



MANITOBA HEAVY CONSTRUCTION ASSOCIATION (MHCA)
Unit #3-1680 Ellice Avenue, Winnipeg, Manitoba, R3H 0Z2

January 12, 2023

Memo to: Mayor Scott Gillingham and all members of Winnipeg City Council

Form: Chris Lorenc, B.A., LL.B., President & CEO

Subject: **Strategic Planning Session - Invest to Grow Strategy**

Good afternoon Mr. Mayor and all members of Council.

Strategic Planning Session - Invest to Grow Strategy

We applaud the determination to meet away from the city in a multi-day strategic planning session. That bodes well for cohesion and governance.

We know you will have many materials to consider in advance of and at your deliberations but do wish to in succinct form to suggest six areas for your reflection.

Fundamental Proposition

The MHCA anchors its advocacy to two fundamental propositions. The *first* is that **Growing the Economy is Job #1** for each level of government. The *second* is that budgets should be socially progressive and environmentally responsible.

Six Priority Area Recommendations

Addressing our social challenges - crime, addiction, homelessness - is widely regarded as the pressing societal priority. The MHCA agrees. This priority requires immediate and coordinated civic and senior level of government attention and investment. In the long term they will also require financial resources derived from growth. The below are suggested for your consideration to support an *invest to grow* strategy.

1. Enhance the Manager of Economic Development position

- a. Level equivalent of CFO or COO reporting to SPC on Finance, Innovation & Economic Development
- b. View all city capital programs as investments through an economic growth lens

2. New Fiscal Deal

- a. Press to negotiate a *new fiscal deal* with the provincial and, by extension, federal governments. All municipalities are burdened by limited revenue streams, created at the turn of the century, which are inadequate to the vastly broadened civic mandate.

3. Annual & Five-Year Operating Budget

The MHCA supported the development of the four-year operating budget. We submit the next logical step is an annual and five-year operating budget. This enables in sync long-term fiscal consideration of operating and capital planning challenges and opportunities.

4. Establish a Treasury Board Secretariat

- a. Serves not just as a clearinghouse for financial and fiscal considerations but allows for
 - i. coordination of fiscal policy development and strategies
 - ii. oversight of reporting and accountability, department-wide

5. Establish a Research Branch

- a. Responsible to the elected branch and independent of administration
- b. Establishes an independent venue to research policy directions and options

- c. Helps create healthy and objective policy development, amid competing demands
 - d. Provides for checks and balances
- 6. Our economy rides on roads**
- Roads move people to jobs and products to market. And *if you can't move it, you can't sell it*. This collective reality is why public investment in transportation infrastructure shows amongst the highest return to GDP.
- a. Update the Local & Regional Street System condition & needs assessment.**
 - i. Ensure a sustainable funding model outcome
 - ii. *Keep the deal* – maintain the dedicated tax to the L&R Street Renewal Program
 - iii. The dedicated tax, a total 2%, was implemented in 2013 and 2014 to improve our local and regional streets.
 - iv. While the plan has drifted from a number of its elements (ie. use of frontage levies to replace a portion of the 2%), its intent and application remain critical to our transportation network. The revenues must continue to be dedicated to street renewal.
 - v. Press for successor and sustainable funding agreements with senior levels of government
 - b. Develop a detailed strategic transportation infrastructure investment plan.**
 - i. Prioritize projects that will provide the best ROI to GDP

An *invest to grow* strategy can serve as the backbone not just to prudent financial stewardship for the next operating and capital budget cycles but to enable flexible municipal fiscal power.

There are many more topics for consideration. We hope the above are helpful in your deliberations.

We wish you successful planning.

Regards,



Chris Lorenc, B.A., LL.B.,
President & CEO

cc. MHCA Board of Directors