCA was invited by the Manitoba Water Services Board (MWSB) to express our opinion on the notion of public sector tendering in 'competition' with the private sector.

You can imagine how immediately we responded with a brief in which we strongly stated that such a policy was not reflective of 'fair, open, transparent tendering' was not 'competitive bidding' did not present a 'level playing field' was inconsistent with 'public fiscal interest,' and was inconsistent with sound public policy.

Notwithstanding our views, at a June 2008 meeting, we were in summary advised that the MWSB would permit the City of Flin Flon to bid on an estimated \$5 million sewer upgrade project on a temporary pilot basis. A prime mover for the policy was an apparent lack of bidding interest on public sector tendered work in the north. We expressed complete disagreement. (Note: A tender called by Flin Flon as recent as September 2008 had no less than four responsive bidders)

The project was eventually tendered without initial notice being provided that Flin Flon would bid. We objected and sent a memorandum to all bidders outlining the background to the project. It closed on November 21, 2008. The successful bidder? The City of Flin Flon.

Our industry has consistently maintained the view that the public sector has no business allegedly 'competing' for publicly funded works. No circumstances justify government bidding against its own taxpayers.

However innocent the above circumstances may on the surface be represented or appear to be, left unchallenged, the above sets a very dangerous public policy precedent.

It is not alarmist but realistic, to suggest that if valid here, then valid where else, and under what other 'temporary pilot basis.' Simply put - this is bad public policy.

## **Public Private Partnerships (PPP)**

After years of pressing governments, the notion of PPP in infrastructure projects is gaining acceptance and momentum.

The federal government announced a seven-year \$1.25 billion fund for such purposes. It is in process of structuring a PPP Canada entity charged with a business mandate to flow the funds. It will provide a capped 25% federal participation.

The Manitoba government is warming to the idea as it moves forward with the all weather road on the east side of Lake Winnipeg, builds the hydro transmissions lines on the west side of Lake Winnipeg, and determines the manner best in which to support development of the CentrePort Canada inland port.

The City of Winnipeg has used PPPs as far back as the Charleswood Bridge (actually in the early development of West Kildonan) and has recently advanced a PPP concept for Disraeli Bridge.

PPPs are at once an opportunity and threat. They portend the entry into Canada's market place of global giants, with the financial strength Canadian companies cannot match.

In part response, the MHCA suggested and the CCA agreed that best/recommended practices model be developed. To that end a task force has been created with MHCA participation. In addition we were part of a CCA led delegation which pressed then Transport Minister Cannon to ensure construction industry input in the development of federal PPP practices. This is an ongoing file.

## **Public Opinion**

It will come as no surprise to you that public opinion polling show a consistent public affinity to the importance and priority of investing in infrastructure.

A recent Probe Research Poll found that 94% of those polled agreed that municipalities should give priority attention to infrastructure projects. A total of 54% polled supported the notion of a 1% municipal sales tax dedicated to pay for infrastructure renewal projects. This would collect roughly \$230 million annually.

It will be interesting to see how the municipal and provincial governments respond to pressure from the Association of Manitoba Municipalities to address this issue.

## **Aggregates Industry**

The Aggregate Producers in our Association have made great strides in building bridges and relationships with rural municipal governments in which they conduct their business activities. The MHCA has been a solid partner coming to the table with helpful solutions.

We believe we are on the verge with the proposed Community Enhancement Levy (CEL) to provide meaningful resolution to public opinion and political concerns faced by Reeves and their Councils. The MHCA is participating on a multi-stakeholder committee seeing this project to fruition. An earlier version of the CEL was adopted by the MHCA Board and its pursuit has yet again been resurrected.

## **Many other areas**

As you can see from the length of this report, these represent barely the surface of topics to be covered.

The MHCA will continue to press forward with:

- Addressing the need for efficient sponsorship of Temporary Foreign Workers;
- Pursuing promotion of the National Gold Seal Program and assuring that we have available education providers
- Supporting evolution of the accepted Construction Management Degree Program to be launched in 2009 at Red River College

- Resolving the Federal Hours of Service regulation with the provincial and federal governments
- Addressing contract specifications with the City and Province;
- Continuing with our annual and expanding SAFE Roads program to educate the public on the need to slow down in construction zones;
- Deal with licenses for temporary asphalt plants;
- Address the need for public sector inspector consistency; and
- Pursue the notion of an arm's length transportation agency to implement public sector priorities related to transportation and the highways system

## Collaboration

Of pivotal importance is to continue our collaborative work with existing and new partners. Those include but are not limited to: Canadian Construction Association (CCA); Roadbuilder & Heavy Construction Council of the CCA; Western Canada Roadbuilders & Heavy Construction Association (WCR&HCA); Western Canada Transportation System Strategy Group (WCTS Group); Manitoba International Gateway Strategy Council (MIGS Council); CentrePort Canada Inc.; Infrastructure Council of Manitoba (ICM); Manitoba Employers Council (MEC); Winnipeg Construction Association (WCA); Business Council of Manitoba; Manitoba Chambers of Commerce; Winnipeg Chamber of Commerce; Canadian Manufacturers & exporters Association (CME); Manitoba Trucking Association (MTA); Winnipeg Airport Authority (WAA); and many more.

## Conclusion

So let me conclude by observing that the above represents but the tip of the iceberg, areas that will capture the attention and effort of the Manitoba Heavy Construction Association on a 'go forward' basis.

As I have said to and repeat in many audiences, I am extremely proud of my association of working with the industry, Association, Board and successive Chairs on these and many other positive contributions and initiatives.

I am proud and so should you be, that the Manitoba Heavy Construction Association has *Presence, Profile and Impact!*

Thank you!

Respectfully submitted,

Manitoba Heavy Construction Association



Chris Lorenc, B.A., LL.B.,

President, Manitoba Heavy Construction Association



# THE MHCA IN THE MEDIA & BEYOND

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Over the past year, the MHCA has submitted opinion pieces to various newspapers, have been quoted or mentioned in several articles on several different topics, and have submitted topical articles in the MHCA weekly bulletin. The following is a large sample of these articles.

## Winnipeg Free Press – January 30, 2008

### **Millions lost due to lack of workers**

#### **Manitoba construction industry seeking to fill thousands of jobs**

FOR the first time, officials have put a number on what the labour shortage is costing Manitoba's construction industry -- at least \$250 million in lost work in 2007 alone.

A spokesman for the province's heavy construction industry, whose work includes building roads and installing water and sewer lines, estimates the industry did between \$750 million and \$1 billion worth of work last year in the province.

But Chris Lorenc said it could have done 15 to 30 per cent more if it had enough skilled labourers and heavy equipment operators, which translates into an extra \$112.5 million to \$300 million worth of lost work for the year.

On the building side, Winnipeg Construction Association executive Ron Hambley estimates the province's builders did about \$1.4 billion worth of work last year, but could have done 10 to 15 per cent more if they had more skilled tradespeople -- carpenters, plumbers etc. -- and supervisory staff.

That translates into an extra \$140 million to \$210 million worth of lost work, bringing the total for the two industries to between roughly \$250 million and \$510 million for the year.

"The bottom line is that there is no question the (heavy) construction industry could do a lot more work if it could attract more people more quickly," said Lorenc, president of the Manitoba Heavy Construction Association. "It would make our lives a whole lot easier and we could grow our industry a lot faster if we didn't have that problem."

#### **Low unemployment rate**

With a provincial unemployment rate of only 4.2 per cent, construction isn't the only industry that can't find enough skilled workers. The province's manufacturers and service sector also have long complained of worker shortages.

Lorenc said heavy construction generates 15,000 direct and indirect jobs in Manitoba, but could easily take another 1,000 workers if they were available.

Hambley said the province's building construction industry employs about 33,000 people, and could absorb another 3,000 or 4,000.

The two officials were commenting after receiving a mock cheque Tuesday for \$1.05 million from the Workers Compensation Board of Manitoba. The cheque symbolizes how much in WCB premiums Manitoba construction companies are expected to save in 2007 and 2008 by achieving safety accreditation for their companies.

Under a three-year pilot program launched last year -- the WCB Incentive Plan in Construction -- construction companies can earn a five per cent reduction in their WCB assessment rates by achieving safety certification under industry-run safety programs. The \$1.05 million is what they're expected to save in the first two years of the pilot program.

WCB chairman Tom Farrell presented Lorenc and Hambley with the cheque during the opening of the 19th annual Manitoba Construction Conference at the Winnipeg Convention Centre. A record 2,140 people are registered for the two-day conference and trade show, which features a variety of workshops on workplace health and accident prevention.

### **Longer hours**

Although the number of time-loss construction injuries has been rising in recent years -- it's gone from 1,892 in 2005 to 2,111 in 2007 -- Farrell and Lorenc blamed that on the fact there are more workers employed in the industry and many of them are working longer hours.

Lorenc predicted the construction boom, now entering its sixth year, will continue for another decade. That's even if the U.S. economy slides into a recession this year.

"The fundamentals of the Canadian economy remain strong," he said, adding any decline in exports to the U.S. should be offset by an increase in exports to countries like China and India.

He and Hambley said the construction industry is addressing the labour shortage by trying to attract more students into the industry, recruiting more aboriginal workers, and working with the province to bring in more skilled workers from other countries.

As well, some of the skilled workers that left the province three or four years ago for Alberta and British Columbia are returning to Manitoba, they said.

## **Winnipeg Free Press – March 13, 2008**

### **Ring road for Winnipeg?**

#### **Trade council calls for route inside Perimeter**

Winnipeg must complete an inner ring road for the city to remain competitive in the global marketplace, says a committee of trade experts appointed by Mayor Sam Katz.

The final report of the Mayor's Trade Council -- a nine-member committee comprised of business and government leaders -- calls for the city to beef up its transportation infrastructure to take advantage of international trade opportunities.

"We either recognize the opportunities, or watch them pass us by," council chairman Chris Lorenc, president of the Manitoba Heavy Construction Association, said Wednesday morning.

The council's most dramatic recommendation calls for a new ring road to sit inside the Perimeter Highway, utilizing existing streets such as Sturgeon Road and Lagimodiere Boulevard.

In order to complete the ring road, Moray Street must be extended south to a future western leg of Bishop Grandin Boulevard, while Chief Peguis Trail must be extended west to Brookside Boulevard.

Lorenc could not attach a dollar figure to the improvements, which are not part of the city's six-year capital budget forecast.

Instead, he says Winnipeg could utilize new federal funds devoted to trade connections -- and must coordinate efforts to improve its transportation infrastructure with the federal and provincial governments.

On Wednesday morning, council's executive policy committee voted unanimously to accept the Mayor's Trade Council report and come up with an implementation plan within four months.

But Fort Rouge Coun. Jenny Gerbasi, a consistent critic of urban sprawl, questioned the road-construction aspect of the document.

In an e-mail to her constituents, Gerbasi called the ring road and other road-extension recommendations "a massive mortgage of our children's future," citing the report's reference to public-private partnerships, a funding mechanism that allows private construction consortiums to front the cost of capital projects and then lease them back to the city.

"The report contains no numbers or science or analysis that justifies incurring this massive debt to build these projects," Gerbasi wrote.

The report's other road-construction recommendations are widening Kenaston Boulevard in River Heights, connecting Bishop Grandin to the South Perimeter through Waverley West and connecting Richardson International Airport to the West Perimeter.

## **Winnipeg Free Press – March 15, 2008**

### **Editorial: ‘Clogged arteries’**

After a more or less uneventful drive, you reach the outskirts of Winnipeg and realize that, here too, much has changed. As difficult as it was in the past to make the transition from highway to city, it is now much worse. The highway quickly becomes a commuter route, packed with cars that crawl between red lights for lack of a rapid transit alternative. You might choose to avoid the headache and abandon Highway 75 at the Perimeter, but that simply opens the way to worse options -- two lanes of Waverley to Bishop Grandin and its malls and traffic lights, then to Kenaston and its pedestrian-inspired speed zones and then to Route 90 and its endless interruptions, or instead go all the way around to the northwest and the two lanes of Inkster into the morass of Keewatin or McPhillips. And so it goes, everywhere on every route into or across Winnipeg.

Winnipeg in theory remains the centre of North America’s transportation universe, but the fact is that the “heart of the continent” is suffering from clogged arteries. That, in essence, is the message that Chris Lorenc, chairman of the Mayor’s Trade Council, delivered to city hall on Wednesday. Although Winnipeg is perfectly located to be a leading North American transportation and manufacturing centre, it isn’t. The only Prairie province with a port, the rail link to Churchill is ancient and unreliable. The home of two vast rail marshalling yards, they are far flung from one another and so encourage transportation inefficiencies above and beyond the ones created by main rail lines through built up areas of Winnipeg. The airport, meanwhile, is bustling but is separated from truck terminals, rail lines and lacks significant inter-modal capacity.

It is an inefficient mess, one that would have been fixed by now if only we had acted when Mr. Lorenc first brought these same problems to public attention 15 years ago. But little was done and so Mr. Lorenc is back urging governments to get serious because it is rapidly becoming too late to realize Winnipeg’s evident advantage -- location, location, location.

It might be said that Winnipeg’s road, rail and air infrastructure is adequate. Commuting times are tolerable as is congestion. In fact, it all works tolerably well for the existing manufacturing and transportation sectors. But if Winnipeg is to become more, if it is to use its advantage to advantage, then it is necessary that governments commit to more than a process to examine a ring road, rail re-location and tax free manufacturing zones, as the trade council recommends. They must commit to doing it, to spending what is required to open the clogged arteries. Manitoba’s economic health cannot remain at risk.

## **Winnipeg Free Press – May 11, 2008**

### **PERSPECTIVE: Squeaky wheels – Top Manitoba Lobby Groups**

*Manitoba Heavy Construction Association*

“It took many, many generations for us to get to where we are and it’s going to take decades to improve it.”

-- President Chris Lorenc

Who they are: The lobby group that represents the contractors who build roads, bridges and sewers.

What they want: Funding from all levels of government to rebuild Winnipeg and the rest of the province’s crumbling roads, highways and bridges. Funding also has to be earmarked for better trade routes in and around Winnipeg.

How they lobby: Lorenc represents the heavy hitters of the province’s construction industry and spends a great deal of time pressing the flesh with those who can create work for his members. He either does it in the seclusion of a politician’s office or at a public event. The former city councillor is also good in front of the TV camera.

What they’ve won: A building boom, not so much caused by their lobbying but by Mother Nature and the push for greener, renewable energy. Governments have dedicated about \$6 billion to upgrading roads and bridges in Winnipeg and across the province over the next 10 years, and Manitoba Hydro has about a \$12 billion building program in the works for the next decade. The industry is also coming off the \$665-million Manitoba Floodway Authority’s floodway expansion project.

What’s next: The skilled labour shortage. Lorenc estimates the industry did between \$750 million and \$1 billion worth of work last year in the province. But he said it could have done 15 to 30 per cent more if it had enough skilled labourers and heavy-equipment operators.

**Heart of the continent – by Chris Lorenc**

**Election offers opportunity to push inland port**

This election is the perfect time to pursue federal political party support on the issue of creating an inland port in Winnipeg for the betterment of Manitoba and Canada.

Successive economic studies, the Manitoba international gateway strategy and reports, including that of the mayor's trade council adopted by city council in March 2008, all point to the real but time-sensitive opportunity to position Winnipeg as one of Canada's gateways to global trade. The Doer government on Wednesday introduced legislation designating the area around the city as the inland port.

We have the pieces of the puzzle but we need a federal government willing to help us put them together.

Those pieces include unique rail assets. We are the only city in western Canada where the two major Canadian railways -- Canadian National and Canadian Pacific -- the American railway Burlington Northern Santa Fe and OmniTRAX (serving the North and the Port of Churchill) all converge.

The only other city in Canada that boasts CN and CP within its urban limits is Montreal. We have three of the top 10 national trucking companies headquartered in Winnipeg, supporting roughly 33,000 jobs and contributing \$1.2 billion to Manitoba's GDP.

The James Richardson International Airport is one of few in Canada operating 24/7. It is the third busiest cargo airport in Canada, 17th busiest in North America and largest in Canada by number of dedicated cargo carriers with air cargo increasing by 55 per cent between 2002 and 2007.

We have an extensive network of roads with Highway 75 supporting roughly \$14 billion of trade annually. Intersecting with the United States at Emerson, it is the busiest U.S.-Canada border crossing (425,000 truck crossings) in western Canada with volumes increasing over the last five years by an astonishing 74 per cent.

In addition we have the only inland deep sea water port in Churchill, which connects to Russia and then Eurasia nine days faster than the St. Lawrence Seaway. Churchill is western Canada's closest seaport to northern and eastern Europe.

Trade growth-related opportunities can become an important step to position Manitoba to have-province status and to position Canada as the international trade crossroads nation.

The opportunities are real, but to materialize them, we need national government investment.

Winnipeg and the Rural Municipality of Rosser have sizeable tracts of land to the north and west of the airport with road access (requiring further development), and rail at and in proximity to platform an inland port.

We have a Perimeter Highway which, with access improvements, can remove significant trade-related truck traffic from inside the city and efficiently move it to intermodal, value-added, manufacturing operations located at the inland port.

We have geographic location with immediate access to the U.S. market within a day out of our airport -- it takes five days before cargo can leave Chicago's airport -- and hours by truck to the vast U.S. market.

A full 80 per cent of rail container traffic originating on the west coast passes through Winnipeg on its way to the east. They return west empty, creating opportunities, provided there is regulatory reform.

We are on the north end of the mid-continent trade corridor including the port of Churchill at its most northerly point, linking Canada, the United States and then Mexico at the south.

In short, our location links east, west, south and north trade, between the North American continent and the rest of the world. When these linkages succeed, Canada succeeds.

But we also need a federal policy that recognizes that the existing tax, duty and excise strategies are insufficient to attract international relocation, location or expansion.

We need policies akin to free trade zones in Canada which defer (not absolve) payment of duties and related taxes until after "value add" and the product is exported from inland ports, in order to globally compete.

The United States, Mexico, Australia and other jurisdictions use such trade zones to enhance the attractiveness of locating manufacturing inside inland ports. In the U.S., roughly 18 inland ports have created 400,000 jobs and handle \$200 billion of trade annually.

This is a vision that supports nation building, a vision based upon sound economic data, not wishful thinking. Because of the associated real economic benefits, commitment to an inland port and free-trade zone policy is deserving of national support.

Manitobans support this vision. Now we must press from the federal candidates their commitment that they will turn this vision into national reality.

*Chris Lorenc is president of the Manitoba Heavy Construction Association and chairman of the mayor's trade council.*

**Mayor's Trade Council Report: The Way Forward**

**By Chris Lorenc, MHCA President**

In the context of the Mayor's Trade Council (MTC) Report, there is respectfully little to be gained by getting involved in a debate over relocating the rail yards outside of Winnipeg.

In a perfect world with a benefactor offering Winnipeg \$1 billion to invest in support of the MTC recommendations we could probably do it. However no such benefactor exists and worse, we do not have the luxury of time to continue to study and reflect.

We had the chance to address rail relocation 25 years ago, then more recently 15 years ago and we did not act. As a result trade dependent business interests including railways, manufacturers, exporters, air cargo freighters, commercial truckers, airport operators, bus manufacturers and so on, have all made investment decisions based upon what we have inherited.

What Winnipeg and Manitoba collectively need right now, are timely policy and investment decisions based upon existing circumstances made around a solid business case in support of transforming Winnipeg, the Capital Region and Manitoba to become 'Canada's Center for Global Trade.'

That is precisely the strategy which underpins the work and recommendations of the MTC Report. The response to it has to date been remarkable and hopeful. Mayor Sam Katz and his Executive Policy Committee on March 12 followed by City Council a week later on March 19, 2008 adopted the recommendations in principle.

Within 10 days thereafter, organizations including Destination Winnipeg, the Business Council of Manitoba, the Winnipeg Chamber of Commerce, the Canadian Manufacturers & Exporters, the Manitoba Trucking Association, the Manitoba Chambers of Commerce and Winnipeg Airport Authority to name some, have endorsed the strategy.

The MTC stressed the need for urgent action because we really are in a competitive world which is making timely investment decisions and actioning them to reality. The MTC did not invent the January 12, 2008 announcement made in Regina which promotes a multi-million dollar investment in establishing an inland port, or the March 20, 2008 announcement of a \$1.5 million study of an inland port, trade and transportation hub to be centered in the City of Edmonton.

British Columbia is investing with federal and private sector participation billions of dollars into port and trade related transportation assets; Alberta billions of dollars into its transportation system; and Saskatchewan's new government trumpeting inland port strategies. Manitoba has pinned its hopes on a leading edge approach referred to as the 'Manitoba International Gateway Strategy (MIGS).' This has led to creation of the business led MIG Council to provide the government with a provincial implementation strategy.

The MTC report recommendations recognize that Winnipeg's opportunity for a global trade presence can become reality if it aligns its priorities with Manitoba's, and those in turn with federal trade and transportation priorities. The objective is to avoid jurisdictions working at cross purposes but rather to collaborate in support of a single purpose.

Rapidly changing global trade trends, investment announcements in support of trade facilitation in Canada and elsewhere point to one inescapable conclusion – we do not have time to procrastinate. If we delay, we should be prepared for others to overtake us and succeed while we watch graduating students - our emerging leaders - move elsewhere in search of opportunity. We must therefore be decisive, lead and make smart business case based investments to support growing our economy. Implementation of the MTC Report recommendations serves those objectives.

No one should doubt the advantage of being blessed with the only deep sea inland port located in Churchill. This creates a polar trade route connecting Canada to the Port of Murmansk, Russia and beyond to Eurasia. One cannot challenge the fact that Winnipeg's airport is the 16th busiest of 160 in North America, 4th busiest in Canada by cargo tonnage and 1st with the most dedicated freight carriers. We should not discount the advantage of the main rail lines converging in Winnipeg with their significant intermodal yards – the envy of western Canada - and the 4000 jobs it supports, or the fact that Winnipeg hosts major commercial trucking operations competing effectively in continental trade. All of these activities sustain 200,000 direct jobs in Manitoba of which 125,000 are located in Winnipeg.

There is no question that Winnipeg, the capital region and province therefore has the best business case for a true intermodal development 'package,' for investing in trade, enterprise zones and an inland port.

But the fact is we are in fierce competition to maintain our advantage and momentum. This truly is our economic opportunity to lose.

As a community we should encourage and support inspired political, business and community leadership to converge around a series of strategic recommendations designed to advance our collective best interests.

To those who want their say, they will have it as they should. There will and must be public input into final decisions which are pending.

However, if debate around rail relocation as distinct from rail rationalization delays what is financially prudent and time sensitive to our best interests, then it is simply just another Trojan Horse.

**Winnipeg - Canada's Centre for Global Trade**

**A call for broad community action**

By Chris Lorenc, MHCA President

Imagine Winnipeg with a robust economy, promoting and legitimately re-positioning itself as a center for global trade. Imagine it being seen by others across Canada as the city in a province in which to relocate, where career opportunities are real and satisfying, where development of commerce respects the principles of sustainability and environmental responsibility.

Imagine unprecedented collaboration and sharing of vision and purpose by political leaders regardless of individual ideology, from all three levels of government working together with the private sector and community to accomplish the same objectives.

Imagine our High School, College and University students enthused to apply what they have learned into practice. Imagine those same students eager to discuss with excitement, staying in Winnipeg, the capital region and this province instead of moving elsewhere in search of opportunity.

Imagine companies wishing to expand in and locate to our City/Capital Region and Province because of access to educated new workforce entrants in a dynamic and growing economy.

The above scenario is not based upon wishful thinking, but on what would, not could, happen if the public and private sector leaders in our community, with our emerging entrepreneurs and future leaders all collectively worked towards establishing 'Winnipeg as Canada's Centre for Global Trade' - a realistic goal.

In some Canadian cities such a vision could not be possible. In Winnipeg, it is. That vision is what the Mayor's Trade Council Report 'Winnipeg - Canada's Center for Global Trade' released March 12, 2008 challenges all of us to achieve.

Its primary recommendations are:

- that the City and Provincial governments collaborate and harmonize their trade policies consistent with provincial priorities;
- that those reflect federal criteria to create seamless trade and transportation investment priorities;
- that a formal senior committee be established with public/private sector participation to coordinate investment decisions reporting directly to the Premier and Mayor on progress;
- that Winnipeg support Manitoba's objective of creating an inland port based at the James Richardson International Airport and on lands adjoining it to the Northwest;

- that trade routes connecting critical trade activity be established;
- that enterprise zones deferring not forgiving taxation be established to encourage investment in trade activities; and
- that political and business leaders champion this unique economic opportunity and jointly press the federal government for required support.

Will accomplishing the objectives come without difficult choices? Of course not. Will they be easy? Not likely. Are economic growth and renewed opportunities an outcome? The Mayor's Trade Council unanimously submits they are.

It is also however a time sensitive window of opportunity. Make no mistake that the shifting global trade patterns locate investments and therefore growth to those destinations that seize the moment, grab the chance and benefit with a resulting higher standard of living.

We live in a fast paced world. The era which allowed procrastination, deliberation, multi-referral for study and reconsideration is behind us. Instead we are well into a period of consequence and legacy. The consequence of inaction will relegate our economy to stagnation while the legacy of community action to a healthy, environmentally responsible, sustainable economy and future.

What the MTC has recommended is not about our 'collective fair share.' It is very much about what we can and must do, about standing up and together expressing what we as residents in Manitoba believe is required not just for our provincial interests, but for Canada's as well. The vision is about provincial, regional and national economic growth. It is about expanding our economic profile with a broader international community. And at the end of the day, it is about nation building.

But, whether we seize the moment, capture the opportunity, benefit by the realistic vision, provide new jobs and careers, instead of educating and exporting, is in our collective hands. The opportunity for our growth is well documented and presented by the Mayor's Trade Council in a realistic action plan calling for a true community partnership and commitment to vision.

Will we become Canada's Centre for Global Trade? It's up to all of us!

**Letter to the Editor**

**Point Douglas Re-Development**

I don't know if Dan Lett's column 'Stadium proposal depends on Mayor' June 30, 2008 attributing to the Mayor the 'nudge' resulting in the Point Douglas redevelopment proposal is true or not, but if it is, it looks great on the Mayor.

We should all encourage support of a private and tri-level government engagement to make this plan a reality. It spells excitement, opportunity, further transformation of the 'face' of the downtown and Manitoba.

This is very much about our future. It speaks to confidence in our ability to project optimism. It addresses aspirations of young people in Manitoba, particularly those in high schools, colleges and universities. It fills needs of emerging Manitoba entrepreneurs and young families all of whom want to live, work and raise a family in a 'happening place' very much a lifestyle choice.

If the redevelopment proceeds it will add confidence of Winnipeggers in their community. (The MTS Centre has already added a 'buzz' to Winnipeg not experienced in decades.)

Imagine for a minute the aerial views of Winnipeg of any televised event at the stadium or the postcard opportunities (a la Place Louis Riel Bridge) - priceless. The advertising, promotion and re-positioning messages are enormous.

Add the Canadian Museum of Human Rights at the Forks, the natural linkages that will extend along the 'river city's' waterfront, the MTS attractions and suddenly this city is beginning to rock.

Doubtless hurdles exist and the thoughtful observations of those whose critique or suggest alternatives should be carefully considered.

At the end of the day however, let us be mindful of the fact that opportunities are seized by bold communities, led by visionaries public and private, dedicated to improving upon that which they have inherited.

The redevelopment should happen. An agreement to facilitate the stadium with a retractable roof should be part of the effort. An economic benefit of the full redevelopment proposal has to be demonstrated.

As an entire community we owe it to ourselves and succeeding generations to shape the proposal so that it supports advancement in a manner respectful of what is, in order to launch what could be.

As someone once said: 'We do what we have to do....to do what we want to do.' We want our City and province to sustainably grow and thrive. Come on Winnipeg.... this is our chance. Let's get behind this - let's do it!

Chris Lorenc

President, MHCA

**Canada & Manitoba sign historic \$718 million Building Canada infrastructure agreement**

*By Jason Rosin, MHCA Manager of Communications*

After much negotiation with the Federal Government, the Province of Manitoba has finally signed on the dotted line to receive its share of the Building Canada fund, the federal government's historic long-term infrastructure plan.

The agreement means Manitobans and their communities will receive a significant boost for their priority public infrastructure initiatives – a boost worth \$718 million.

The Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities, the Honourable Vic Toews, President of the Treasury Board, along with Gary Doer, Premier of Manitoba, and the Honourable Ron Lemieux, Manitoba Minister of Infrastructure and Transportation, were all in attendance for the signing of this Framework Agreement.

“With today's signing, a significant amount of unallocated funding will be made available to Manitoba communities of all sizes,” said Minister Lemieux. “Manitoba municipalities will have direct access to another \$264 million in gas tax while another \$312 million will be available for infrastructure priorities. In addition, we will be cost sharing \$85 million in new improvements to Hwy 75 and completing the floodway expansion project, which is essential for the protection of the citizens and businesses of Winnipeg. Taken together, this is a positive package for Manitoba.”

Some of the highlights of the \$718 million agreement include:

- \$85 million to improve Highway 75 from Morris to Aubigny and from St. Jean to Letellier – new money of which the provincial share is \$42.5 million.
- \$312 million in new infrastructure funding which includes
  - o \$41 million allocated for smaller-scale infrastructure projects in municipalities of 100,000 or less;
  - o \$96 million allocated for larger-scale projects – amount to be matched by the provincial government.
  - o \$25 million per year to 2014 for a total of \$175 million for provincial highways – this is NEW money over and above the existing provincial highway capital program, increasing it to roughly \$300 million per year, up from \$100 million only 2 years ago
- \$141.5 million to complete the Red River Floodway expansion
- \$264 million in federal gas tax funding from 2010 to 2014. This is direct funding to municipalities that is an extension to the current gas tax agreement, which will see \$217 million flow to Manitoba municipalities through to 2009

Under this agreement, the two governments will work together to identify and address infrastructure priorities, such as water and sewer systems, roads and highways, bridges, public transit, green energy and community initiatives.

## **Power of a penny**

### **One per cent infrastructure tax could get province out of pothole**

Much ado has been made in recent days about a resolution coming forward at next week's Association of Manitoba Municipalities annual convention asking the provincial government to collect a one-cent-on-the-dollar municipal sales tax to be allocated to municipalities for municipal infrastructure.

Those opposed to this idea have said, among other things, that "this is a slippery slope," "keep your hands off our money," and, most startling, "why do municipalities need more money, they already have enough?" So why do municipalities need more money?

First, there is the astronomical \$123-billion national municipal infrastructure deficit, with another \$115 billion needed for new infrastructure to keep pace with other developed nations. There is the staggering fact the municipal infrastructure deficit has more than doubled in the last five years. There is the alarming reality that Manitoba's share of this deficit is estimated in excess of \$7 billion. In Winnipeg alone, the infrastructure deficit facing the city for 2009 is \$254 million.

But really, we only need to take a look around our communities to know there is a problem. Your bumpy ride to work, your crumbling sidewalks and your aging recreation centre are but a few of the signs.

We don't want to give the message the issue has been completely ignored by the federal and provincial governments. Certainly, in recent years, municipalities' share of the pie has grown somewhat. Municipalities have benefited from a GST rebate, the sharing of some of the federal gas tax and the new Building Canada Fund.

Municipalities have also benefited from a share of the provincial income tax and the Building Manitoba Fund.

Pots of money come and go, and municipal governments are grateful and hopeful with each new grant and fund that we are invited to line up for.

But the fact is, Manitoba municipalities are more reliant on provincial and federal grants than any other province in Canada.

While in some cases these types of programs are necessary (for example, large-scale infrastructure projects), it leaves municipalities having to compete against each other for limited dollars and restricts a municipality's ability to properly plan for much-needed investment.

The amount allocated to grant programs like the recent Municipal Rural Infrastructure Fund is nowhere near the total demand, meaning there is no guarantee much-needed projects will ever receive funding.

The harsh reality is, we have a very serious problem and we need a solution. Current pots of money just won't do it.

So what exactly would another penny in the pocket of municipalities do? It will provide municipalities in excess of \$200 million a year.

For a community of 1,000 people, this means roughly an investment of \$185,000 in their local infrastructure, or \$370,000 for a community of 2,000 people. A community such as Portage la Prairie could see close to \$2.5 million, while Winnipeg would expect to see more than \$120 million. Although this funding alone will not erase the infrastructure deficit in Manitoba, it is a step in the right direction.

Despite recent news stories and call-in shows, people across Manitoba understand there is a problem with our infrastructure and it needs to be addressed.

Recent AMM polling has found 94 per cent of Manitobans see infrastructure as a high priority, including a 94 per cent positive response rate in Winnipeg. The poll also found 55 per cent of Manitobans think municipalities do not have the revenue sources needed to cover infrastructure costs alone, including 50 per cent in Winnipeg.

Most interestingly, there is support for the idea of a municipal sales tax dedicated to fixing municipal infrastructure. Polling found 54 per cent of Manitobans, including 51 per cent of Winnipeggers, support an additional one per cent municipal tax dedicated to infrastructure renewal projects.

The truth is, the expectations of today's municipalities are greater than any time in history. Regrettably, so are the financial challenges they face. For municipal government to be sustainable into the future, and for Manitobans to have access to the quality of life they deserve, municipalities need to have access to sustainable growth revenues.

It is not about your municipality looking for new revenue sources to store money away for a rainy day. The storm has arrived.

Unless citizens are willing to lower their expectations, an unlikely and unrealistic proposition, we need to address this growing deficit by providing municipalities with new revenue sources.

At the AMM convention starting Tuesday, municipal leaders from across the province will debate whether a one per cent municipal sales tax is a new revenue source they want to pursue.

Is there power in a penny for municipalities? You bet!

*Ron Bell is the president of the Association of Manitoba Municipalities.*



# 2008 NOMINATING COMMITTEE REPORT

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I am pleased to submit the report on behalf of the 2008 Nominating Committee. The members of the committee pursuant to the provisions of our general by-law were the following:

Chair: Boris Gavrailoff, Immediate Past Chair

Members: Gord Lee, Barry Arnason, Bob Reidy, Henry Borger

Based upon an examination of the Association records of the fifteen(15) members on the Board of Directors, eight (8) members' terms are to expire November 2008. Those are:

- Dave Cumming
- Calvin Edie
- Boris Gavrailoff
- Greg Orbanski
- Kevin Brown
- Paul Venn
- Barry Arnason
- Gilles Collet

There are seven (7) members of the Board whose terms expire in November 2009. Those are the following:

- Gord Lee
- Bob Reidy
- Derek Walker
- Ted Smook
- Mickey Stanley
- Warren Sigfusson
- Henry Borger

Of the eight (8) members whose terms on the Board expire November 2008 all have agreed to stand for election.

Therefore it is the recommendation of the 2008 Nominations Committee that:

- Dave Cumming
- Calvin Edie
- Boris Gavrailoff
- Greg Orbanski
- Kevin Brown
- Paul Venn
- Barry Arnason
- Gilles Collet

be elected to serve a two year term ending November 2010.

The above reflects the full report of the 2008 MHCA Nominating Committee.

Yours truly,

Boris Gavrailoff

Chairman, MHCA Nominating Committee



# 2008 MHCA TREASURER'S REPORT

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I am pleased to submit my report for inclusion in the Annual Report of the Manitoba Heavy Construction Association Inc. (MHCA) for the year ended June 30, 2008. The financial statements for the year ended June 30, 2008, which are included in this Annual Report have been reported on by MHCA auditor, Charles Wepler, C.A. in July 2008 and were adopted by the Board of Directors on September 26, 2008.

## **MHCA Financial Statements – Year ended June 30, 2008**

Our balance sheet is at variance with the 2007 statement. MHCA assets have been increased by \$118,471.00. This includes the following changes: a cash increase of \$100,382.00; an accounts receivable decrease of \$2,747.00; two project specific loans granted one to MHCTA in the amount of \$112,190.00 and the second to WCR&HCA Convention 2009 in the amount of \$102,785.00; a prepaid and deposit decrease of \$1,208.00; an decrease of investments of \$157,893.00 and a decrease of capitalized assets of \$5,277.00. At year-end the payables on hand were decreased by \$7,367.00 and deferred revenues were increased by \$64,400.00.

The MHCA posted a net gain of \$61,438.00 which is attributable to growth in new and existing membership contributions and decreased travel and meeting expense. In the normal course of affairs the MHCA Board of Directors budgets for break-even operations.

The MHCA Board, by policy, attempts to maintain cash reserves equal to one year's operating revenues. MHCA Auditor Charles Wepler C.A. has recommended that the MHCA Board attempt to maintain reserves in the area of \$580,000.00.

## **TRIP/CANADA – Manitoba Chapter – Year ended June 30, 2008**

On behalf of its contributing members the MHCA has continued to maintain its annual commitment of \$6,250.00 to be given to TRIP/Canada to continue its work on behalf of the industry. In order to build up reserves the MHCA Executive elected to include a small, voluntary surcharge on all memberships invoiced since November of 2001. This initiative has continued to be supported by the membership.

Respectfully submitted,

Bob Reidy  
MHCA Secretary/Treasurer