

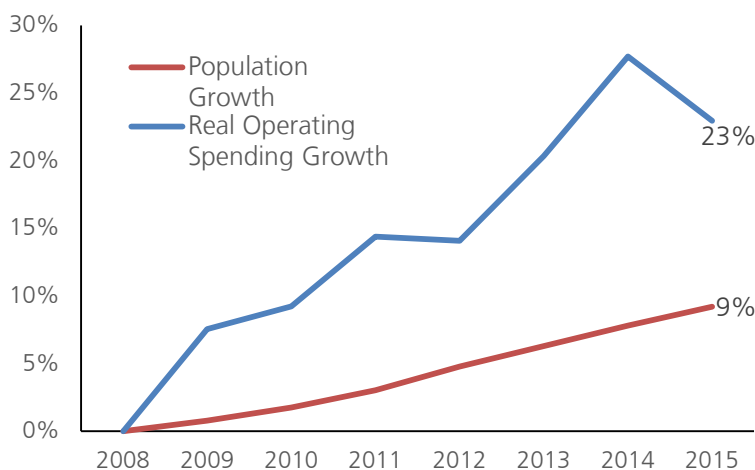
Winnipeg Municipal Election 2018: Stand Up for Local Business!

CFIB challenges Winnipeg candidates to adopt six key business policies

1. Limit Municipal Spending Growth:

Figure 1:

**City of Winnipeg Operating Spending Growth
(adjusted for inflation) vs. Population Growth, 2008–2015**



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

2. Control Municipal Wages:

What is the major driver of operating spending growth? Municipal wages and benefits.

In Winnipeg, salaries and benefits make over 60% of operating spending. Municipal employees make over 17% more than their private sector equivalents when you consider wages and benefits. Current collective bargaining and arbitration practices are a major contributing factor. While some progress has been made to curb this growth, more work is needed to find savings.

Municipal governments cannot carry deficits. That means when municipalities increase spending, businesses and residents face hikes in property taxes and fees.

Operating spending by the City of Winnipeg has outpaced inflation and population growth. From 2008 - 2015, spending grew by 23% while the population grew by just 9%. This is an expensive problem as overspending from 2008 - 2015 cost Winnipeggers nearly \$950 million! Municipalities must stop this unsustainable path and limit their annual operating spending growth to inflation and population growth.

“
Stop increasing government salaries and expenses – live within the funds collected.
”

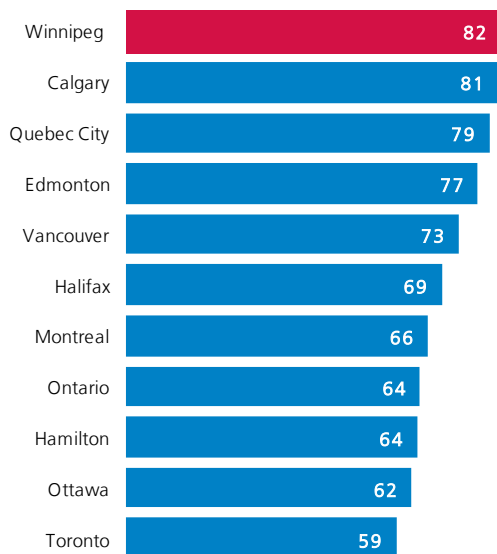
CFIB Member, Manitoba

3. Fair Property Taxes:

Figure 2:

In your community, which of the following would you like to see improved to help you business success? (Select as many as apply) (% response)

Property Tax Levels



Source: CFIB, 2017 National Survey on Municipal Issues, July 2017, n=5,573.

Manitoba businesses continue paying more than their fair share of municipal taxes. CFIB’s research of the “tax gap” between commercial and residential property rates shows that Winnipeg businesses are paying 2.87 times what residents pay for the same valued property. To make a bad situation worse, this “tax gap” doesn’t even include the Business Improvement Zone (BIZ) levies or new impact (growth) fees on new developments.

CFIB is calling on Winnipeg candidates to limit the City’s property tax gap so business owners pay a fair share.

4. Eliminate the City of Winnipeg’s Business Tax:

Winnipeg is the last major municipality in Canada to levy an additional tax on businesses. In 2018, the Winnipeg Business Tax is projected to collect \$56.9 million in additional tax revenues from businesses, without offering those businesses any additional services!

CFIB has lobbied extensively on this issue and while some success has been achieved, progress has been at a snail’s pace. In 2009, Winnipeg Business Tax was 7.75% on rental value, with a small business tax credit (threshold) on rental values at \$14,040. While the rate has decreased to 5.14% in 2018, and the threshold has increased to \$33,000, the Winnipeg Business Tax still impacts over half of all businesses in the City. It is time for a clear plan to get rid of this tax once and for all!

5. Reduce Red Tape:



The administration interprets bylaws differently than intended by the elected officials. This means we have to apply for variances when we should not have to. This is a cost in both time and money. There is very little, if any attempt by the administration to look at alternatives to make things work. They are deal breakers instead of deal makers.



CFIB Member, Winnipeg

Red tape costs Manitoba's businesses nearly \$1.2 billion each year. After all, time is money.

Municipal red tape is no exception, so CFIB is challenging Winnipeg candidates to follow the leads of the Government of Manitoba and the Halifax Regional Municipality by taking concrete steps to reduce red tape including:

- Measure service standards and regulatory loads;
- Limit red tape growth;
- Create areas for feedback; and
- Create a director of service excellence and red tape control.

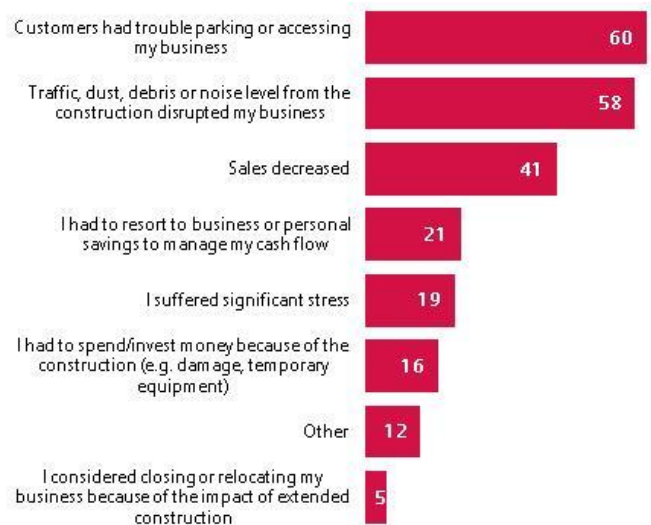
6. Construction Mitigation:

While necessary, construction projects can be very disruptive to local businesses. This is certainly the case in Winnipeg as roads and sidewalks are being shut down, deadlines extended, signs blocked, and debris and noise problems scare away customers. These disruptions often lead to added stress for owners.

Municipalities need to develop a construction mitigation strategy that contains compensation measures for those businesses most severely affected by local construction projects. The City of Montreal has already accepted CFIB's recommendations.

Figure 3:

How were you and/or your business affected during the last five years? (Select as many as apply) (% response)



Source: CFIB, 2017 National Survey on Municipal Issues, July 2017, Manitoba results, n=83.