

## BACKGROUNDER - Municipal Spending

AUGUST 2018

# City of Winnipeg

The *Manitoba Municipal Spending Watch* 4<sup>th</sup> Edition reveals that the City of Winnipeg's real operating spending has declined for 2015 (see Figure 1). This is encouraging as the City's real operating spending growth has fallen from 28 per cent to 23 per cent, and its sustainability gap<sup>1</sup> has narrowed by six percentage points. This is important as overspending cost Winnipeggers \$949 Million cumulatively from 2008-2015.

A number of factors led to the decrease in Winnipeg's spending in 2015, notable examples include cost-conscious bargaining with police and firefighter unions, a reduction in labour costs through vacancy management, as well as returns on investments made to improve government efficiency.

It is good to see the City of Winnipeg beginning to spend more sustainably. We would hope that this one year improvement becomes a long-term trend so that residents and small business owners are not faced with unnecessary tax increases or cuts to capital infrastructure spending in the future.

The City of Winnipeg appears to be on the right track with tougher collective bargaining and better vacancy management. However, there is still much work to be done as real labour spending has grown by 28 per cent over the eight years studied; more than three times the sustainable growth rate (see Figure 2).

### About the Report:

CFIB's *Manitoba Municipal Spending Watch* 4<sup>th</sup> Edition 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: 4<sup>th</sup> Edition](#).

Figure 1:

### City of Winnipeg Real Operating Spending Growth, 2008 – 2015

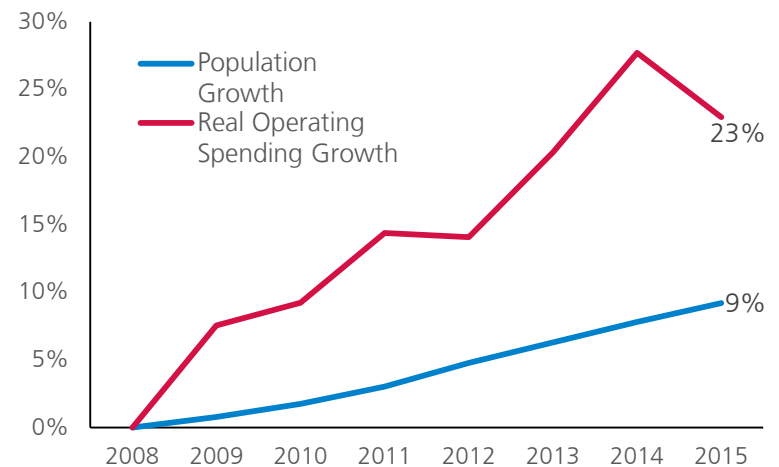
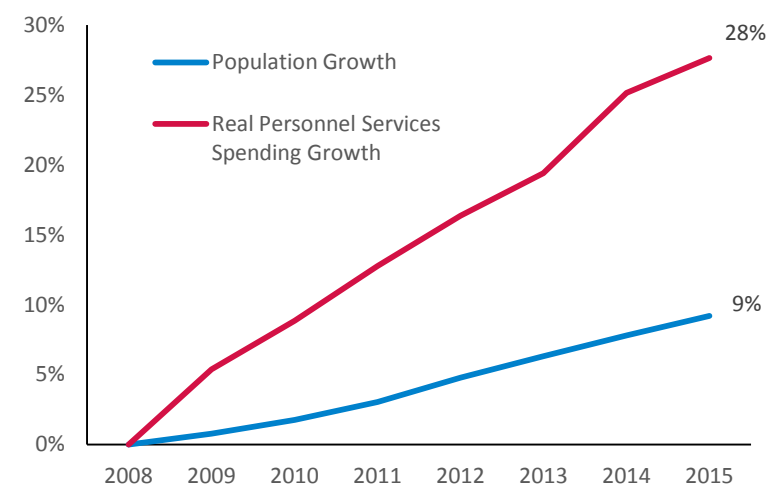


Figure 2:

### City of Winnipeg Labour Spending Growth, 2008 - 2015



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

<sup>1</sup>The **sustainability gap** is found by subtracting the percentage of population growth from the percentage of real operating spending growth above 2008 levels.