

BACKGROUNDER - Municipal Spending

AUGUST 2018

City of Steinbach

From 2008 to 2015, real operating spending in the City of Steinbach grew beyond the sustainable spending benchmark¹. Over the study period, real operating spending has increased by 65 per cent above its level in 2008, while population increased by 24 per cent (see Figure 1).

Between 2014 and 2015, real operating spending grew by 23 percentage points, while population increased by just 3 percentage points. According to the City, this sharp increase is largely due to a major highway construction project as well as ongoing grant funding for a new community primary care centre. It is important to note that Steinbach still has the second lowest real operating spending per capita when it is compared to other Cities and Towns.

Unsustainable spending growth over this period has cost Steinbach's residents \$16.7 million over the eight years studied, or roughly \$1,088 for every taxpayer.

As a result, Steinbach has again ranked 8th amongst Manitoba's 10 largest cities and towns on measures of sustainable spending growth in the *Manitoba Municipal Spending Watch* 4th Edition report.

Steinbach's labour spending growth has been stable at about four percentage points above the level of population growth for the last few years (see Figure 2). Even though this is among the lowest sustainability gaps² on the list, this level should be further reduced.

About the Report:

CFIB's *Manitoba Municipal Spending Watch* 4th Edition report evaluates the ability of Manitoba's 27 largest local governments to hold real operating spending to the level of population growth.

This summary is based on the full report: [Manitoba Municipal Spending Watch: 4th Edition](#).

Figure 1:

Real Operating Spending Growth, 2008 – 2015

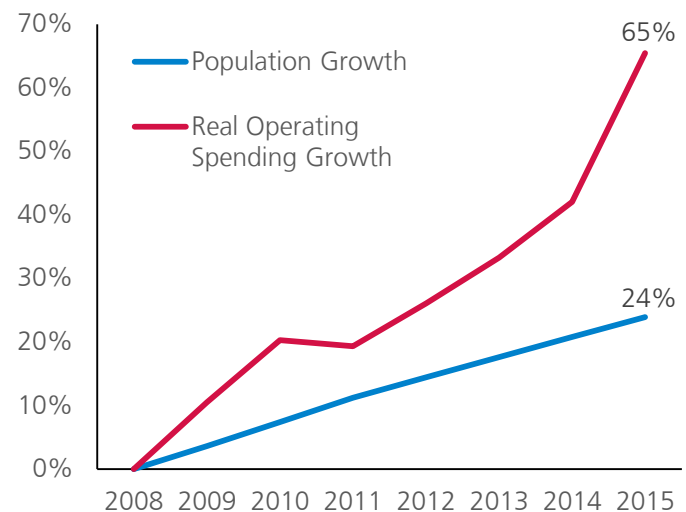
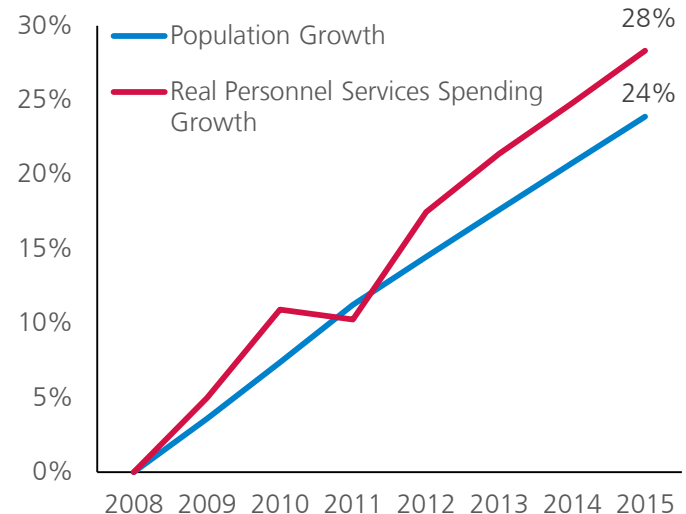


Figure 2:

Real Labour Spending Growth, 2008 - 2015



Source: City of Steinbach Annual Audited Consolidated Financial Statements 2008-2015, Manitoba Municipal Population Estimates 2008-2015 Statistics Canada.

¹ The **sustainability benchmark** allows for operating spending to grow at the level of inflation and population growth. Therefore direct comparisons can be made between real operating spending and population growth, as in Figures 1 and 2

² The **sustainability gap** is found by subtracting the percentage of population growth from the percentage of real operating spending growth above 2008 levels.