



Fast

# FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES - MANITOBA

December 6, 2013

## It's Time to Change the Budget Channel

**T**he City of Winnipeg has released its proposed operational and capital budgets for 2014. As in previous years, it is hard to see the vision in this budget or the direction it is taking. Many believe there is no long-term plan guiding political decisions, but one theme does persist: business taxes (and hence scarce revenues) are lowered at the same time as expenditures needed for the sound management of the City are cut. In this budget, already scarce City of Winnipeg workers are forced to take days off without pay. Looking behind the numbers we can see that the budget is designed to continue the City on the path of increasing inequity between residents and neighbourhoods, supporting developers even when what they do is unsustainable, and excluding citizens from participation in decision-making. We've seen this movie before.

The inequity in this budget started with the design of the consultation process and can be seen throughout the capital and operating spending decisions. Most of the participants (1,040) in the so-called consultations participated in online questionnaires and simulations. In the phone survey with 600 respondents, 80% earned over \$40,000 a year. According to the most recent National Household Survey, only 57% of Winnipeg households earn over \$40,000 per year. Additionally, Councillors had to fight to have a public workshop held in the inner-city, and inner-city Councillors are almost completely (with the exception of Mike Pagtakhan) unrepresented on the Executive Policy Committee.

The community consultations, which were organized hastily, seemingly as an afterthought, had dismal attendance (34 people attended 6 consultations). The fact that the City contracted out this consultation rather than having Councillors interact with the public and debate the direction of the budget shows how closed the process really was.

The authors went to a consultation in St. Vital; there were a grand total of 4 citizens, counting us, wandering around a gymnasium with consultants eagerly waiting to talk to us. After absorbing the barrage of numbers, charts and graphs on display around the gym, we sat down to talk to one of the consultants. We had already begun to suspect that the information was being presented in such a way as to defend the status quo; the questionnaire we responded to confirmed that. Questions were designed to solicit only the most superficial of responses, with no invitation to delve into issues like poverty, climate change, urban sprawl, democratic representation or transparency. There was only one clear message: there isn't enough revenue to please everyone, so get over it and learn to live with less. Like the actual budget, there was no room for new ideas; no discussion as to how to change course; no vision.

Trying to inspire community groups and average residents to get involved in discussions about the municipal budget, with the message "the City has no money," can be an exercise in futility. The MNP phone survey revealed that respondents

there is an alternative.

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most valued the small size of Winnipeg, the nearness of amenities, community life, culture, events, and entertainment. However, because participants had to choose only one spending priority, the report goes on to state that “developing and maintaining the infrastructure, particularly the repair of roads and streets, was identified as a high priority in all components of consultation.” What then are we to do about culture, community life, amenities? What about the priorities of low income Winnipeggers, whose voices were not captured?

Although poverty, concentrated in the Inner City, is arguably Winnipeg’s greatest challenge, the budget focusses spending on the priorities of higher income and suburban residents, especially those in the South of Winnipeg. For example, about \$14m of capital funding is going to Assiniboine Park this year (in addition to a \$17m loan guarantee) while \$1m goes to Kildonan Park. In Waverly West, \$11m is committed over six years for a new library, pool and recreation facility while community groups in the West End had to spend months organizing and meeting with Civic Officials to get any sort of commitment on repairs for Sherbrook Pool (hopefully the most recent promise from the Mayor will definitively settle this issue). Transit development focuses almost exclusively on rapid transit for the south part of the City, while we remain one of the only cities in Canada without a UPass program for students, and service in the North End does not meet the needs of residents there.

The capital budget shows that our Mayor and Executive Policy Committee are willing to exchange long-term sustainability for short-term support from large developers. Winnipeg’s climate and geography makes it one of the most expensive cities in which to maintain roads, but we are spending millions of dollars expanding regional infrastructure for new development. This direction becomes even more apparent when we consider the operating budget,

where small cuts to the already tiny neighbourhood revitalization, economic development, and heritage conservation budgets will further reduce the ability of our miniscule planning department to support improvements downtown and in the Inner City. Without staff or funds to support neighbourhood revitalization, the City becomes ever more dependent on developers coming up with their own plans for the City, plans which are often at odds with the way Winnipeggers want to see their city developed.

Despite the poor showing for the public consultations, there is an appetite in Winnipeg to discuss the big issues affecting our city, to contemplate collectively the overall direction that our city will go. Though the current budget is being described as focusing on priorities of Winnipeggers, the priorities of the majority continue to be ignored.

The Canadian Centre for Policy Alternatives will change the budget channel in the spring of 2014. In true partnership with a variety of community groups, it is putting together a 2015 Alternative Municipal Budget which will be released in the spring. This budget will link together community values, vision, and spending and revenue generation to show candidates in the next municipal election that budgets can be based on increasing equity, sustainable spending decisions, and that it is possible to involve Winnipeggers in meaningful ways.

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