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75 MHCA

The Heavy News Weekly

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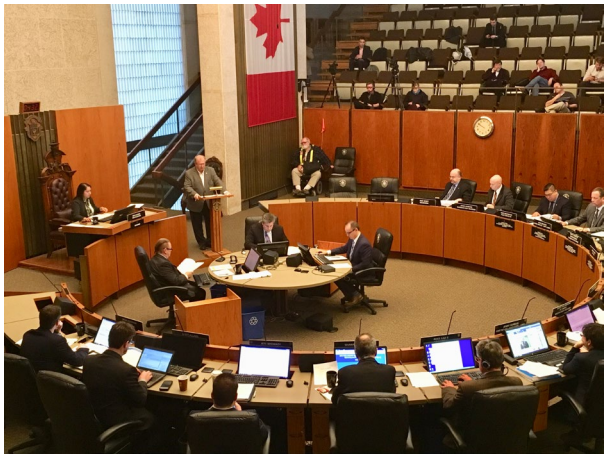
Winnipeg city council passes Budget 2018

Tough choices in operating budget illustrate need for 'new fiscal deal': MHCA



MHCA President Chris Lorenc calls for 'new fiscal deal' for municipalities at Winnipeg city council Tuesday

The City of Winnipeg has approved its operating and capital budgets for the next year, but not without some acrimony due to the hard choices that had to be made on important services.

"We understand how citizens can be concerned about city council's ability to continue to provide quality services that are justifiably expected by residents of a modern, dynamic metropolitan city that is having to compete with other cities for people and new business, nationally and globally," MHCA President Chris Lorenc says.

"The city administration, the mayor and the Chair of council's Finance committee worked hard, but had their hands tied by what is a fundamentally broken funding model that is imposed on all municipalities in Manitoba."

Lorenc spoke to the budget on council floor Tuesday. He started his address by calling upon Winnipeg city council to lead fellow municipalities into a discussion with the provincial government to change the funding model, to strike a 'new fiscal deal' that recognizes their need for diverse, progressive ways to raise revenues. This need for a new fiscal deal must become the central ballot question, in the 2018 civic election campaign, he said.

He commended the mayor and council, including Finance Chair Scott Gillingham and IRPW Chair Marty Morantz, for maintaining the commitment to increase the local and regional street renewal program by $11 million in 2018. This keeps the promise made when the 2% annual tax increases were put in place, specifically to dedicate the levy's revenues to street renewal.

But city council came up against stiff opposition on other choices it made to balance the budget, as is required by provincial legislation. Community groups criticized the stiff increase in bus fares.

Lorenc and Winnipeg Chamber of Commerce President Loren Remillard stressed that the hard choices will only be exacerbated in coming years due to the way municipalities are restricted in sourcing their revenues. Municipalities are limited in the kinds of fees and taxes they can impose – the bulk of the revenues raised comes from property taxation.

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Winnipeg Budget 2018

Revenue-sharing agreements between levels of government do not consider the growing responsibilities of municipalities. For example, each level of government takes a share of capital costs in infrastructure funding programs, but the agreements do not consider the costs of life-cycle maintenance.

Municipalities own 60% of public infrastructure, yet they receive just 8 cents of every tax dollar collected.

"We need a better deal – a new fiscal deal – between municipalities and the provincial government, one that must engage the full participation of the federal government," Lorenc said.

"The current funding model is based on a turn-of-the-century concept of how municipalities function. Today's cities must be nimble to be competitive, given an increasingly global trade platform on which they operate."

A new fiscal deal between municipalities and the provincial government must seek to:

- recognize that municipalities have a responsibility and role in strategic investment, through regional planning and collaboration in agreements that, at times, will assert regional interests over local priorities;
- recognize that infrastructure investment programs must consider balanced sharing, not limited just to its initial capital costs, but as well to life-cycle cost sharing;
- recognize that municipalities require more diverse means to raise revenues, perhaps through broader revenue-stream sharing and/or new taxation powers;
- help relieve municipalities of the need to go cap in hand to the provincial government, every year, during budget-planning season;
- lay the foundation for program sustainability, predictability and revenue certainty;
- allow governments to plan in advance to reasonably meet public needs, and to position themselves to compete in an increasingly competitive, global market;
- recognize that our strategic investments in transportation systems – our roads, public transit and active transportation facilities – are critical to positioning our communities and province, to anticipate and capitalize on emerging trade opportunities, and therefore economic growth; and
- recognize that the interests of one taxpayer are paramount, in any such new arrangement

Holiday Office Hours

The MHCA will be closed for the holidays at 12 pm December 22, reopening January 3 at 8 am

WORKSAFELY™ director and the safety advisors are available during this period and can be reached on their cell phones

Merry Christmas

75 MHCA™ presents

ANNUAL CURLING CLASSIC

THURSDAY, JANUARY 25, 2018
The Heather Curling Club
120 Youville Street,
Winnipeg, MB R2H 2S1

REGISTRATION

For a full day of curling, networking, and good eats:
$250+GST per team or $62.50+GST per individual

Company: _____

Contact Person: _____ Tel: _____

Please invoice (members only): _____

Visa/MC/AMEX: _____ Exp. Date: _____ Security code: _____

Card Holder: _____

Signature: _____

I would like to enter a team of four (4) curlers: _____

I would like to enter as a single player: _____

I only plan to attend the luncheon ($40+GST): _____

SPONSORSHIP

For $275+GST, your company can sponsor one of the following event areas - please mark one:

- ☐ Ice Sheet (8 spots available)
- ☐ Hog Line Contest
- ☐ Morning Coffee & Muffins station

Your sponsorship will include:

- Corporate signage at the end of the sheet of ice for the whole day
- Sponsorship announcement and recognition at lunch time
- A 'Thank You' recognition in MHCA's *Heavy News Weekly* and website

Company: _____

Contact Person: _____ Tel: _____

Please invoice (members only): _____

Visa/MC/AMEX: _____ Exp. Date: _____ Security code: _____

Card Holder: _____

Signature: _____

Fill out this form in full and fax to the MHCA office at 204-943-2279.
For more information, contact Christine Miller at christine@mhca.mb.ca or 204-947-1379.
As per MHCA Board policy, only registrations cancelled at least six (6) business days prior to the commencement of this event will be refunded.

Industry responds to Pallister government's proposed Green Plan

MHCA members discuss impact with Sustainable Development officials

A number of proposed initiatives in Manitoba's proposed Climate and Green Plan would have considerable impact on the cost and manner in which the heavy construction industry now does business, MHCA members told officials with the Sustainable Development department this week.

"The heavy construction industry recognizes its role and responsibility in reducing the carbon footprint of the province, in the move to cut greenhouse gas emissions," MHCA President Chris Lorenc stressed Thursday.

But the Green Plan talks about some initiatives that are not easily adopted, at least not in all locations of the province.

"We want the government to understand that a number of proposals they've put on the table will carry significant cost, and some of them are not practical as yet, given the nature of some of the locations and climate our industry is working in."

The MHCA has refined its discussion paper on the proposed carbon tax, which is to be applied at the pump in 2018, and other possible elements to the Green Plan.

A number of initiatives proposed in the Green Plan have significant implications, reaching beyond routine operating costs.

The initiatives that, if adopted, would directly affect the heavy construction industry are:

- Raising the price per litre for diesel, at the pump, by 6.7 cents immediately, through to and including in 2022, when it will be reviewed for adjustment
- Carbon taxes on natural gas and on gasoline will have implications in various operations of the industry companies, as well
- Raising the provincial biodiesel mandate to 5%, from the current 2%
- Innovation in trucking design for greater fuel-efficiency
- Complying with a new national clean fuel standard, to be set by Ottawa, that would involve advancing clean fuels over and above the biofuel mandates
- Encouraging the federal government to improve the accelerated capital cost allowance for new, fuel-efficient truck and engine replacement
- Integrating the impacts of climate change into the full life-cycle of infrastructure, including design, planning and management
- Sustained dedication of new funding for green infrastructure project priorities, to enhance the resilience of infrastructure against climate change pressures

The MHCA presented a number of possible initiatives the province could bring, to assist in reducing the industry's GHG emissions and to help the industry adjust to the measures that may come, especially in regards to the recycling of revenues raised by the carbon tax.

Suggestions include:

- Phasing in any mandate/procurement policy for industry adoption of new engine technologies to ensure proven performance of industry vehicles and machines; performance reliability in remote and colder climate zones is especially important
- Capital cost allowance must be addressed within federal tax regime
- increasing the rate of depreciation is a reasonable response to the expectations of industry, specifically for small businesses, when imposing additional risk on operators, especially those who are 'early adopters' of new technology
- Applying a universal carbon tax at the pump on diesel acts as a disincentive to early adoption of new engine technologies, which have a higher cost than current technology; consider a carbon tax based on fuel consumption by 'early adopters' of new engine technologies
- Exempt anti-idling devices from PST; encourage federal government toward GST exemption
- The federal government has set precedent in accelerating depreciation of new, greener technologies and equipment as an incentive to adoption by other industry categories. It is reasonable to apply similar treatment to Tier 4 Final technology for heavy construction industry companies

The MHCA discussion paper also speaks to the need to improve procurement policies and practices – such as larger packaging of construction projects, to reduce expense/disruption of mobilization and demobilization at work sites – and to the design of transportation infrastructure to reduce traffic jams or idling of vehicles at intersections.

The heavy construction industry has increasingly used recycled materials in the production, for example, of asphalt and engine oil. Assessing PST on these recycled materials is counterproductive to incenting such stewardship, and should be removed.

Importantly, medium- and high-quality aggregate resources must be against sterilization in the face of pressure from other land-use developments. The proximity of pits and quarries in the Capital Region has resulted in considerable savings to greenhouse gas emissions and in costs of infrastructure projects – the bulk of which happen in and around Winnipeg – over the years.

Lorenc said the MHCA will now engage with relevant government ministers and senior political officials to ensure the industry has good input on the plan, including consideration of specific programs and initiatives that make meaningful reductions to the GHC emissions while protecting industry competitiveness and the economy.

75 in 2018

For the last 75 years, the members of MHCA have played a very important role in shaping our province. Help us in celebrating this commemorative anniversary by sharing your company photos and stories. History is meant to be shared, so let us highlight your company`s key memories.

Do you have something to share? Please email Katie Pfeiffer at katherine@mhca.mb.ca

Thank you,

Greg Orbanski
Chair, MHCA

Chris Lorenc
President, MHCA

Canadian Construction Association

Wave of construction worker turnover expected for 2018

Jillian Morgan, On-Site Magazine, December 6

Business owners will face an employee retention crisis in the new year, warns Hays Canada.

The recruiting agency's eighth annual salary guide, released on Nov. 30, paints an unfavourable picture of the Canadian labour force – overworked and underpaid as a result of contingent staff hires and negligible pay raises – despite a year of growth for businesses across the country.

For the construction industry, a skills shortage and aging workforce present other challenges, said Soley Soucie, Eastern Canada division director at Hays.

"You've got a combination of not a lot of people coming up through the ranks as well as the retirement conundrum happening," said Soucie.

A skills shortage in Canada, reported by three quarters of survey respondents, has resulted in stressed staff and increased inefficiencies, errors or accidents. Failure to keep up with demands and expectations at a corporate level, and offer readjustments to secure new talent, risk stretched budgets and impacted morale for construction businesses, said Soucie.

The solution? Staff succession planning – information most businesses already have, said Soucie. Construction businesses need to plan for the up-and-comers who shadow and learn from top staff in order to better prepare for departures.

In a hot market with abundance of opportunity, skilled workers have limited tolerance for job dissatisfaction. Hays found 90% of survey respondents would jump at a more competitive job offer.

For construction businesses, it's common to lose labour prematurely. When projects near completion, most employees look for other opportunities. Soucie recommends open communication of the company's strategic plans, and of projects coming down the pipeline.

"If you win a project and you don't have the people to deliver on the project, or if you're in the middle of a project and you lose somebody, what happens?" said Soucie. "When they find a candidate that meets the skills of the project, [the business needs] to make sure that they're willing to move fast to hire."

To avoid a revolving door of workers, businesses need to engage employees early on in their career.

"We've been doing this for a long time in Canada, and while salary is definitely important, it's not the only thing that motivates people," said Rowan O'Grady, president of Hays Canada. "On-the-job training tops the list of what people want and employers who make this type of investment build smart, stable teams while potentially inspiring loyalty."

Candidates want the opportunity to grow a career in construction, said Soucie. Capitalizing on those individuals will improve retention rates.

Business confidence is at pre-recession levels, according to the survey. And more than one third of respondents plan to hire permanent staff in the coming year. The survey also found that many businesses are amenable to workplace changes that will prevent staff churn, such as the ability to work from home, additional training and improvements to company culture.

Look back to set 2018's health and safety goals

WORKSAFELY™ Back to You with Don Hurst

The end of year presents the perfect opportunity to reflect on accomplishments achieved through your safety and health program. Looking back on safety performance in the last year can help set goals for 2018. Is your safety and health program as robust as you would like it to be?

Where are you now as a company in health and safety, and where do you want to be this time next year?

Items to review are:

- Your health and safety policy; it should be the basis of your company's safety and health action plan.
- Do your employees have the training they require?
- Are you monitoring progress – for example, by inspecting the workplace regularly or investigating accidents or 'near misses' – to learn from your mistakes?
- Have you set a date to review your safety and health performance against your plans?

Remember, your advisor is an excellent resource for you when reviewing your safety and health program. Please contact your regional advisor for any questions you may have, or for any training you may require. WORKSAFELY™ is here to assist your company to go from 'good to great' for safety performance.

KNOW YOUR WORKSAFELY™ TEAM

Don Hurst, B.A., M.A. (Econ.)
Director, WORKSAFELY™ Education and Training
E: don@mhca.mb.ca T: 204-594-9051 C: 204-291-4740

Ed Gregory, NCSO, OH&S Cert.
WORKSAFELY™ Safety Advisor, Southern Region
E: ed@mhca.mb.ca T: 204-594-9058 C: 204-227-6932

Randy Olynick, CRSP
WORKSAFELY™ Safety Advisor, Eastern Region
E: randy@mhca.mb.ca T: 204-594-9057 C: 204-295-3876

Trevor Shwaluk, B.P.E
WORKSAFELY™ Safety Advisor, Central Region
E: trevor@mhca.mb.ca T: 204-594-9061 C: 204-871-0812

Dave McPherson
WORKSAFELY™ Safety Advisor, Northern Region
E: dave@mhca.mb.ca C: 204-271-2088

Phil McDaniel, OH&S Cert., P. GSC, NCSO, CRM
COR™ Program Development & Quality Control Advisor
E: phil@mhca.mb.ca T: 204-594-9059 C: 204-997-5205

Jackie Jones, CAE
WORKSAFELY™ COR™ Program, Education and Training Advisor
E: jackie@mhca.mb.ca T: 204-594-9054 C:204-509-0384

Sarah Craig, OH&S Cert.
WORKSAFELY™ Client Services Advisor
E: sarah@mhca.mb.ca T: 204-594-9060 C: 204-979-3971

Kristen Ranson
WORKSAFELY™ Administrative Assistant
E: kristen@mhca.mb.ca T:204-594-9056 C:204-330-3520

Gerry McCombie
WORKSAFELY™ Safety Advisor, Western Region
E: gerry@mhca.mb.ca C: 204-720-3362

To contact your WORKSAFELY™ advisor assigned to your area, please see mhca.mb.ca/worksafely/know-your-advisor

Heavy Santa comes to town

The MHCA's Heavy Santa visited David Livingstone School December 8 to meet with all the good little boys and girls.

The school's gymnasium was decorated with Christmas trees, snow men and snow flakes. Piles of presents were waiting behind Santa's chair. As the staff handed out pizza and goody bags, the kids sang Christmas carols and everyone was gathered waiting for Santa's arrival.

Soon enough, the jingle of sleigh bells could be heard ringing through the gym, and a boisterous "Ho, ho, ho!" let all the students know that Santa Clause had arrived.

Everyone cheered as Santa came down the stairs. They kids lined up patiently to talk to Santa and receive their own Christmas gifts.

Once every student had sat with Santa, it was time to open their presents. A flurry of wrapping paper and screams of joy exploded throughout the gym as Hot Wheels, toy trucks, castles, dress-up kits, Barbies, toy vet kits, toy instruments and kinetic sand play sets were unwrapped.

After all of the excitement, Santa had one more gift for the school, two Chromebooks for the library, which were presented to Principal Tim Fox.

The students all thanked Santa and the MHCA again before filing out of the gym with their new gifts in tow. It was a wonderful afternoon for everyone involved.