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From: Ron Glen <ron.glen@arhca.ab.ca>
Sent: February 07, 2020 1:47 PM
To: walmsley@abnorth.com
Subject: Provincial Budget Update



Provincial Budget Update

February 7, 2020

Dear ARHCA Members:

There is no question that the Provincial Budget presented last October was a shock to industry. Although we expected a government elected on a fiscal platform would exercise restraint in spending, the cuts to highway construction and rehabilitation and maintenance are disproportional to the contributions of other departments.

It is also hard to find any winners in the Government's strategy towards capital spending. As the front-line defense of the \$70 billion Alberta highway network, we know that cuts to maintenance and rehab will lead to further diminishment of the quality of Alberta highways. The inevitable rush to catch up a few years down the line will only cost taxpayers more, and in the short-term cost construction workers their jobs, and cost Alberta businesses and the rural communities where we spend on services and supplies for our crews lost revenue and opportunity. From our perspective we are frustrated by what we see as a strategy that defies good business decisions.

Since that Budget was presented in October, the ARHCA Board has taken actions to ensure the Associations' activities are laser focused on the advocating for investment in infrastructure. This is the top priority of our Membership for the remaining term of this government. I believe this can be done because we have financial logic and public sentiment on our side. We also have a government that believes in the private sector and desires to make the right business decisions. A strong voice of industry can help them do the right thing.

What We're Doing About It

The Board has recruited senior leaders from all sectors and sizes of companies in our industry to participate in the lobbying of Government MLAs and Cabinet members on behalf of the industry. This new Government Relations Committee will guide our interactions with the political leadership of the Government and our Public Relations Advocacy campaign that takes our story to the people of Alberta so they in turn encourage their elected representatives to make better decisions.

On Tuesday February 4 a delegation of the GR Committee met with the Hon. Ric McIver Minister of Transportation and his new Deputy Minister Rae-Ann Lageunesse. The Minister is concerned about the deterioration of the highways and is willing to work with us on many of the issues that create unnecessary costs, risk transfer and uncertainty so that industry can deliver better value and reduce the incidence of claims.

The Government is committed to balancing the Provincial Budget over three years and he was clear that the Budget cuts in the October 2019 Budget will not be reversed in the upcoming Budget expected in February or March 2020. We advised

that ARHCA will be communicating with other Cabinet and Caucus MLAs to explain our position and work towards reinvesting in infrastructure as soon as possible.

The best way to persuade leaders is to meet in person, as partners who want to help. The GR Committee will be coordinating the creation of materials that members can use in direct communication with MLAs. We will be reaching out to the Membership to rebuild our political clout by asking for volunteers to meet with their MLAs to be their source of information and learning about the industry.

Getting the Government to make the changes we recommend will take time, resources and a lot of effort. This is a marathon not a sprint.

Facing Up to Challenges

Just as we need to increase our effort on behalf of the industry, the Association is also facing the challenge of doing more with less. I know there is hurt out there, it is reflected in the drop in our Membership and in the attendance at our events. As a non-profit association all our operating funds come from you, the Members through dues and sponsorship of events.

We are dealing with lower revenues just like everyone else and are leaving no stone unturned in every expense and vendor contract. At the March Board meeting, the Board of Directors will be considering actions to ensure the viability of the Association over the next five years. Some difficult decisions will need to be made.

Other decisions are not difficult, but they will take time to implement as prior commitments expire. We will be right sizing events in terms of venue choices, but we will not sacrifice on the experience and quality of events to members. For example, this year ARHCA will host four golf tournaments rather than six. There

will be one in each of Lethbridge, Calgary, Edmonton and Grand Prairie. They will be at the best clubs and with the help of our sponsors the experience will be ever better.

To get your feedback on what is important to you, there will be a number of short surveys going out in the next few months so we can make the best choices respecting events like our annual convention. You don't have to wait for a survey to provide opinion. Please free to drop me a line anytime at ron.glen@arhca.ab.ca

Communicating With You

One change that you will begin to notice right away is the frequency and relevance of our communications with you. We are modernizing our technology and making changes to our organizational structure to deliver on the Board's Strategic Plan.

I am very happy to announce that we have hired a professional Communications Manager to provide a strategic approach to our engagement with members and the public. Rae Thygesen will start at the ARHCA office next week. More introductions on staffing to follow in my next letter.

Together We're Stronger

Thank you for continuing to support your association. I know these are lean times and every nickel counts to keep the lights on. And the competition is fierce out there. Only our combined and unified support for our common interest represented by the association will make a difference to any one of us.

Although we have to live in the present, this is Alberta and we have to believe better days are ahead.

Thank you for your support and we'll keep up the good fight together.

Yours truly,

Ron Glen

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