December 22, 2017

75 MHCA

The Heavy News Weekly

INSIDE:

Province's books show reduced core infrastructure investment for 2017/18

The provincial government's latest financial report indicates the province is on track to invest significantly less in core infrastructure for the period ending March 31, 2018, in both the highways capital and the municipal & local infrastructure programs.

"We are very concerned about the numbers we are seeing, to date," MHCA President Chris Lorenc said Thursday. Lorenc was referring to the Manitoba 2017/18 Second Quarter Report covering budget period April to September 2017.

"Having said that, the report covers expenditures ending September 30, 2017 and so we remain hopeful, and strongly encourage the provincial government to make every effort to keep the investment commitments laid out in the budget when it was released last spring," said Lorenc.

The 2nd quarterly report of the provincial revenues and expenditures indicates that highways capital investment is forecasted to come in at $478 million at the end of the fiscal year, March 31, 2018. That would be some $32 million less than was estimated in the provincial budget. In total, Manitoba Infrastructure is forecasted to underspend its capital budget, including water-related infrastructure, by $40 million.

Further, in the area of municipal and local infrastructure, the latest financial report shows that the forecast sits at $209 million in expenditures, or $61 million less than was estimated in the budget.

"The MHCA will be asking political and department officials for clarification of the investment commitment and program intentions, for the remaining months left to this fiscal year," Lorenc said.

That discussion will include the need to return to the more broadly accepted definition of strategic 'core' infrastructure – namely, roads, highways, bridges and water and sewer – reflecting the fact that the investment in those areas has a verifiable, and highest return on investment to the economy, he noted.

"We are concerned that the definition of 'strategic infrastructure' has been so widely expanded as to dilute the value of a strategic investment focus associated with core infrastructure."

New fiscal deal should be 2018 ballot question

Chris Lorenc, Winnipeg Free Press, December 15

Winnipeg's 2018 budget passed December 12, but not without some acrimony. The fact is that hard decisions were made – sort of like a "Sophie's choice" budget exercise that forced the city against a wall, trying to balance the needs of a number of critical services against very limited revenues.

Setting priorities is a basic budgeting task. But fundamentally, the tough choices city council was forced to make illustrate that Manitoba's largest city and all municipalities are at the point of trading off one vital service against another.

The truth is, municipalities simply cannot raise revenues sufficient to the task, because as creatures of the province, their hands are tied by an antiquated revenue model.

It is time to change the model. Mayor Brian Bowman and Winnipeg's city councillors should lead a partnership with the Association of Manitoba Municipalities along with the many stakeholders in the business community who have long held the view that Manitoba municipalities need to strike a new fiscal deal with the provincial government. That new deal must also involve the full participation of the federal government.

This partnership of common public best interests should lay the groundwork to make the imperatives of a new fiscal deal the key ballot question across all municipal elections in 2018.

What should be obvious to any impartial observer of municipal fiscal governance is that our towns and cities are working off a turn-of-the-century model which, in fact, has not worked for decades. This model now sees municipalities receiving only eight cents of every tax dollar raised, while their ownership of public infrastructure has skyrocketed to more than 60 per cent.

Every year at budget time, Winnipeg and Manitoba's municipalities are forced to decide which vital services will see the required investments — and which, once more, are told "not this year."

That will not change unless we repair the broken relationship that exists now between levels of government. Municipalities are forced to operate within an antiquated revenue model that limits their sources of revenue. And that model cannot meet the task our cities face as they operate on new economic platforms and must be able to pivot quickly to respond to the pressures of shifting global economic and trade realities.

It simply is not sufficient today to tie the bulk of municipal revenues to property taxation, which shoulders the substantial burden for the operating budget.

We saw, in the 2018 preliminary budgets, the juggling game that must be played to compensate for the lack of revenues against the weight of the demands, including those of priority areas such as transit or core infrastructure.

How can those needs be met by a modern, metropolitan city? We need a new fiscal deal whose basic elements in protecting the interests of one taxpayer should:

- Recognize that infrastructure investment programs must consider balanced sharing, not just of initial capital costs, but for life-cycle costs, as well;
- Recognize that municipalities require diverse means to raise revenues, perhaps through broader revenue-stream sharing and/or new taxation powers;
- Compel municipalities to work together, putting regional interests ahead of local priorities for the greater good of the economy; and,
- Lay the foundation for program sustainability, predictability and revenue certainty.

We support the mayor and executive policy committee's direction to the chief financial officer, to examine multi-year budgeting, to conduct core-service reviews, to challenge existing service-delivery models to manage and contain expenditures and to explore new revenue streams within the city's existing legal capacity. Reviewing "legal capacity" must also be part of a "new fiscal deal" discussion.

This is not a new problem; in fact, some saw this coming 80 years ago. In 1937, then-mayor Frederick Warriner petitioned the federal Royal Commission on Dominion Relations, asking for a re-write of "the extremely unsatisfactory financial conditions under which Winnipeg operates as a municipality required by provincial statute to maintain certain services and given only restricted revenues for the purpose of financing said services."

In 1961, the Blake-Goldenberg Report on metro financing suggested that the 12 municipalities in Greater Winnipeg introduce a gas tax or a tax on vehicle registration to fund streets.

In 1974, the Federation of Canadian Municipalities proposed reducing municipal responsibilities, expanding revenue transfers from senior governments to municipalities and expanding the tax base of local governments.

In 2003, then-mayor Glen Murray proposed a major shift to move Winnipeg's funding away from realty taxes to growth-based taxes.

There has been plenty of foresight. Yet, today, we are still mired in an antiquated revenue model, with municipalities facing challenges never imagined by that model's framers.

If we do not address the basic weaknesses in Winnipeg's (and all municipalities') revenue capacity, all of the hard decisions made in Budget 2018 will get harder, each year.

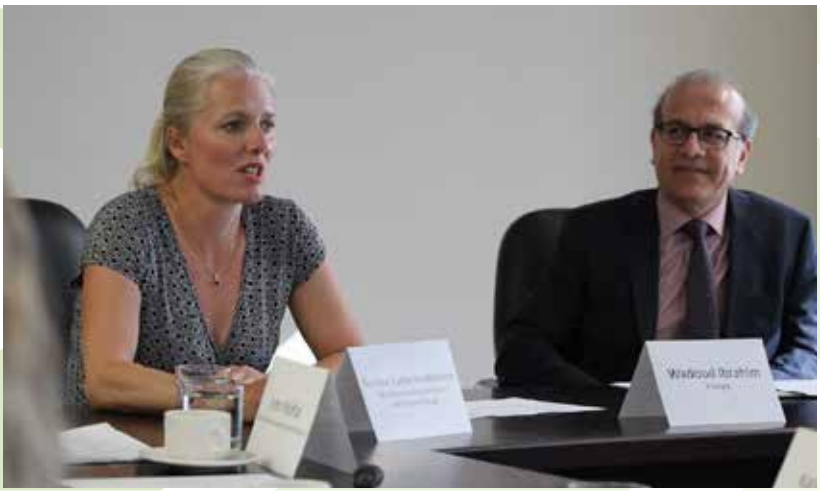
The wall we will hit is not far off.

There is no better time than now to advocate for a new fiscal deal. This should be the ballot issue as we head into the 2018 civic election.

Ottawa issues $66-M ultimatum to province

Sign on to climate deal or lose funding

Dylan Robertson, Winnipeg Free Press, December 21



Environment Minister Catherine McKenna

The federal government has given Manitoba a deadline of late February to endorse Ottawa's general climate change principles, or risk losing an estimated $66 million in funding for low-carbon retrofits, the Free Press has learned.

Environment Canada confirmed Manitoba will lose its share of the $2-billion fund if it doesn't ratify the Pan-Canadian Framework on Clean Growth and Climate Change by Feb. 28.

The department confirmed Wednesday that federal Environment Minister Catherine McKenna set the deadline in a recent letter to her provincial counterpart, Rochelle Squires. Neither the department nor Squires' office would provide the letter, citing confidentiality.

It's the latest escalation in a 12-month standoff, throughout which only Manitoba and Saskatchewan have refused to endorse the framework.

Squires said Tuesday she'd be open to supporting the framework if Ottawa moves forward "without prescribing a carbon-tax level" on Manitoba. The federal Liberals have repeatedly said the two are not linked.

The money falls under the Low Carbon Economy Fund, which is to be used for projects that make buildings more energy efficient, and store or capture carbon during agricultural processes.

Each province and territory that endorses the framework will receive a baseline of $30 million, plus an amount based on population.

Officials said Wednesday Manitoba would be allocated roughly $66 million.

Roughly three-quarters of the $2-billion fund will go to provinces and territories. The rest will go to projects, which Indigenous, not-for-profit and business groups can apply for, as well as provincial and municipal governments, if their ideas meet the goals of the fund.

Environment Canada said Wednesday if Manitoba or Saskatchewan doesn't join the framework, the funding allocated for them 12 months ago will be moved to the challenge fund.

In October, Manitoba Premier Brian Pallister proposed a carbon tax that falls short of Ottawa's 2022 target of $50 per tonne of carbon. The Manitoba plan sets a flat $25 levy, meaning it only complies with escalating federal benchmarks for the first 2.5 years.

On Monday, Squires said Manitoba won't be able to get the funding because agreeing to the framework would compel it to reach the $50 target.

Environment Canada officials said Wednesday there's no framework document that must be signed, but rather, provinces must endorse a set of principles — including the need for carbon pricing — without any set targets. They noted when the other 11 provinces and territories ratified the framework last December, none of them had a 2022 plan in place.

The high-ranking officials, who asked not to be named, said Manitoba has been diligently reporting its climate plans, despite not ratifying the framework. They said once Manitoba does so, they'll co-author a statement outlining how the province intends to help the federal government reach its 2030 emissions-reduction target, as other provinces have done.

On Wednesday, Squires repeated the province's claim that its plan will achieve greater emissions reductions than Ottawa's targets, citing scientific modelling used by Environment Canada.

"Cumulative emissions are projected to drop by more than one megatonne – 80,000 tonnes more than with the federal carbon tax," in five years, Squires wrote in an email.

"We look forward to opportunities to discuss with the federal government how the made-in-Manitoba climate and green plan will meet their climate objectives and exceed the emissions goals of the Pan-Canadian framework."

Meanwhile, McKenna made public Wednesday deadlines for when provinces' carbon levies must kick in.

She has asked the regions to implement a minimum tax of $10 per tonne by Dec. 31, 2018, but only compels them to have a levy by the next day, at $20, before escalating by $10 each year until reaching $50 in 2022.

Provinces have until either March 30 to confirm they're following a federal tax system, or Sept. 1 to announce their own plans, such as Ontario's cap-and-trade model or the British Columbia tax.

McKenna wouldn't say Wednesday whether her department has worked hard enough over the past year to get Manitoba on board, nor whether she feels Manitoba had a right to complain about its funding being in limbo.

"We will be evaluating each system. We have a backstop, and they need to meet the backstop. But we're encouraged that the (Manitoba) government announced that they are putting a price on pollution. That is the key," she said.

Merry Christmas

The MHCA office will close for the holidays at 12 pm, December 22, 2017 and reopen at 8 am, January 3, 2018.

The WORKSAFELY™ director and the safety advisors are available during this period and can be reached on their cell phones, should you have need.

From the MHCA team, have a safe, wonderful holiday.

Keystone oil leak a polarizing issue, raising questions of need

Warren Frey, December 20

A recent pipeline leak south of the border shouldn't affect Canadian construction of Keystone XL, according to a national pipeline safety association, but the pipeline remains controversial.

TransCanada Crop. shut down its original Keystone pipeline on Nov. 16 when it leaked an estimated 795,000 litres of crude oil in Marshall County, South Dakota.

After a review by the Pipeline and Hazardous Materials Safety Administration (PHMSA), TransCanada renewed service at a reduced pressure on Nov. 28.

While there is already a pipeline extending to the Canadian oilsands, the proposed Keystone XL expansion would reach from Hardisty, Alta. and Steele City, Neb. The pipeline had been a focus of political controversy under two American administrations and was opposed by environmental activists, but was approved by Nebraska regulators on Nov. 20, though not along TransCanada's preferred route.

In terms of pipeline safety, the Canadian Energy Pipeline Association (CEPA) said the November incident will not change the standards or scrutiny any pipeline project would undergo in Canada.

"Pipelines on both sides of the border are subject to strict regulations by a number of regulating bodies. Regardless of the location, pipeline operators follow rigorous rules detailing how pipelines are built, operated and retired, while always putting the environment and safety as the priority," a CEPA statement said.

The association also noted Keystone XL will be subject to the same standards as other pipelines built in Canada, whether at a federal or local level.

"Because it will cross the U.S. border, Keystone XL will be regulated by the National Energy Board and must follow the standards set by the Canadian Standards Association (CSA). Pipeline operators may also require permits from other federal, provincial or municipal bodies, including Natural Resources Canada, Environment Canada, Fisheries and Oceans Canada and Transport Canada," CEPA said.

But Adam Scott, the senior advisor for Canada for environmental advocacy organization Oil Change International, doesn't believe oil companies can manage pipeline spills at present or with future pipelines.

"Industry is always talking about specific regulations around pipeline safety, but the larger trend is that pipelines leak and leak fairly often," Scott said.

He added the Keystone pipeline has had numerous spills in a 10-year period. The existing Keystone pipeline leaked 17,000 gallons of oil onto private land in southeastern South Dakota in April 2016 and has had several minor (from two to 15 gallon) spills since 2010, along with larger incidents on May 7, 2011 in Brampton, North Dakota when 500 barrels leaked and on May 29, 2011 in Bendena, Kansas, when 50 barrels spilled.

"Keystone has shown no progress in making improvements," Scott added. "Every spill makes that more obvious."

Scott said the rise in awareness of the environmental dangers posed by pipeline incidents is in part a function of the sheer volume of oil and gas work in the last decade.

"In previous decades, people were not paying attention, but in the last 10 years, there is a growing awareness of the risks involved, primarily because there are so many projects happening at once," he explained.

CEPA did not think the pipeline incident in South Dakota would put a damper on construction and operation of pipelines or create a "chilling effect."

"It is proven and widely recognized in Canada that pipelines are the safest way to transport large volumes of oil and gas. There are currently 119,000 kilometres of transmission pipelines in Canada – enough to circle the earth almost three times – which operate safely and without incident on a daily basis. CEPA's members have been safely operating in Canada for decades and have a world-leading 99.999 per cent safety record," the association said.

When incidents do occur, the association said, "CEPA's members conduct detailed and thorough reviews of what happened, why and what can be done to prevent similar incidents from happening again."

For Scott, the safety issue isn't up for debate, it's continued use of fossil fuels that's the larger question.

"We want safety standards raised, but there's no justification for new pipelines in 2017," Scott said. "We should be using less oil.

"It's not a question of construction versus the environment; it's a bigger question of what kind of infrastructure we're building," he added. "Spills like Keystone show we can't have pipelines like that."

What was this year's big surprise?

Peter G. Hall, Vice-President and Chief Economist

"I know enough of the world now, to have almost lost the capacity of being much surprised by anything…" So wrote Dickens in David Copperfield, and it could well describe this past year. Shocks and shock-talk have become so commonplace that it would indeed be a surprise if there were no major surprises. So with a sea of surprises to select from, which one stands out?

This could easily have been the year that mounted the most significant challenge to the post-war geopolitical-economic architecture seen in that 70-year interval. The volley of European elections this year each had significant populist anti-institutional, anti-establishment, anti-1-per-cent, anti-globalization movements that threatened to gain the upper hand, throwing future architecture into limbo. In each case, the status quo gained the upper hand, preserving things…for the moment. Perhaps the surprise is that, unlike the Arab Spring, regimes weren't toppled.

On this score, no thanks goes to the US and its anti-trade bombast. In a bizarre year of leading-by-tweet and the lingering existential threat of an election-corruption scandal, US protectionism forged ahead with the moral suasion campaign against the international activities of auto-makers and appliance manufacturers, a warning shot to others with similar plans. Actions against Canada's lumber producers and the vulnerable aerospace sector, not to mention caustic words about the dairy industry, upped the isolationist ante significantly. It all looked that much more serious when in round 4 of the NAFTA renegotiations it seemed that 'poison pill' provisions really would scuttle the deal. It's no surprise that this didn't happen; America needs the deal too much. What is surprising is that it took the US business lobby so long to get active in support of NAFTA.

So much for Canada's traditional space. What about the broader world? Oil markets matter to Canada, and two significant events occurred that normally would have shaken the market significantly. First, Qatar was 'blockaded' by the its GCC community, and oil prices barely budged. Second, there was a significant regime shift in Saudi Arabia, with dire consequences for certain key leaders. Again, oil prices seemed to yawn. Africa doesn't usually top the list of surprises, but something that was not foreseen was the toppling of two long-time leaders. OK, that has happened quite a bit in the past half-century, but rarely in the way it happened this year – both Robert Mugabe in Zimbabwe and Jammeh in The Gambia were removed without a single shot fired.

For a long time – too long – India has sort of been the 'big engine that wouldn't'. Lots of potential, but not enough will or energy to overcome the significant internal obstacles to growth. Enter the Modi government, which has brought new policies into play that are helping to make India the China of the current economic cycle. Growth is already superior, and it's looking sustainably so. Two great verifications of progress occurred this year. First, Moody's gave India its first sovereign upgrade in 13 years. Second, India climbed more than 30 points on the World Bank's Ease of Doing Business Index. It still has a long way to go, but that is eye-popping progress that should lead to more.

The long list – and we could add a few more things to it – makes it hard to narrow it down to just one. But when we consider the overall picture, it's clear that eight years beyond the Great Recession, there is still a lot of disruption going on – political, social, economic, technological and military. In this there is enough uncertainty to keep the global economy in 'pause' mode. One inescapable fact is that growth has, after all these years, begun to ramp up. Cynics believe this is a 'last hurrah', and are still obsessed with the persistent negative effects of structural fissures brought on by the last decline. Even so, forecasts are, for the first time in seven years, being revised upward. Europe, of all places, is in many ways showing the most verve. And after all these years, confidence appears to be back – not just to average, but to near-record levels. We actually expected this, so what's the surprise? Perhaps that it occurred in spite of significant disruptions. But maybe the bigger surprise to us is that so many are surprised by the new growth.

The bottom line?
Anytime a new wave growth occurs, and especially after such a long lull, I marvel that it almost seems to have a life of its own, quite in spite of ourselves.

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.

Staying safe for the holidays

WORKSAFELY™ Back to You with Don Hurst

As we approach the close of 2017, I want to thank all in our industry and our staff at MHCA/WORKSAFELY™ for all your time and effort undertaken to make our workplaces safer.

The MHCA office will close for the holidays at 12 pm, December 22, 2017 and reopen at 8 am January 3, 2018. The safety advisors and I are available during this period and can be reached on our cell phones, should you have need.

From the MHCA/WORKSAFELY™ team, best wishes for a happy, healthy, and safe Christmas and Holiday season.

KNOW YOUR WORKSAFELY™ TEAM

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

Training Schedule

Construction Safety Excellence™

TO REGISTER, PLEASE CONTACT:
Kristen Ranson
kristen@mhca.mb.ca

WINNIPEG - MHCA Office
3-1680 Ellice Ave.

January 2018

15-16	**COR™ Leadership in Safety Excellence**
17	**COR™ Principles of Health & Safety Management**
18-19	**COR™ Auditor**
23	Supervisor as a Team Leader 1/2 day AM
23	Resolving Conflict in the Workplace 1/2 day PM
26	Auditor Refresher 1/2 day AM
26	Excavating & Trenching 1/2 day PM
30	Inspections 1/2 day AM
31	Investigations

February 2018

5	Safety Committee/Representative 1/2 day AM
5	Transportation of Dangerous Goods 1/2 day PM
6	Flagperson 1/2 day AM
7	★ Construction Industry Ethics (*Mandatory for Gold Seal)
12-13	**COR™ Leadership in Safety Excellence**
14	**COR™ Principles of Health & Safety Management**
15-16	**COR™ Auditor**
20-21	Traffic Control Coordinator
27	Train the Trainer – Facilitation Skills

March 2018

5	★ Verbal Communication 1/2 day AM
5	★ Written Communication 1/2 day PM
6	Preventing Musculoskeletal Injuries 1/2 day AM
6	Auditor Refresher 1/2 day PM
12-13	**COR™ Leadership in Safety Excellence**
14	**COR™ Principles of Health & Safety Management**
15-16	**COR™ Auditor**
19	Flagperson 1/2 day AM

BRANDON - St. John Ambulance
Shoppers Mall, 1570 18th St.

January 2018

There is currently no training scheduled for January

February 2018

There is currently no training scheduled for February

March 2018

There is currently no training scheduled for March

★ Leadership Certificate Program/Gold Seal

WORKSAFELY MHCA

SAFETY TALK

Protecting yourself from the cold and flu

They call it the "common cold" because it is one of the most common illnesses to humans.

What's the danger

The cold and flu are caused by viruses that constantly change so that these infections can come back and make us sick all over again.

The common cold and flu can take the form of headaches, dry mouths, sore throats, running noses and many other symptoms that cause us to miss work and school.

How to protect yourself

- Wash your hands often with soap and water or alcohol-based disposable hand wipes or gels
- Routinely clean and disinfect commonly used surfaces.
- Avoid touching your eyes, nose and mouth.
- Eat well, exercise and get a good night's sleep. Keeping your body in good physical condition is the best way to make sure your immune system can fight off viruses like the cold and flu.

How to protect others

- Cough and sneeze into the inside of your arm, not into your hands.
- If you're able to, stay home from work for the day. This will allow you to rest up while your body fights off your cold, and will prevent your colleagues from getting sick.
- If you do get a cold, you should try your best to protect your family and co-workers from getting sick as well.

Print and review this talk with your staff, sign off and file for COR™ / SECOR audit purposes.

Date: _____

Performed by: _____

Supervisor: _____

Location: _____

Concerns:

_____

_____

_____

Corrective Actions:

_____

_____

_____

Employee Name:

_____

_____

_____

_____

Employee Signature:

_____

_____

_____

_____

75 in 2018

The MHCA is turning 75 in 2018 and we're telling our story. The heavy construction industry has helped build this province, its economy and foundational infrastructure: roads, highways, bridges, and water/sewer. As part of the commemoration, which will include celebratory features throughout 2018, we are asking for your memories, your photos or any archived materials that can help tell this tale in displays at our marquee events next year.

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