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ANNUAL REPORT



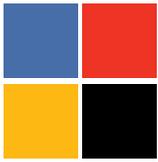
**M A N I T O B A
H E A V Y C O N S T R U C T I O N**

**CREATING
IMPACT
SINCE 1943.**



MHCA





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MHCA BOARD OF DIRECTORS

Executive Officers

Barry Arnason
MHCA Board Chair & Aboriginal Cttee. Chair
Arnason Industries

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

Robert Reidy, P.Eng.
MHCA Vice Chair & Safety Program Chair
Taillieu Construction Ltd.

Henry Borger Jr.
MHCA Secretary Treasurer & Winnipeg
Committee Chair
Borland Construction Inc.

Gord Lee, P.Eng. G.S.C.
MHCA Past Chair & WCR&HCA/CCA Rep.
Nelson River Construction Ltd.

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

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

Committee Chairs

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.

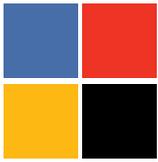
Directors at Large

Boris Gavrailoff, P.Eng., G.S.C.
Bituminex Paving Ltd.

Dave Cumming
Zenith Paving Ltd.

Gilles Collet
Collet Gravel Inc.

Calvin Edie
Edie Construction Ltd.



Manitoba Heavy Construction Association

2009 ANNUAL GENERAL MEETING

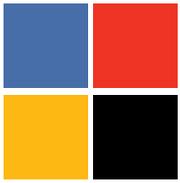
Winnipeg Convention Centre, Room 1

9:45am | November 27, 2009



AGENDA

1. Call meeting to order.
2. Approve minutes of the 2008 AGM
3. MHCSP Report – Stan Kruse, Director
4. MHCA Activities Report – Barry Arnason, MHCA Chair
 - (i) MHCA
 - (iii) Roadbuilder Council
 - (iv) Gold Seal
 - (v) Manitoba Heavy Construction Training Academy (MHCTA)
5. President's Report – Chris Lorenc, MHCA President
6. Financial Report – Henry Borger, Treasurer
 - a. Treasurer's Report
 - b. Resolutions
7. Elections to MHCA Board of Directors – Gord Lee
8. Other business
9. Adjournment



MINUTES

1. Call meeting to order.

The meeting was called to order by the Chairman at 10:11 am.

2. Approve minutes of the 2006 AGM.

The minutes of the 2007 Annual General Meeting were approved on motion by Barry Brown/Barry Arnason.

3. MHCSP Report

The attached report was presented by the Director, Manitoba Heavy Construction Safety Program.

4. MHCA Activities Report — Gord Lee, MHCA Chair

The attached reports were presented by the MHCA Chairman of the Board.

- (i) MHCA
- (ii) Roadbuilder Council
- (iii) Gold Seal
- (iv) Manitoba Heavy Construction Training Academy (MHCTA)

The Chair acknowledged the good fortune of the MHCA to have such an outstanding and unique individual serving as its President.

The Chair acknowledged the outstanding effort of the MHCA staff who hold things together, work behind the scenes and are the glue of the organization.

The Chair welcomed incoming Chair Barry Arnason and thanked board and members for their support during his tenure.

5. President's Report

The attached report was presented by the President.

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

a. Audited Financial statements

The Treasurer presented the attached report entitled "2008 MHCA Treasurer's Report". It was adopted on motion by Bob Reidy/Barry Arnason.

b. Appointment of Auditor

On motion by Bob Reidy/Kevin 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 Bob Reidy/Don Eppler 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 Bob Reidy/Barry Brown it was moved that all acts, contracts, proceedings, elections, appointments, accounts and payments made, done and taken by the Directors and Officers of the Corporation during the fiscal year ended June 30, 2008 be and the same are hereby ratified, sanctioned and confirmed.

7. Elections to the Board

Immediate Past Chair and Nominations Committee Chair, Boris Gavrailoff presented the report of the 2008 Nominations Committee. Gavrailoff requested nominations from the floor. There being none nominations were closed and the nominations committee report adopted on motion by Don Eppler/Barry Brown. The full report of the 2008 Nominations Committee is attached.

8. Other Business

Barry Arnason announced the intention of the MHCA to present gold pins to its Chairs and silver pins to its board members. Pins were presented to all past chairs and current and past board members in attendance.

9. Adjournment

There being no other business before the membership the meeting was adjourned at 11:33 on motion by Gavrailoff/Sigfusson.



MESSAGE FROM THE CHAIR – BARRY ARNASON



WE FINALLY MADE IT.

Manitoba is officially one of the “Have Provinces” in Canada. Years of slow and steady economic growth have enabled our province to achieve this lofty status in the Canadian federation and it appears Manitoba is well positioned to maintain this new role in the foreseeable future.

Our industry has grown as Manitoba has prospered. Manitoba heavy contractors have responded in a big way to handle the additional workload created by the recent increased spending on infrastructure while coping with a demand from the public for a substantial reduction in worksite injuries. Over the last three years we have witnessed unprecedented expansion and retooling by many of our member firms. The MHCA Safety Program has worked closely with industry to provide the training required to meet COR standards and reduce WCB claims. The Manitoba heavy construction industry has proven over time that they have the resources, training and ingenuity required to meet the challenges of maintaining a safe productive workforce capable of completing the ambitious construction programs proposed by all levels of government.

The financial and human resource investment made by our members in their respective organizations is a reflection of the fact that Manitoba has become “A Place to do Business”. The Federal Infrastructure Program, Wuskwatim, Conawapa, Centre Port Canada as well as other major projects will help keep Manitoba moving forward and minimize the effect of the worldwide recession. We must continue to lobby all levels of government to ensure the infrastructure deficit remains a priority after the funds provided by the federal stimulus package are depleted. It is in the best interests of all Manitobans that the renewal and expansion of our infrastructure systems remain the driving force behind the future growth of Manitoba.

B. Arnason



MESSAGE FROM THE PRESIDENT – CHRIS LORENC



WE CREATE IMPACT.

An industry association representing an area of business interest is what typically might be associated with a ‘trade’ organization. But that rather narrow ‘self-interest’ suggesting definition is not the Manitoba Heavy Construction Association (MHCA). While trade in origin, what sets the MHCA apart is that its horizons and areas of interest are more vast and broad in scope than typically associated with a trade association.

It is apparent from the enclosed Annual Report, that the MHCA has invested time, energy, effort and resources at establishing a ‘Presence, Profile, Impact’ reputation with government, media, the general public and its membership.

It has done so by articulating and advocating public policy positions within the scope of its uniquely broad mandate in a manner consistent with public interest. It has earned a reputation of being a contributor, a builder, a partner with the myriad of public and private stakeholders with whom it interfaces.

The MHCA’s areas of interest are many, wide ranging and respectfully unparalleled in Canada. They are driven by successive Board Chair, Board member and membership acceptance of - and commitment to - the importance of supporting economic growth through strategic public / private sector investments, underpinned by collaboration and pursuit of mutual interest always referenced against the public’s best interest.

As always, we look for improvement and so if you have any suggestions, I welcome them directly to my email address which is clorenc@mhca.mb.ca.

Chris Lorenc



THE CANADIAN CONSTRUCTION ASSOCIATION 2009 REPORT

THE VIEW FROM OTTAWA



Brad Greene
CCA Board Chair

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

The Canadian Construction Association (CCA) continues to work on behalf of its Partner Associations like the Manitoba Heavy Construction Association (MHCA), the individual CCA member firms that are members of CCA through its Partner Associations, and the non-residential construction industry in general. The following is a list of some of CCA's recent accomplishments as well as its current priorities.

INFRASTRUCTURE RENEWAL

- Recognition of Infrastructure Investment as the Chief Stimulus – CCA lobbied the Federal Government intensely in the months leading up to the January 2009 Budget to ensure that infrastructure investment would be recognized as the best means by which to stimulate the slowing economy. The introduction in Budget 2009 of \$12 billion in infrastructure stimulus, including \$11 billion in new funds, was a positive result.
- Monitoring Federal Infrastructure Commitments - CCA continues to monitor the implementation of the various federal infrastructure programs. In July 2009, CCA developed and posted on its website a Federal Infrastructure Watch. It also at Infrastructure Canada's request, issued a joint release with the Minister of Infrastructure on the status of federal infrastructure programs under the responsibility of Infrastructure Canada.
- The Need for a Long-Term Solution – CCA has started discussions with the Federal Government about more long-term sustainable funding for infrastructure following the lapse of the current programs. This was the central message of CCA's August 2009 Pre-Budget Submission to the House of Commons Standing Committee on Finance.

FEDERAL REGULATION

- Hours of Service - CCA continues to seek a more equitable and practical application of the federal Hours of Service regulations to construction activities including a special cycle, clearer definitions of "inter-provincial" status and "commercial drivers", and an increase to the minimum vehicle weight threshold among other proposed changes.
- Environmental Assessment and Review Process – CCA continues its lobby for a much more stream-lined and efficient environmental assessment and review process for construction projects.
- Tax Measures (Accelerated depreciation for construction machinery and equipment) – CCA is seeking an accelerated depreciation rate for construction machinery and equipment as a means to stimulate vehicle sales and production and to reduce GHG emissions from diesel-powered engines.
- Tax Measures (Reduced taxable benefit for personal use of employer-provided vehicles in certain circumstances) – CCA was successful this past year in gaining a reduced taxable benefit calculation for employees who are required by their employment to take home employer-provided vehicles at night. CCA continues to press for a further reduction.

INTERNATIONAL TRADE

- Foreign Trade Zones – CCA has joined with the Canadian Manufacturers and Exporters (CME) and other national business organizations in seeking reforms to current federal legislation to allow for the establishment of Foreign Trade Zones (FTZs).
- Buy American – CCA has lent its support to a coalition led by CME that is working with the Canadian Government to seek relief for Canadian suppliers from the Buy American provisions being applied by State Governments to federally funded infrastructure projects under the current U.S. recovery/stimulus program.

GOVERNMENT PROCUREMENT & CONTRACTING PRACTICES

- Development of Introductory P3 Guide for Members – A CCA Task Force is developing a guide for CCA members on Public-Private Partnerships (P3s) that describes the different contractual arrangements, risks, responsibilities, and practices associated with P3s.
- The Federal Government and P3s – CCA liaises with the new P3 Canada Inc. on a regular basis as well as with the major federal contracting authorities, PWGSC and DCC, regarding the promotion and use of the P3 project delivery method by the federal government.

LABOUR SUPPLY & TRAINING

- Seeking Enhancement of College Training Infrastructure - CCA continues, through its partnership with the Association of Canadian Community Colleges (ACCC) and its involvement in the Employers' Coalition for Advanced Skills, to seek enhanced government funding and support for college training infrastructure. These efforts were rewarded when the January 2009 Federal Budget announced the creation of a two-year \$2 billion special infrastructure fund that make federal funds available for college and university infrastructure improvements.
- Immigration Reform - CCA has been pressing federal government for reforms to Canada's immigration system to facilitate the entry of foreign construction workers both on a temporary and permanent basis. While some success has been achieved, there is still more work that needs to be done, especially regarding the "points system" associated with the federal Skilled Worker Program.

THE GOLD SEAL CERTIFICATION PROGRAM

The CCA Gold Seal Certification program continues to grow in prominence. 2009 is proving to be another record year. By mid-year 2008 Gold Seal had received 391 applications. For the same period in 2009, some 582 applications have been received. April 2009 saw a record number of examination participants with 205 candidates challenging the exam.

STANDARD DOCUMENTS

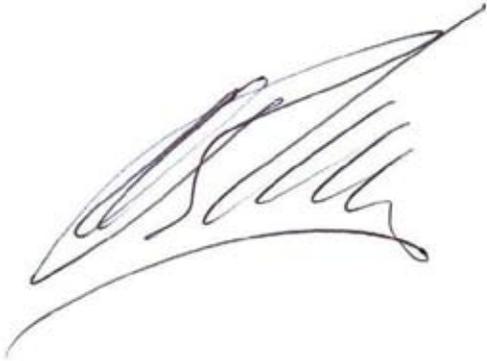
One of the more important roles of CCA is the development of standard industry forms and guides.

Here are some of the new standard forms and guides released during the past year:

- New version of CCA 1 Standard Stipulated Price Subcontract to complement the new version of CCDC2 published in 2008;
- New CCA 19 Standard Stipulated Price Sub-subcontract Form for execution between a Subcontractor and its subcontractors;
- CCA 28 Guide to Cash Flow in the Construction Industry has been updated;
- CCDC4 Unit Price Contract updated;
- New Guide to Calling Bids and Awarding Subcontracts (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 Canadian Design-Build Institute (CDBI) Series 400 A Guide to Project Delivery.

THE FUTURE

CCA plans to convene a Construction Industry Summit for the non-residential construction industry in 2010. The purpose is to identify the major trends and developments that will impact the non-residential construction industry going forward in the short and long term and to determine how the industry will be impacted upon and altered by those trends/developments and what industry associations need to do at all levels to remain relevant and meaningful to their members in terms of the benefits, products and services they offer. CCA Partner Associations will be invited to participate.

A handwritten signature in black ink, appearing to read 'Brad Greene', written in a cursive style.

Brad Greene
Chair, CCA Board of Directors
November 2009



2009 TRIP CANADA/CCA ROADBUILDERS & HEAVY CONSTRUCTION COUNCIL REPORT

1. HOURS OF SERVICE

Exemption Request

In June of 2008, CCA submitted on behalf of the Roadbuilders and Heavy Construction Council a request for a short-haul commercial driver exemption from the federal Hours of Service regulation.

At a meeting with Transport Canada in the spring, officials indicated that the application of the regulation to short-haul drivers is a policy question and beyond the scope of the limited exemption process. As such, it was recommended that CCA withdraw the request and resubmit a more industry-specific application.

In May, a decision was taken by the Roadbuilders and Heavy Construction Council to comply with the Transport Canada recommendation and refine the application with the assistance of a Winnipeg law firm. The firm, Aikins, MacAulay & Thorvaldson, is well known for its work on transportation issues and was instrumental in redrafting the CCA submission.

The revised Hours of Service application was submitted to Transport Canada in early November and CCA is hopeful that a decision will be forthcoming from the department prior to the 2010 construction season.

Inter-provincial vs. Intra-provincial

Another issue of significance to Council members has been the impact of the federal Hours of Service regulation on the competitiveness of the industry. Specifically, in some provinces, the application of the federal regulation to inter-provincial companies (federally regulated) has placed them at a competitive disadvantage to their intra-provincial (provincially regulated) competitors.

Under the current regulatory regime, if a company has, either on a limited basis or historically, worked outside their home province, they are subject to the federal regulation. There is currently no mechanism for a company to revert back to provincial status. This can present a competitiveness problem for federally regulated companies operating in some jurisdictions in Canada where provincial Hours of Service regulations are less onerous (i.e. BC, Alberta, New Brunswick, Nova Scotia, Ontario, Newfoundland and Labrador).

CCA legal counsel has been in discussions with Transport Canada officials over the summer regarding a less expansive application of the federal Hours of Service regulation to the industry. Officials have expressed interest in alternate perspectives on this issue, specifically, how companies currently covered by federal regulation can revert back to provincial jurisdiction. It is CCA's belief that the jurisprudence requires a company to maintain continuous and regular services across jurisdictions to be federally regulated, and as such, CCA counsel was instructed to draft a legal opinion for the consideration of Transport officials on this issue.

The draft opinion was submitted in early November and CCA will be working with officials over the winter to advance a change in policy.

CCMTA and National Safety Code Standard 9

At the May meeting of the CCMTA, it was agreed that a review of the National Safety Code (NSC) Standard 9 on Hours of Service would be undertaken with a view to bringing provincial Hours of Service regulations in line with the federal regulation.

NSC Standard 9 was developed as a template for federal and provincial regulatory harmonization. The standard later lapsed in favour of policy development and interpretation work on the federal regulation. The working group, chaired by the

British Columbia representative on the CCMTA Compliance and Regulatory Affairs Committee, is expected to update the standard and incorporate all previously agreed-upon technical amendments into the revised standard.

Committee members were updated on the status of the review at the November meeting of the CCMTA. This review is expected to take a year to complete and should provide Council members with a further opportunity to advance industry policy recommendations for changes to the federal Hours of Service regulation and if successful, implemented thereafter.

2. INFRASTRUCTURE LOBBY

Budget 2009

CCA launched an intense lobby campaign prior to the January 2009 Federal Budget to ensure that the proposed federal stimulus measures embraced infrastructure as the preferred vehicle for economic stimulus as opposed to tax cuts or other options under consideration at the time. In its 2009 Pre-Budget submission, CCA recommended the federal government:

- Accelerate the implementation of the Building Canada Plan;
- Apply Federal stimulus funds to infrastructure instead of tax cuts;
- Invest stimulus funds in infrastructure improvements in colleges and polytechnics;
- Increase Federal transfers under the Gas Tax Fund;
- Increase the depreciation rate for new diesel powered equipment purchases to 50 percent and incent fleet managers to make these purchases by permitting depreciation to occur on a straight-line basis, rather than the existing declining balance method; and
- Create Free Trade Zones to help increase foreign investment in Canada.

While not all the CCA recommendations were adopted, the federal government did announce some \$12 billion in infrastructure measures of which \$11 billion was new funding and \$1 billion was accelerated funding from the existing \$33 billion Building Canada Plan. These new programs include:

- A two-year, \$4-billion Infrastructure Stimulus Fund for “shovel-ready” infrastructure projects.
- A five-year, \$1 billion Green Infrastructure Fund to support projects such as sustainable energy.
- A two-year, \$500 million Recreational Infrastructure Fund to renew community recreational facilities across Canada.
- Accelerating up to \$1 billion in payments over two years under the Provincial-Territorial Base Funding Initiative to expedite “ready-to-go” infrastructure projects.
- An additional \$500 million for the Communities Component of the Building Canada Fund over the next two years for infrastructure projects in small communities.
- A two year, \$2 billion Knowledge Infrastructure Program for infrastructure development at colleges, polytechnics and universities.
- A two-year, \$515 million fund for “ready-to-go” First Nations projects in three priority areas: schools, water and critical community services.
- A two-year, \$2.5 billion investment for improvements to federal research facilities, bridges, rail, buildings and highways.

Following the delivery of the Budget, CCA worked through the Minister of Transportation, Infrastructure and Communities, to eliminate the claw-back provisions attached to the Infrastructure Stimulus Fund requiring projects be substantially completed by March 31, 2011. In June, the Minister confirmed in writing that projects extending beyond the federal deadline will not be subject to any claw-back and that the federal government will cover all expenses incurred up to that date. A copy of the Minister’s letter is attached to this report.

Infrastructure Tracking

In response to calls from the industry, CCA has been tracking the rollout of federal infrastructure programs, which can be found on the CCA website.

In Manitoba, the federal government has announced a contribution of \$511 million for 184 projects worth a total of almost \$1.6 billion since the signing of the Canada – Manitoba Framework Agreement in the fall of 2008. These funds were allocated as follows:

Infrastructure Stimulus Fund:

- \$138.2 million for 107 projects worth \$317.5 million

Building Canada Fund

Communities Component:

- \$57.9 million for 52 projects worth \$185.9 million

Major Infrastructure Component:

- \$159.7 million for 2 projects worth \$719.7 million

Provincial/Territorial Base Fund:

- \$155.2 million for 23 projects worth \$335.4 million

In addition to these investments, the federal government has also provided \$54.25 million toward infrastructure development in support of the Asia-Pacific Gateway, and \$127.11 million from the Gas Tax Fund for municipal governments across the province. Over the remainder of the Framework Agreement (2010 to 2014), a further \$264.63 million will be available from the Gas Tax Fund for municipalities in Manitoba on a per capita basis and \$20 million from the Provincial/Territorial Base Fund for provincial infrastructure projects. For more information on these programs, please visit www.cca-acc.com.

Budget 2010

The CCA focus has now switched to what comes after the current infrastructure development programs expire. In Canada, an infrastructure deficit exists that some studies have valued at more than \$200 billion and growing by some \$6 billion annually. A University of Waterloo study released last year concluded that this infrastructure deficit has directly contributed to Canada's declining productivity. Therefore, even with current public sector spending on infrastructure, the challenge facing the country remains daunting.

Once the current stimulus measures have lapsed, CCA is concerned that governments may again reduce capital spending to eliminate projected fiscal deficits. While balanced budgets are a laudable goal, achieving them at the expense of public infrastructure is shortsighted because of the strong correlation between economic output and the adequacy of a Nation's infrastructure.

As part of its ongoing government relations strategy, CCA has been calling on the federal government to work with its municipal and provincial counterparts to develop a long-term plan that provides permanent, predictable and adequate support for infrastructure development across Canada.

CCA believes governments must consider new alternatives to help ensure that public infrastructure assets are adequately maintained, replaced as necessary, and expanded in a timely manner to address anticipated future needs. In its 2010 Pre-Budget Submission, CCA is recommending that:

1. In an effort to improve the capacity of municipalities to manage infrastructure, the federal government consider doubling existing transfers to municipalities under the Gas Tax Fund, as well as consider the introduction of new measures, such as a Municipal Infrastructure Bond program, that would permit local governments to finance from this fund long-term infrastructure projects at borrowing rates below those commercially available;
2. In order to expand domestic training capacity at colleges and polytechnics, the Federal Government extend the current Knowledge Infrastructure Program at a funding level of \$1 billion annually for the next 5 years; and
3. In order to facilitate the introduction of cleaner diesel engine technology and achieve the resulting environmental benefits, the federal government increase the depreciation rate to 50 percent for new diesel engine purchases over the life of the Building Canada Plan.

In support of these recommendations, CCA appeared before the House of Commons Standing Committee on Finance in early November. We also expect to be part of the Minister of Finance's annual pre-budget consultations with industry stakeholders, typically held early in the new year and will continue to promote these recommendations with Members of Parliament and Official Opposition Critics.

3. INFRASTRUCTURE CANADA SURVEY

Annual State of Infrastructure Report

At the CCA Annual General Meeting held this past March, the Roadbuilders and Heavy Construction Council approved a partnership between CCA and the Federation of Canadian Municipalities (FCM) to produce an annual report on the state of Canadian infrastructure. Both organizations feel such a report will be an invaluable tool in our lobby for long-term, predictable national infrastructure funding.

In June, Infrastructure Canada invited CCA and the FCM to join an advisory committee of national stakeholders in designing a survey to obtain information regarding the age and state of Canadian infrastructure from asset managers across the country. The survey will be carried out by Statistics Canada early in the new year and the results published in the spring.

While CCA and FCM remain committed to the development of an annual report on the state of Canadian infrastructure, both organizations have agreed to suspend work on the report until after the results of the survey are published.

4. ENVIRONMENT

Canadian Industrial Energy End-Use Data and Analysis Centre (CIEEDAC)

CCA is also very concerned about the environmental reputation of the industry. In an effort to improve the organization's understanding of the impact sector energy use has on the environment, CCA co-funds with government an annual study of energy end-use data within the construction sector.

The results of this year's report found that sectoral energy end-use in the construction industry has declined considerably since 1990. Between 1990 and 2007, energy consumption and CO2 emissions of the construction industry decreased by 7 percent and 6 percent respectively. At the same time, gross output increased by 54 percent. Therefore, on an intensity basis, energy use is down 40 percent and CO2 emissions by 39 percent from the Kyoto baseline. For more information on the CIEEDAC report, please visit <http://www.cieedac.sfu.ca>.

While these findings are positive, the expected introduction of new diesel engine technology over the next 7 years should produce results that are even more impressive. That is why CCA has continued to lobby the federal government for a 50 percent Capital Cost Allowance depreciation rate for new diesel powered equipment purchases, as well as on a time-limited basis (over the life of the Building Canada Plan), permit these purchases to be depreciated on a straight-line basis rather than the current declining balance method.

5. HEAVY AND CIVIL ENGINEERING CAREER PROMOTION

Ontario Careers in Civil Construction Institute

Finding the skilled workers of tomorrow remains a constant preoccupation for many industry leaders. CCA has made this a high priority in its federal lobby effort ranging from reforms to Canada's existing immigration regulations, to improving the capacity of Canada's colleges and polytechnics to train the workers the industry will need in the years ahead.

The industry is also doing its part. As part of the CCA Partnership Program, funding was granted to the Ontario Careers in Civil Construction Institute in Ontario to help develop web-based information regarding careers in Canada's heavy and civil engineering construction industry. For more information on the OCCCI program, please visit: <http://www.occci.ca>.

The CCA Roadbuilders and Heavy Construction Council was treated to a preview of this material at the September meeting of the Board of Directors in St. John's, Newfoundland and Labrador. The Council appointed the Chief Executive Officer of the Alberta Roadbuilders and Heavy Construction Association to Chair a subcommittee of CCA partner associations and adapt the Ontario material for national use. The project is expected to be completed early in the new year.



2009 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.

The MHCSP team is made up of the following employees:

- Stan Kruse, Safety Program Director
- Elaine Alvis, Supervisor COR Program
- Phil McDaniel, Safety Advisor
- Denine Rodrigues, Safety Advisor
- Greg Huff, Winter Roads Advisor
- Heather MacLean, COR Training Administrator

MHCSP and its services are accessible to all of the 407/408 WCB industry code employers in Manitoba. This number currently totals approximately 1100 companies. MHCSP works with the following Heavy Construction operations in Manitoba:

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

In 2009, the heavy construction total injury numbers have decreased in Manitoba. We will continue our mandate to reduce incidents within our industry. Efforts to revitalize our COR program continue in 2009.

The following report will outline a summary of MHCSP activities for 2009.

MHCSP Program Activities 2009

The MHCSP team has continued to experience increased demands for its services in 2009.

Construction Safety Officer — MHCSP continues its Construction Safety Officer (CSO) program as per the National CSO standards adopted by the Canadian Federation of Construction Safety Associations. Currently we have 30 CSO graduates, of which received certification in 2009.



**Stan Kruse,
MHCA Safety
Program Director**

SAFE on Site — The MHCSPP partnered with WCB – SAFE Work Services participating in the SAFE on Site program. WCB sponsors the Red River College Occupational Health and Safety Certificate Program. Upon completion of the course, WCB hired three interns to work in association with both construction industry safety programs. These interns worked in association with Manitoba Heavy Construction Association and those companies that fell within the 407/408-industry code. In 2010, an additional person for the construction sector is to be hired for the Brandon region. The focus of the program was informal, on site safety assessments to identify and assist industry in improving their onsite safety and promoting the importance of a positive safety culture. We have partnered with the WCB Safe on Site (SOS) program during the 2009 construction season. One SOS person was based in Winnipeg and one SOS person was shared with CSAM in the Brandon region. 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.

Education and Awareness – Three MHCSPP “Safety Informer” (MHCSPP’s Monthly Publication) were delivered to date in 2009, four articles in the Annual Directory and Magazine, and other related direct correspondence through faxes, mailings and/or emails to the heavy construction industry in 2009. Education and awareness is in the areas of safety, health and environment related issues that could have an impact on the industry. The MHCSPP also holds Advisory Meetings regularly to discuss new trends and developing issues in the construction industry. To date, 7 advisory meetings have been held throughout 2009.

Training – Approximately 1548 participants from 14 different areas of Manitoba were trained in 17 topic areas. COR training continues to occupy the majority of MHCSPP’s training activity. In 2009, MHCSPP has seen an interest in the COR program among small to medium contractors including First Nation Contractors and Development Corporations.

Month	Students	Courses/Classes
January	78	8
February	118	15
March	215	21
April	330	27
May	245	25
June	40	8
July	189	17
August	20	6
September	243	29
October (estimated)	70	10
November (estimated)	282	23
December	n/a	n/a
Total	1830	189

MHCSPP continues to be involved in the delivery of a variety of courses for industry. In 2009 we added and revised over 14 courses along with training programs that fall into the critical life safety areas.

Approximately 200 Safe Work Procedures were developed and made available to industry online or in hardcopy format. These safe work procedures are a starting point that companies can utilize to develop their own company specific safe work procedures.

Sample forms are also available on the website for industry to use and make company specific. These forms include confined space entry forms, hazard/risk assessment forms, incident investigation forms, inspection forms, and first aid/near miss reports.

The following courses have been added to our program:

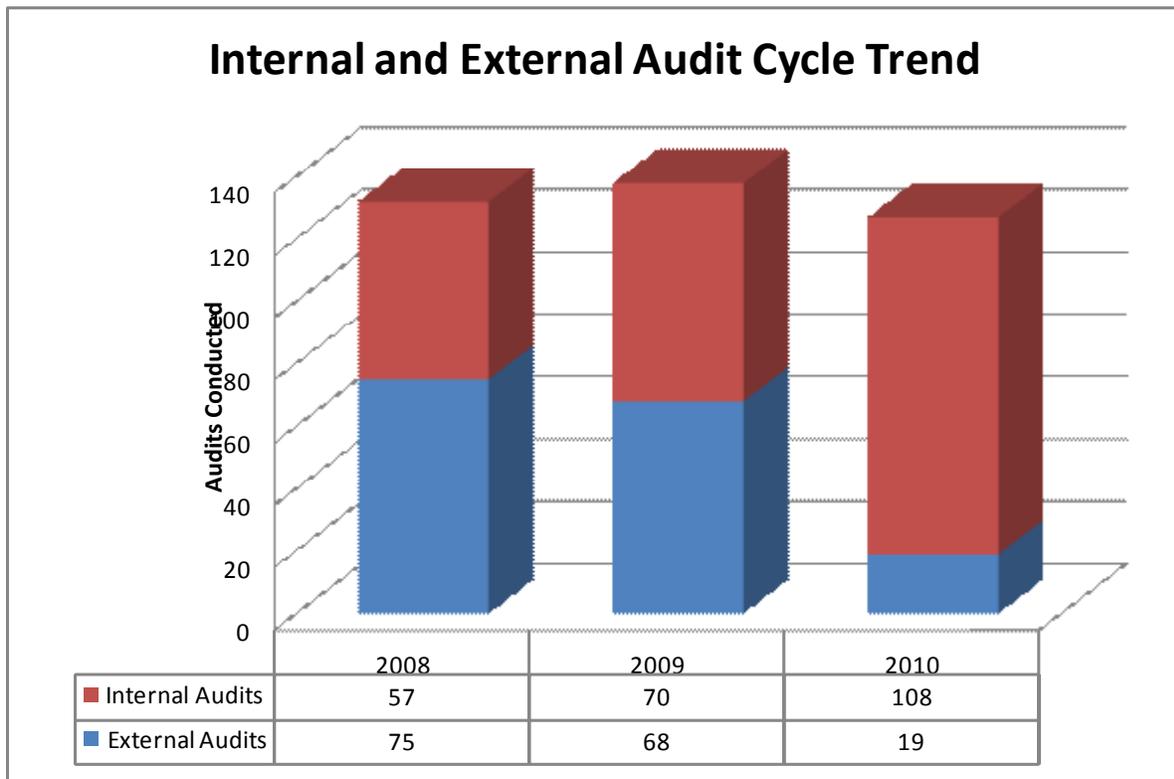
- Back Injury Prevention Program
- Fatigue Management
- Prime Contractor
- Safety Administrator
- Toolbox Talks

A group of Chinese workers from the People's Republic of China was trained by MHCSP for the Winnipeg Airport Authority. The workers were flown overseas from China to install bridge decks connecting the airplanes and airport facility. MHCSP worked with a Mandarin translator to train courses such as Manitoba Legislation, Fall Protection Awareness, WHMIS, Prime Contractor, and First Aid.

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

Certificate of Recognition (COR) Program – currently there are 127 COR Certified companies in Manitoba, up from 110 companies in 2008. This represents an increase of approximately 15% from the previous year. MHCSP believes that an increase for its services will continue for 2010 (other government departments have verbally recognized their movement towards similar pre-qualifications.) We have now seen Indian and Northern Affairs Canada require COR as a prerequisite for bidding on their tenders and RFP's along with other government departments.

Audits and Registrations Submitted to Date			
	Active Registrants Prior To 2009: 29		
Month	External Audits Completed	Internal Audits Completed	Registrations to Date
January	4	2	4
February	6	1	2
March	3	2	2
April	2	5	2
May	3	12	9
June	7	2	4
July	10	10	2
August	8	8	1
September	8	6	2
October	3	8	3
November			
December			
Annual Total to Date:	54	54	31



Site Visits and Assistance –The MHCSP made a commitment in strategic planning to ensure more company visits were conducted in 2009. Advisors took a weekly rotation throughout the construction season visiting rural areas. Approximately 100 site visits and safety program assistance was made by MHCSP staff including on-site training from time to time. Areas visited by advisors included Brandon, Melita, Swan River, Dauphin, Winkler, Plum Coulee, Morris, Morden, Steinbach, Portage La Prairie, Virden, Roblin, and Thompson.

Winter Roads –Manitoba Heavy Construction Safety Program has secured a contract with MIT to conduct all winter roads training in both Winnipeg and Thompson for 2009 and 2010. Northern communities have contacted MHCSP throughout 2009 to conduct safety program reviews and site visits.

WCB Incentives - We have been successful in achieving a 5% rebate in WCB premiums for 2009 for COR/SECOR certified 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 company.



Summary Report - Heavy Construction Sub-Sector

Current as of September 30, 2009	YEAR					
	2004	2005	2006	2007	2008	2009 YTD
Total Assessable Earnings	\$138,867,113	\$155,249,322	\$190,756,053	\$236,512,476	\$294,182,520	#N/A
Total Assessment Levy	\$6,176,568	\$6,652,306	\$7,635,897	\$8,809,500	\$9,441,498	#N/A
Overall Assessment Rate	\$4.45	\$4.28	\$4.00	\$3.72	\$3.21	#N/A
Estimated # of FTE Workers	3,400	3,750	4,422	5,165	6,165	#N/A
Total Number of Injuries	499	556	636	688	711	574
Time Loss	248	278	303	346	298	226
No Time Loss	251	278	333	342	413	348
Time Loss Injury Rate	7.3	7.4	6.9	6.7	4.8	#N/A
All Injury Rate	14.8	14.9	14.4	13.3	11.5	#N/A
Total Days Paid	23,107	23,473	24,131	26,844	28,154	22,119
Current Year Injuries	6,517	6,979	7,609	8,537	8,387	4,099
Previous Years' Injuries	16,590	16,494	16,522	18,307	19,767	18,020
CY Days Paid per TL Injury	26.3	25.1	25.1	24.7	28.1	#N/A
CY Days Paid per FTE Worker	1.92	1.86	1.72	1.65	1.36	#N/A
Total Days Paid per FTE Worker	6.80	6.26	5.46	5.20	4.57	#N/A
Total Direct Costs Paid	\$3,493,765	\$3,468,480	\$3,777,343	\$4,175,244	\$4,406,542	\$3,748,406
Current Year Injuries	\$889,963	\$1,078,066	\$1,114,778	\$1,352,408	\$1,383,599	\$729,244
Previous Years' Injuries	\$2,603,801	\$2,390,415	\$2,662,565	\$2,822,836	\$3,022,942	\$3,019,162
CY Direct Costs per FTE Worker	\$262	\$287	\$252	\$262	\$224	#N/A
Total Direct Costs per FTE Worker	\$1,028	\$925	\$854	\$808	\$715	#N/A

Compared to last year at this time:

Time loss injuries are up 8.8%

Days Paid are up 9.0%

Direct Costs are up 22.6%

Conclusion and Next Steps

MHCSP will continue to achieve 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 MHCSP Priorities for 2010:

- 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;

- Continued Implementation of CALVIN, a COR software program and related COR program activities
- Continue promotion of the Safe Work model and awareness of Workplace Safety & Health Act and Regulations to industry in Manitoba;
- Continue training efforts and promotion of the COR program in Manitoba;
- 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,
- 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 2 & 3, 2010 in Winnipeg;
- Offer regular training services in Brandon, Thompson, Winkler, Melita, The Pas in 2010
- Introduction of one additional safety advisor to the program, enhancing our service to the industry;
- Lead and promote our SafeROADS campaign in Manitoba for 2010
- Partner with Red River College's Occupational Health and Safety Program by having an intern gain work experience in a placement with the association.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stan Kruse". The signature is fluid and cursive, with a large initial "S" and "K".

Stan Kruse

Director, Safety Program



2009 MHCA TRAINING ACADEMY REPORT

1. MHCTA continues the delivery of the Equipment Operator Train-The-Trainer Program in 2009. Training has taken place in Thompson, Winnipeg and at General Scrap. This program is advertised on the MHCA web site. Next scheduled training is Nov 24, and 25th in Winnipeg.
2. MHCTA has been working with The Association of Rural Municipalities and offered assistance to the RM's in developing of their COR™ program and Operator Training and Certification.
3. During not so busy periods I (Greg Huff) have been providing assistance to The MHCSP program with training, site visits and audits.
4. Provided equipment operator training program to the following communities: Pukatawagan, York Landing and Swan Lake First Nations.
5. MHCSP and the MHCTA have been awarded the contract to provide Winter Roads Training to northern communities on behalf of Manitoba Infrastructure and Transportation. The first training program has been delivered at South Beach Casino the week of November 2, 2009 with approximately 40 students. The next scheduled training is in Thompson the week of November 30, 2009.



**Greg Huff,
MHCA Training
Academy Manager**

Greg Huff
Program Manager
Manitoba Heavy Construction Training Academy



2009 GOLD SEAL PROGRAM REPORT



**John Schubert,
National Gold
Seal Chair**

THE GOLD SEAL CERTIFICATION PROGRAM has experienced phenomenal growth in the last couple of years and this year is proving to be no exception. In 2008 Gold Seal had a near-record breaking year and 2009 is gearing up to surpass and break that record.

At the end of 2008, The National Gold Seal Committee announced that due to the increase in the scope and complexity of construction management, changes to the minimum experience requirement for examination applicants were to take effect January 1, 2009. The change from 3 years experience to 5 years experience saw a surge in applications, close to 300 applications were received by January 2009. This trend continued onto the following months and by mid year Gold Seal had received over 500 applications for certification.

Another success of the Gold Seal Program is its accreditation component. Construction management education is a key part of the Gold Seal Certification program and recognizing this fact, the Gold Seal Committee developed a definitive process to assist in accrediting institutions and their courses as meeting the Gold Seal National Curriculum Standard. Gold Seal has now accredited over 500 courses nationally, 72 courses/seminars/workshops in 2009 alone with new courses being received on a weekly basis.

Not only is the Gold Seal Certification Program getting buy in from the education providers but a recent trend is firms incorporating Gold Seal Certification into their Human Resource Strategy. At its recent annual Conference in Scottsdale CCA hosted a panel session titled Gold Seal Certification as a Corporate HR Strategy. It was noted that Gold Seal Certification

is a great tool to ensure that continuing education and professional development remain a prime focus for employees.

Many firms assist their employees in the application process from begin to end. Whether the individual is a seasoned employee seeking certification through the Senior Practitioner stream or a novice applying through the Intern stream many of their human resources specialists will assist them in compiling the necessary information and application submission. As well as following-up on their progress.

Certified Gold Seal Managers know that their certification is tied to recruiting and retention, compensation and advancement. These managers have shown a sense of accomplishment in achieving Gold Seal Certification; others are encouraged by the success of their peers.

Tying into the use of Gold Seal as a Corporate HR Strategy, Gold Seal's newest designation, Professional Gold Seal Certified is gaining momentum. Gold Seal Certificate holders are proving the importance of continuing professional development and upgrading the image of the construction industry.

Supporters of the Gold Seal Certification Program are referred to as Gold Seal Champions. Once only available to certificate holders, the Gold Seal Champion program is now open to anyone who promotes and supports the Gold Seal Certification Program. All Champions are highlighted on the Gold Seal website and thanked for their continuous support of the certification program.

The credibility of the Gold Seal Certification program remains a top priority for the National Gold Seal Committee. In order to maintain this credibility the Gold Seal profiles and exams are updated on a 5 year cycle. Currently, workshops are underway to update all the Roadbuilding & Heavy Construction and General Contracting profiles and examinations. Gold Seal Certification is by the industry, for the industry and therefore we call upon our certificate holders for their expertise when updating all exams and profiles.

The National Gold Seal Committee has diligently worked on developing visual guidelines and a code of ethics, and continues to work on new initiatives such as; exploring reciprocity agreements with international bodies, developing a marketing campaign to all sectors of construction and exploring the possibility of developing further designations.

For more information on the Gold Seal Certification Program visit www.goldsealcertification.com.

A handwritten signature in black ink that reads "John Schubert". The signature is written in a cursive, flowing style.

John Schubert,
National Gold Seal Chair



MHCA EDUCATION & GOLD SEAL REPORT

I am very pleased to provide an overview of some of the MHCA Education Training & Gold Seal Committee activities related to the above noted topic areas.

The Education Training & Gold Seal (ETGS) Committee develops skilled labourer and heavy equipment operator training programs for delivery to industry and stakeholders; manages and promotes the Gold Seal Accreditation Program; promotes advanced occupational skills and training for the heavy construction industry.

For the past five years, the ETGS has led the following strategic directions in an effort to raise the profile of careers in the heavy Construction industry, provide broader access for education and training to individuals interested in careers and enhancing existing skill sets:

Manitoba Heavy Construction Training Academy (MHCTA)

The MHCTA is an incorporated, duly registered vocational training academy, recognized as such by Manitoba Education and Training.

Supported financially by the MHCA it is led by Gregg Huff, G.S.C., who has decades of experience in heavy construction and the training of heavy equipment operators.

The MHCTA trains new entrants in heavy equipment operation as well as providing upgrading for experienced heavy construction operators. It has recently developed a 'train the trainer' program designed to equip companies to assess and upgrade the skill sets of their existing heavy equipment operator crews - see attached brochure.

New entrants to our industry are exposed to two training components:

1. Classroom training which includes introduction to the industry, safety and the environment as it pertains to becoming a heavy equipment operator; and
2. Heavy equipment operation which includes hands on/in seat training relating to a variety of heavy equipment pieces including: rubber tire loader/tracker loader; crawler tractor; motor scraper; hydraulic excavator; motor grader; and compaction equipment.

The MHCTA provides this training to First Nations under contract and to the heavy construction industry on an as required basis. To date the MHCTA has trained in excess of approximately 150 students with acclaimed retention success.

Construction Career Expo

Jointly with the Winnipeg Construction Association (WCA) and a broad number of related interested stakeholders, the MHCA participated in the launch in May 2009 the first ever 'Construction Career Expo' modeled after the Alberta experience. This was a multi-day 'careers in construction' symposium offered to high school students in Manitoba. It provided an opportunity for visual and hands on exposure to careers in the construction industries. Well over 800 students attended the expo to great satisfaction of industry, students and guidance counselors.

The MHCA hosted a booth with information about careers in the heavy Construction industry (see attached sample); provided a skid steer and backhoe for 'hands on' exposure along with industry representatives to talk to students.

It is anticipated that the Career Week will become a bigger and more visible annual program designed to repeat the message that careers in construction are an attractive, lucrative and rewarding option.

Gold Seal Promotion

The ET&GS is charged with the promotion of training consistent with the objectives of the National Gold Seal Program. The MHCA was to our knowledge the first CCA member association to adopt as a matter of Board policy, a proactive encour-

**Kevin Brown,
Education & Gold
Seal Committee Chair**

agement of and to Board members to become Gold Seal certified. Barry Brown, P.Eng., P.G.S.C., and Chris Lorenc, B.A.,LL.B., are long standing members of the National Gold Seal Committee.

While still a challenge, much like our industry nationally, we are seeing a gradual increase of interest in Gold Seal certification.

The Gold Seal Program is an important extension of the message that education, ongoing skills, knowledge improvement and recognition for achievement is very much a part of our industry.

The MHCA through its ETGS has engaged in ongoing discussions with Red River College (RRC) to advance the availability of heavy construction industry related courses for new and existing construction workers.

As part of that effort, we have as well supported the availability of enhanced numbers of Gold Seal Accredited programs available to industry. In September 2009 an additional 19 new Gold Seal Accredited courses were announced at RRC.

We are very pleased with the effort results to date. While the focus of education and training has still some distance to go to achieve a balance in which the heavy construction side of the course material is addressed, it has come a long way in the last five years.

Construction Management Degree Program (CMDP) – Red River College Partnership

Led by then CCA Chair Paul Charette, the MHCA with the Winnipeg Construction Association (WCA) were successful in persuading the Manitoban government to support the launch of the Construction Management Degree Program (CMDP) at Red River College (RRC).

Manitoba has joined four jurisdictions - Alberta, Ontario, British Columbia and Prince Edward Island - which have authorized colleges to grant degree credentials.

The CMDP at RRC will be a four-year college degree program starting in January 2010 - see attached backgrounder. It will facilitate the entry of students directly into year three depending upon prior education. Kevin Brown, P.Eng., G.S.C., Chair of the ETGS is a member of the panel interviewing the short list of instructor candidates.

In further support of this initiative, the MHCA Board of Directors unanimously agreed to raise from industry the sum of \$50,000 as an endowment fund (matched dollar for dollar) to help support students with their tuitions.

Manitoba Construction Sector Council (MCSC)

Working collaboratively with the Manitoba government, the most recent initiative is the participation by the MHCA in the creation of the Manitoba Construction Sector Council (MCSC).

The MHCA is a founding member of the MCSC which was formed so that the human resource and education and training needs of the construction industry(s) in Manitoba can be advanced from a collaborative and global perspective.

The 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).

The MCSC Chair is John Schubert, (McCain Electric) President of the WCA (and MHCA member). The MHCA is represented on the MCSC Board of Directors by Gord Lee, P.Eng., G.S.C., MHCA past Chair and Chris Lorenc, B.A., LL.B., MHCA President.

Supported by the Manitoba government, the MCSC receives funding as follows:

- LMDA (Labour Market Development Funds) - tied to E.I. with partial federal participation. It pays for infrastructure, promotion and course development but not delivery
- LMA (Labour Market Agreement) - covers anything other than E.I. recipients. It must have participants tied to the funding. It will not pay for course development.
- ILFIF (Industry and Labour Force Investment Fund) - Provincial funding. It can pay for infrastructure, promotion, course development and course delivery.

Some areas of its current activity include:

On-the-Job Training/Mentorship

MCSC program being facilitated by MBTC and guided by an industry steering committee. Its purpose is to develop processes, educational materials, implementation strategy and a culture which would ensure high quality on the job learning/mentoring. Draft materials are being reviewed and a pilot is eagerly anticipated.

Training Supervisors for Tomorrow

MCSC program being facilitated by WCA and guided by an industry steering committee. Goal is to develop curriculum and training methods for training of supervisors applicable to all construction sectors. Curriculum writers are completing materials for a pilot program.

Construction Pre-Employment Training Program

MCSC program to be facilitated by MHBA. Its purpose is to train selected candidates for entry into the construction industry. All sectors have been invited to participate in advisory process. The first phase will involve candidate screening.

Building Better Workplaces

A cooperative effort between BBW and MCSC to offer Human Resource courses to the construction industry. Course offerings will be advertised in the immediate future - see attached training advertisement. BBW can also offer courses at workplaces based on sufficient demand.

Manitoba Labour Market Forum

MCSC and the National Construction Sector Council (CSC) will co-host this event on November 10th in Winnipeg. Stakeholders will be invited to send representatives to participate in discussions related to labour market supply and demand issues, resulting in some direction for the future work of MCSC.

Outreach

MCSC will participate in career fairs and in particular in Manitoba Career Week (November 1-7, 2009). Efforts will be coordinated with our component organizations to maximize the impact of our message. A MCSC publication will be prepared modeled on the "Trade-Up" materials. The "Career Trek" program, which introduces 10-11 year olds to various career options, will be reviewed with component organizations.

Education Training Analysis

MCSC will undertake a review of existing training providers to facilitate an analysis of "gaps" to be addressed.

MCSC Website

Continues to be enhanced: www.mbcsc.com

Conclusion

The attraction to and education and training of new workers to the heavy construction industry will continue to be a challenge. This is influenced by the projected demands upon industry for its services, coupled with an aging workforce which in an accelerated pace is being depleted of its most experienced personnel.

The above MHCA approaches reflect that this is of keen priority interest and concern to industry. Being agile and nimble are traits of our industry. Those traits however will only provide marginal answers to the need to attract and retain new workers eager to launch a career in our heavy construction industry.

Respectfully submitted,



Kevin Brown, P.Eng., G.S.C.
Chair, ET&GS Committee



2009 MHCA CHAIRMAN'S REPORT

Introduction – MHCA Engaged

The year was marked with a series of successes of which the members of the Manitoba Heavy Construction Association (MHCA) should be legitimately proud, having played an instrumental role in positive change.

The purpose of this Year in Review is not to identify all of the areas of activity, but rather highlight the more significant and far reaching areas of engagement and success. We look forward to another great year in 2010!

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

MHCSP - 'Construction Safety Excellence™'

- The MHCSP – 'Construction Safety Excellence' is a moniker well deserved by the program. It has over the years provided top quality advice, education, training and supporting material to assist the heavy construction industry in meeting the challenges and responsibilities of providing a safe workplace for everyone in our industry



**Barry Arnason,
MHCA Chair**

Western Canada Roadbuilders & Heavy Construction Association Convention 2009

- The MHCA hosted the annual WCR & HCA Convention from February 28 – March 4, 2009 in Ixtapa, Mexico with outstanding results and feedback from delegates;
- Attendance was excellent at the business sessions and evening events, and we left Mexico with a great sense of accomplishment after four years of hard work.

Children's Hospital Foundation – WCR

- The Ritchie Bros. sponsored charity auction at the WCR&HCA Convention raised \$23,000 for the Children's Hospital Foundation;
- Cal Edie, Jason Rosin, Christine Miller and MHCA President participated in presenting a cheque in that amount to the Foundation in June 2009.

Construction Industry Wages Act (CIWA) Panel

- Government struck the CIWA Panel – labour/management (Barry Brown & Gord Lee are heavy construction reps) to review in its first year, categories and minimum rates of pay – this has been completed;
- The back half of the CIWA's panel addresses enforcement and areas requiring attention or review;
- Of concern is an apparent wish to 'further refine' the definition of 'heavy construction;'
- Matters before the CIWA Panel are brought back to an industry committee which has been in existence for a number of years. Its collective view is to 'leave the definition alone' and the MHCA Executive concurred

SAFE Roads Campaign

- SAFE Roads campaign has enjoyed solid public support and high profile;

- The campaign utilized media releases, extensive radio ads, billboards and four morning 'ride alongs' with CJOB's Brian Barkley to promote the safe roads message;
- The campaign ran May 11- June 24, 2009.

Heavy Equipment Simulator Purchase

- The MHCA Education Training & Gold Seal Committee is recommending that the MHCA consider investing in the purchase of heavy equipment simulators for the purposes of training.

Construction Management Degree Program (CMDP) – Red River College (RRC)

- RRC is looking at when to launch as well in what format. While the first first-year intake for the full-time program will most likely be Sept 2010, it is studying options at starting the part-time offerings sooner, maybe January 2010 or even earlier. This would take the shape of using existing courses, e.g. the Gold Seal courses that RRC is currently offering in night school;

Winnipeg Chamber Mission to Ottawa – June 1, 2009

- MHCA President participated in the Winnipeg Chamber of Commerce led visits to Ottawa;
- Topics addressed included: Foreign Trade Zone pilot for CentrePort; Infrastructure Programs; Buy America policy concerns;
- Infrastructure Program was raised favorably with encouragement that it be rolled out quickly and in a sustained manner;
- These messages were taken to meetings with the following: MP Merv Tweed, Chair Transportation & Infrastructure Standing Committee; Department of Foreign Affairs and International Trade; Western Economic Diversification; Transport Minister John Baird joined by members of the Manitoba PC Caucus and Canadian Chamber of Commerce president Perrin Beatty.

NASCO Conference June 2-4, 2009

- MHCA President was invited by Minister Lemieux to present on behalf of the province at the North American Super Corridor Coalition (NASCO) Conference in Quebec City
- This conference is attended by roughly 350 government and business representatives from Canada, United States and Mexico
- Concurrent with the conference was a leaders' summit attended by Premier Doer, Charest, Graham, Governors from Mexico and business leaders.

Hours of Service (HOS)

- Barry Brown, Gord Lee, Bill Ferreira and MHCA president with Allan Foran a Transportation Law expert at Aikins. He was retained by Roadbuilder Council (RBHCC) to assist in preparing submission to Transport Canada with respect to hours of service regulation;
- Participated in preparation of and presentation to a sub-committee of the council of Deputy Ministers of Transportation on June 10, 2009;
- HOS executive application has been submitted to Transport Canada.

CCA Roadbuilder & Heavy Construction Council (RBHCC)

- MHCA participated in the writing and editing of the RBHCC priorities which include: Trade & Transportation Investments; Streamlining DFO and Environmental Assessments procedures; pursuing sustained federal investment in core municipal and national transportation assets;
- RBHCC will be pursuing preparation of an annual 'State of the Canadian Infrastructure Annual Report' to be developed in conjunction with the Federation of Canadian Municipalities, McGill University and /or the University of Waterloo;
- RBHCC looking at perhaps renaming itself to 'Infrastructure Council'.

CCA International Business Committee (IBC)

- At the request of the MHCA, the IBC agreed to adopt a motion related to 'Buy America' protectionist practices. The motion was then carried by the CCA Board of Directors;
- IBC agreed to focus on trade and transportation related strategies, foreign trade zones and other regulatory reform to facilitate trade related economic growth.

One Call

- Henry Borger, Gord Lee, Barry Brown and MHCA President participated in meetings with the City of Winnipeg aimed at establishing the Manitoba Common Ground Alliance (MCGA);
- The MCGA purpose is to advance efficient and effective damage prevention for underground infrastructure including a uniform 'one call' program;
- Agreement in principle that the MHCA would participate on the Board of Directors and would assign contractors to represent industry in variety of stakeholder areas e.g.: Sewer & water, roadbuilding, excavation and related.

Winnipeg – Cut Permit Program

- Henry Borger, Gord Lee, Barry Brown and MHCA President participated in meetings with the City of Winnipeg at which the following items were also raised for follow-up:
 1. Industry preference to make final restoration of road or boulevard cuts;
 2. Preference for a single payment method for permit fees, perhaps a line of credit; and
 3. Interest in a web based application process.

MHCSP – COR MIT Winnipeg

- Met with MIT to discuss requiring COR or CFCSA Equivalent as a Condition of Contract;
- Notion that the standard be COR or CFCSA approved well received;
- A meeting of MIT, Winnipeg, MHCSP, MHCSA, CSAM likely to be arranged within near future to discuss advancing forward.

CentrePort Canada

- Announced that Diane Gray has been appointed to President & CEO;
- MHCA President is participating on Land Use, Municipal Services and Transportation Plan development for the 20,000 acres designated for inland port purposes, and is also a member of the CentrePort Canada Board of Directors.

Manitoba Labour Board (MLB) - Hard Hat Decision

- In May, the Manitoba Labour Board dismissed the City's appeal regarding orders requiring the wearing of hard hats. (Leila and Charleswood Parkway construction sites);
- The Board found that notwithstanding that an Employer may have completed a hazard assessment and/or may have a safety program in place, does not preclude the Division still having an overriding authority under the Act to review the in place safety program in order to ensure that the safety program and hazard assessment outcomes comply with the Act;
- The MLB found that the Improvement Orders were supported by the provisions of the Act and Regulations.
- Further the Board was satisfied that there was reasonable factual basis to issue the Leila and Charleswood Orders;
- This will be reviewed at the next meeting of the MHCSP Safety Advisory Committee.

Manitoba Service Awards Nominee – Partnership Category

- MHCA President Chris Lorenc was nominated by Deputy Ministers Diane Gray and Andy Horosko and awarded the 'Provincial Service Awards – Partnership Category,' for his partnership work with the provincial government related to CentrePort Canada.

Conclusion

There are many more items to address and the above only highlights some areas of MHCA activity this past year.

I wish to thank all members of the MHCA, The Board of Directors, Committee members, and staff. Without your collective support we wouldn't be able to create the impact we do!

A handwritten signature in black ink, appearing to read "B. Arnason". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Barry Arnason
Chair, MHCA



2009 MHCA PRESIDENT'S REPORT

Introduction

We build infrastructure. We are your collective voice. **We create impact.**

Our motto, *'Presence, Profile, Impact'*, reflects our reputation with government, media, the general public, and our membership. We articulate and advocate public policy positions within the scope of our uniquely broad mandate in a manner consistent with public interest.

As the recognized voice of the heavy construction industry – your industry – we promote sustainable infrastructure development, sustained investment in core municipal infrastructure, secure transportation systems, all to ensure ongoing economic growth to benefit our province, region, country, and most importantly – your industry.

History, Membership & Governance

The MHCA was founded in 1943 as the Manitoba Roadbuilders & Heavy Construction Association and subsequently changed to the Manitoba Heavy Construction Association (MHCA).

Our 300 plus members include contractors engaged in roadbuilding, sewer & water, excavation, bridge building, as well as the sub trades to contractors and the supply side of industry, including aggregates, petroleum, engineering, heavy equipment, financial and bonding agencies.

We are governed by a 15-person Board of Directors, led by its Chair. Day-to-day affairs are delegated from the Board to an Executive Committee of the Board. Input from members is provided through strategically struck standing committees that are supported by our president and staff.

Vision & Mandate

Our Vision is: *"To be the acknowledged credible 'voice' of the heavy construction industry in Manitoba with all stakeholders public or private, ensuring the reputation of our 'Presence, Profile, Impact.'"*

Our Mandate challenges us to:

- Promote public policies which help grow the economy by engaging all three levels of government; our members; provincial, regional and national stakeholders; media; and the public.
- Advocate public policies with that support sustainable infrastructure investment, maintenance and rehabilitation strategies.
- Articulate the positive relationship between sustainable investment in infrastructure and Manitoba/Canada's quality of life, economy and the environment.
- Provide a comprehensive safety and health training and education program.
- Deliver career and vocational training for entry workers and existing employees.
- Participate in related activities consistent with public interest.



**Chris Lorenc,
MHCA President**

Supporting our Vision and Mandate

To support our vision and mandate, we are connected and participatory. **We create impact.**

We have excellent relations, access to and influence with all three levels of government. Our list of public policy accomplishments is extensive. Lobby effort involvement, engagement and accomplishments are many and include:

- Tripling of the Highway capital program
- Tabling by Manitoba of first multi-year highways investment plan
- Gaining critical improvements in provincial / municipal tender practices, including realignment of municipal capital budget approvals to facilitate earlier tender practices
- Chairing two Strategic Infrastructure Investment Policy (SIRP) task forces for the City of Winnipeg
- Leading provincial task forces to review Workplace Safety and the Workers Compensation legislation
- Championing National Infrastructure Policy, National Highways Program and Strategic Infrastructure Investment approach at national level;
- Chairing a public/private collaboration promoting investment in a strategic and economic *Western Canada Transportation System*
- Enhancing the profile of / priority for infrastructure investment at all levels of government
- Leading a variety of safety related initiatives including Manitoba Heavy Construction Safety Program and the public/private stakeholder SAFE Roads Program
- Establishing relationships with municipal governments in Manitoba through collaborative work with the Association of Manitoba Municipalities.

In addition to the above, we have been a judicious and strategic presenter to key organizations such as the Association of Manitoba Municipalities (AMM), Winnipeg City Council and its standing committees, provincial standing committees and federal task forces. Civic task force participation has included initiatives for streamlining civic government, identifying economic opportunities, and taxation policy realignment, among others.

We recognize the importance international trade plays in the economic growth of western Canada and the nation as a whole and as a result have engaged in international trade development activities. The president was invited and participated in international trade missions with two successive Manitoba Premiers to promote trade and resulting economic growth. Those have included:

- Trade mission to Poland and Ukraine (1998);
- Trade mission to China (2008);
- Participation in four successive years (2005-09) with the Canada/United States/Mexico, North American SuperCorridor Organization (NASCO) which promotes development of a mid-continent trade corridor to enhance multi-national and international trade related economic growth.

More recently, we initiated, chaired and led the 2008 *Mayor's Trade Council* (MTC), which recommended a sweeping set of recommendations to position Winnipeg and Manitoba to a higher profile and beneficiary economic role in domestic and international trade.

The MTC report's recommendations were adopted by Winnipeg's City Council. It formed the basis around a provincially led initiative creating *CentrePort Canada*, Canada's first inland port. We participated as part of the Premier's Leaders Group and are a member of CentrePort Canada's Board of Directors. The political policy commitments by Winnipeg, Manitoba and the federal government have resulted in more than \$460 million of investment in trade related transportation infrastructure (with more to come) to support long term economic growth facilitated for Manitoba. As you can see, we create impact.

We have established and maintain professional relations with key senior municipal and provincial policy administrators, government departments and agencies that are charged with oversight of program, legislation or regulation. Some examples include:

- Manitoba Water Services Board (MWSB);
- Workplace Safety & Health Branch (WS&H);
- Manitoba Infrastructure & Transportation (MIT);

- Manitoba Conservation (MC);
- Workers Compensation Board of Manitoba (WCB);
- City of Winnipeg Transportation;
- City of Winnipeg Water & Waste;
- East Side Road Authority (ESRA)

We are active members and participants in many stakeholder organizations at the provincial, regional and national levels. This enhances our ability to collaborate, grow strategically, and facilitate relationships.

We are a member of and/or work closely with:

- Manitoba Chambers of Commerce
- Winnipeg Chamber of Commerce
- Manitoba Employers Council
- Business Council of Manitoba
- Manitoba Manufacturers & Exporters
- Manitoba Trucking Association
- The Association of Manitoba Municipalities

The MHCA president also serves as president of the Western Canada Roadbuilders & Heavy Construction Association (WCR&HCA).

The MHCA is a member of the Canadian Construction Association. At the CCA, we are active in the Roadbuilder & Heavy Construction Council, Human Resources Committee, National Gold Seal Committee (national management certification program), Environment Committee, and the International Business Committee, to name a few.

Under contract with the Workers Compensation Board of Manitoba (WCB), the MHCA provides comprehensive safety and health training, and education programs to the entire heavy construction industry in Manitoba through the Manitoba Heavy Construction Safety Program (MHCSP). It delivers the Certificate of Recognition (COR) program, which is Canada's national standard for construction safety programs.

The Manitoba Heavy Construction Training Academy (MHCTA) was incorporated in 2001 and its curriculum and delivery are accredited by the Manitoba government. It provides career and vocational training to entry workers and existing employees of the industry in heavy equipment operator training.

Additional Member Services

The MHCA is identified by its members – you – as their industry voice. You count on us to lead lobbying efforts on issues which affect the economy, industry and your respective business.

In addition to these efforts, the MHCA provides a wide array of services for our members:

- **The Heavy News Weekly Bulletin** — distributed provincially and nationally to members, the broad public elected/administrative world, and affiliated and related stakeholder communities.
- **The Annual Directory and Equipment Rental Rate Guide** — used extensively as a business tool by industry and purchasers of its services.
- **Perspectives Magazine** — the MHCA's annual magazine, which articulates its views and interests extending to economic policy, areas of potential growth, emerging technologies, products and practices. It is distributed across Canada to a broad array of public policy leaders, has earned an excellent 'quality content' reputation, and is recommended reading at the McGill University's Civil Engineering Faculty;
- **MHCA Standing Committees** — these exist to enhance our members ability to participate in the evolution and development of public policy, changes to regulation, and related industry concerns. This includes government representation to ensure ongoing dialogue with those who effect legislation, regulation and general working conditions. Committees include: Winnipeg; Highways; Aggregates; Membership; Events; Equipment Rental Rate; Construction Industry Wages; and Education, Training & Gold Seal.

- **The MHCA website** — promotes our vision, mandate, services, and provides membership resources such as current RFP/tenders
- **Special events** — provide 'mix 'n mingle' opportunities among members, industry, and government. These include: Breakfast with Leaders, Spring Mixer, Annual Golf Tournament, Curling Bonspiel, Annual meeting, and Chairman's Gala

Conclusion

It is apparent from the above highlighted summary that the MHCA has invested time, energy, effort and resources at establishing an impactful reputation with government, media, the general public and its membership.

It has done so by articulating and advocating public policy positions within the scope of its uniquely broad mandate in a manner consistent with public interest. It has earned a reputation of being a contributor, a builder, a partner with a wide-range of public and private stakeholders with whom it interfaces.

The Manitoba Heavy Construction Association (MHCA) – **we create impact!**

Respectfully submitted,

Manitoba Heavy Construction Association



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

President, Manitoba Heavy Construction Association

2010 MHCA PRIORITIES REPORT



The MHCA is the industry voice exerting 'presence, profile and impact' upon the shaping and development of public policy. Each initiative is focused on addressing public best interests.

The work of the MHCA is never done, and issues always require attention. The following summarizes areas deserving of priority attention as we move towards 2010:

BUDGET MANAGEMENT TOOLS - SOLUTIONS WITHOUT COSTS

The MHCA will continue to press the provincial government to enhance and /or implement three key budget planning tools around management of its construction program to support our mutual business relationship interests:

1.1 Rolling Budget/Carry Forward Capital Expenditures

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

Accordingly we recommend:

- That government policy eliminates 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.

(Note: a number of provincial jurisdictions - e.g. Saskatchewan, Ontario, Alberta, British Columbia - already follow the above.)

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 recommend the following practices be implemented and resourced:

- 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.

(Note: The province has improved in some of the above areas but there still inconsistencies remain.)

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 recommend:

- 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.

(Note: for many decades the City of Winnipeg has followed this practice. It provides an important insight for industry into the City's capital priorities, which allows industry to plan well in advance. The latter results in more competitive pricing of Winnipeg's construction projects. The province tabled one 'ten year plan' in response. This is a step forward but not yet what is needed.)

NEW DEAL WITH MUNICIPALITIES

It is clear that existing fiscal arrangements with municipal governments are inadequate to meet their needs. The burgeoning national municipal infrastructure deficit - estimated to now be in the vicinity of \$123 billion - is but one example which requires that arrangements between the three levels of government be reorganized.

Municipalities cannot, based upon their existing revenue streams, address the core municipal infrastructure deficits they face. This theme is repeated by the Association of Manitoba Municipalities (AMM), City of Winnipeg and the FCM, to name a few.

While accountability is a material policy to be addressed, access to growth based revenues, dedicated streams of revenue, a realignment of some 'mandate responsibilities' e.g. ambulance, social housing, are clearly a topics warranting attention.

We do not advocate simply handing more revenues to municipalities. Any such new access must be associated with re-examination of existing funding relationships with clear, transparent, accountable for revenue outcomes.

MANITOBA TRANSPORTATION INVESTMENT AGENCY (MTIA)

Any objective review of government delivered services, demonstrates cost and delivery inefficiencies. With no disrespect intended, government is by its very nature 'process laden' not 'results driven.' This often injects process driven, decision paralysis resulting in lost opportunities, wasted and unnecessarily higher costs.

Public sector entities have tried with mixed success the notion of 'Special Operating Agencies (SOAs)' which are intended to replicate a private sector business operation. The public sector 'wants to be like' the private sector but it can't. It is not and has never been bottom line, results oriented, and added value driven. The public sector will always as a matter of its very being, be tied to 'abstracts' as distinct from private sector 'absolutes.' These dramatically change the dynamics of decision making.

The public sector should determine the priorities to minimize waste and extend dollar value, and where service delivery is required to achieve the priority, 'hand it off' to an accountable agency to manage.

One way of addressing the above is to consider arms' length agencies charged with and accountable for, the delivery of government determined priorities. An MTIA is a suggestion which should be part of the mix of options considered on a go forward basis.

TRADE & TRANSPORTATION / CENTREPORT CANADA

It is clear that trade and transportation reflect economic growth opportunities/synergies, which are essential investments to platform continuation and growth of Manitoba/Canada's economies. As such they require sustainable policy driven, economic growth referenced attention. Areas which require attention and support include:

1. Commitment to a Western Canada Transportation System (WCTS) designed to platform ongoing economic growth and trade competitiveness of western Canada's economy and its role in global trade.

It envisions a partnership between provinces, the federal government and private sector in addressing not only funding but regulatory and tax reform to position a more competitive western Canada economy.

2. Support for continued infrastructure investment and policy/regulatory reforms which allow CentrePort Canada to become the lynchpin around which trade not only increases but through regulatory reform (such as Foreign Trade Zones, back haul regulatory reform, harmonization of weights and measures) creates new niche opportunities. Those would include manufacturing, assembly, warehousing, distribution, transshipment and de-stuffing. This is not only a Manitoba and western Canada priority; it is also national in scope.

FUNDING, PLANNING MANAGEMENT

Funding is inextricably linked to planning, managing and decision making which is strategic, asset management, results oriented, economic priorities and return on investment focus based.

Examples include: Public/private partnerships: dedicating fuel tax revenues; frontage levies; tax free infrastructure bonds; surcharges on motor vehicle registrations and /or licenses; arm's length transportation agencies with concession options; borrowing ability charged against existing or to be built assets.

Financing also includes gaining in delivery efficiencies e.g. Annual/five year budgets; rolling budgets; early tendering, arms length transportation agency - these all use existing funding but significantly stretch the value and impact of existing funding.

Other important practices include:

- Sustainable, predictable and incremental long term budgeting commitments which facilitates knowledge based reinvestment in HR and capital for industry;
- Granting municipal governments more access to economic growth revenues (including sales taxes) for which they are responsible;
- Stricter commitment to asset based management practices which prioritizes in part based upon critical need of the asset to the economy and its design intensity (e.g. a residential street has far less engineering than a regional street and the latter is far more important an economic priority than a residential street.)

MANITOBA HEAVY CONSTRUCTION SAFETY PROGRAM (MHCSPP) – CONSTRUCTION SAFETY EXCELLENCE™

Much time, energy and effort has been invested to continuously improve the MHCSPP - and these efforts will continue. To help guide the program an MHCSPP Strategic Plan was developed and adopted by the MHCA Board following broad industry and stakeholder consultation.

Some highlights for attention:

COR™ or SECOR as a Condition of Contract - Eliminate Thresholds

The MHCA and WCA have jointly recommended to the provincial government the following:

1. That all government and its agency(s) contracts for construction industry services should as a matter of policy, require possession of a valid COR™ or SECOR Certificate as a Condition of Contract; and
2. That the threshold below which COR™ or SECOR as a Condition of Contract not be required be phased out and eliminated by January 2013, preceded by notice and opportunity to achieve COR™, or SECOR Certification.

MHCSPP Delivery, Presence, Profile, Accessibility: Rural / Urban

In consultation with industry, develop and implement strategies to further enhance the MHCSPP presence, profile and accessibility in rural and urban areas across Manitoba. These include ensuring visible deployment of MHCSPP Safety Advisors in the field and an additional 'Safe on Site' person dedicated to the HCI for rural Manitoba commencing 2010.

Manitoba Construction Conference (MCC)

Continuously improved annual MCC and pursue a new annual MCC in Brandon if practicable by 2011/12.

WCB Funding of MHCSPP

The 407/408 rate category consists of roughly 1100 companies upon which the MHCSPP is funded. Given consistently increasing training demands, approach the WCB to consider funding options to ensure cost effective program delivery including:

- Adding to the footprint of industry WCB rate group contributors
- Approaching government departments provincial / municipal - to make contributions
- Request WCB for line funding contributions from within its annual operating budgets

Roadbuilder Safety Training System (RSTS)

Ensure launch of RSTS in early 2010.

Safe Roads Campaign

Continue partnering with stakeholders in expanding the provincial visibility of the annual SAFE Roads campaign.

EDUCATION & TRAINING / TRAINING SIMULATORS

Much has already been accomplished to advance the availability and accessibility of education and training for our industry and much more requires ongoing attention. The priority areas include:

- Promoting the acceptance of the Gold Seal Certification Program
- Working with Red River College in expanding and broadly promoting availability of education leading to career paths in the heavy construction industry

- Working with public sector educational institutions to advance promotion of career paths in the HCI
- Pursuing the development for consideration, of a business plan which would see the acquisition of heavy equipment operator training simulators with which to train new entrants to and existing heavy equipment operators in the HCI

MANITOBA CONSTRUCTION SECTOR COUNCIL (MCSC)

The MHCA is one of five founding partners which formed the Manitoba Construction Sector Council (MCSC) with a mandate to: enhance the image of the industry and the benefits of working in the construction sector; attracting individuals from non-traditional groups; strengthening the skills of the province's construction sector workforce; and addressing future human resource needs. The partners are:

- Construction Association of Rural Manitoba (CARM)
- Manitoba Building and Construction Trades Council (MBTC)
- Manitoba Heavy Construction Association (MHCA)
- Manitoba Home Builders' Association (MHBA)
- Winnipeg Construction Association (WCA)

A number of worthwhile projects are in the process of implementation, including: "On the Job Mentorship/Training"; "Building Supervisors for Tomorrow"; "Construction Pre-Employment Training Program"; and the launch of an Annual Labour Market Information Forum.

EAST SIDE ROAD AUTHORITY (ESRA)

The MHCA has had good discussions and meeting with the ESRA. Our objectives will continue to be to offer the advice and partnership of the MHCA to assist the ESRA in discharging its responsibilities. We will focus on ensuring a transparent and fiscally responsible approach in the management and delivery of the project.

HOURS OF SERVICE (HOS) REGULATION EXEMPTION

The MHCA is leading the Canadian Construction Association's (CCA) application for an exemption to the federal HOS Regulation. Under the exemption, the industry is proposing the development of a distinct enforced cycle:

1. Permissible weekly cycle hours up to 80 hours over a 7-day period, with a 36-hour cycle reset; and
2. Permissible bi-weekly cycle hours up to 140 hours over a 14-day period, with a 72-hour cycle reset.

The Industry is proposing several conditions to "mitigate any potential risk from being exempt from any regulatory requirement" and to "ensure that motor carrier safety would not be affected". In brief, these include:

- That no driver shall drive after the driver has accumulated 14 hours of on-duty time in a day. The driver must take at least 8 consecutive hours of off-duty time before driving again.
- The exemption only applies to commercial vehicle drivers engaged in the Industry within 160 kilometres of the company's home terminal or temporary worksite.
- Companies must implement a comprehensive Fatigue Management program.
- Commercial drivers must complete daily logs.

The application to Transport Canada has been submitted. This will result in further meetings, discussions and hopefully a reasonable outcome.

MEMBERSHIP GROWTH

The MHCA continues to enjoy strong support and growth in its membership base and has already over 300 members. We will continue to focus on attracting 40 new members each year and approaching those who have lapsed their membership to rejoin the MHCA.

MARKETING, BRANDING, POSITIONING

The MHCA's logo and messaging while somewhat evolving with the passage of years, has largely remained as it was developed some 15 years ago. To further enhance its 'presence, profile and impact' reach with its many constituencies, the MHCA will look at reviewing how it positions itself and with which associated messages. The objectives will be to project the strength of its many accomplishments, and the many more yet to which it aspires.

MHCA OFFICE ACCOMMODATIONS

To enable the MHCA to effectively work towards its goals and objectives, requires a facility within and from which they can be pursued. The existing office space is grossly inadequate to its needs, resulting in multiple office sharing of already inadequate space and the 'storage' of materials in its hallways.

The MHCA has been at 1236 Ellice for 20 years. Our projected continued expansion, warrant an efficiently and cost effectively organized space within which we can continue to work on behalf of industry. The Board has identified this as a top priority matter and has struck a committee chaired by Henry Borger to search for options.

CONCLUSION

Our success in achieving the above largely depends upon an overall appreciation of and commitment to addressing the pivotal role that infrastructure whether core municipal or trade/transportation related, plays in underpinning existing and platforming new economic activity. All other decisions flow for this simple principle.

These are some of the key messages, and priority policy commitments we are hoping can be established with all levels of government, the media, public and related stakeholders.

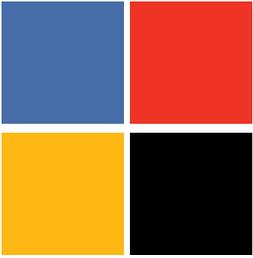
Of course, without members all would be moot. We therefore thank and ask you for your continued support.

Respectfully submitted,

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

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

President MHCA



2009 MHCA TREASURER'S REPORT

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, 2009. The financial statements for the year ended June 30, 2009, which are included in this Annual Report have been reported on by MHCA auditor, Charles Wepler, C.A. in August 2009 and were adopted by the Board of Directors on September 14, 2009.

MHCA Financial Statements – Year ended June 30, 2009

Our balance sheet is at variance with the 2008 statement. MHCA assets have been increased by \$57,662.00. This includes the following changes: a cash decrease of \$100,375.00; an accounts receivable decrease of \$10,596.00; two project specific loans granted - one to MHCTA increased by \$11,670.00 and the second to WCR&HCA Convention 2009 was repaid; a prepaid and deposit decrease of \$4,240.00; an increase in investments of \$276,761.00 and a decrease of capitalized assets of \$12,773.00. At year-end the payables on hand were increased by \$12,152.00 and deferred revenues were decreased by \$79,017.00.

The MHCA posted a net gain of \$124,527.00 which is attributable to growth in new and existing membership contributions, increased publication revenues, administrative fees charged to the WCR&HCA 2009 Convention and decreased professional expenses. The MHCA Board of Directors is budgeting for future office relocation and increased costs associated with such a move.

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, 2009

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,

Henry Borger

MHCA Secretary/Treasurer