STANDING COMMITTEE ON FISCAL ISSUES

QUESTION PERIOD

Minute No. 772
Councillor Swandel questioned if there were any other mechanisms, besides using the reserves or raising taxes, to address possible future fiscal problems, to which Councillor Clement replied in the negative.

Councillor Wyatt noted the predicated budget shortfalls for the 2005 and 2006 budget years and stated that since it was known that costs were going up, was the Standing Committee on Fiscal Issues going forward on the basis of formulating a budget based on a tax freeze or was Committee contemplating an inflation based tax increase to. which Councillor Clement advised that the issue had not been finalized.

Councillor Wyatt requested clarification on whether or not there has been instruction given by the Chairperson or members of EPC to the administration to work on bringing forward a budget based on a 0% tax increase, to which Councillor Clement noted that the administration starts dealing with the budget as far back as July and August, but there had been no direction from Fiscal Issues in regards to this issue.

Councillor Wyatt further questioned if any direction had been given to the administration to bring forward the budget based on the promise made to continue the business tax cut city-wide.

Councillor Clement advised that there haven't been any discussions and noted that the Mayor's program was to reduce the business taxes in the core area or the downtown by a percentage last year and to bring everyone else in step with that reduction by 2007.

Councillor Wyatt noted the report before Council in regards to Deficit Avoidance and cited a budget variance of $3.2 million for the Winnipeg Police Services. He questioned if the costs for Operation Clean Sweep were included in this budget variance to which Councillor Clement advised it would be in next year's budget.

Councillor Wyatt requested some background on service based budgeting to which Councillor Clement noted that service based budgeting had existed for some time and that the goal was to try to project numbers that were as accurate as possible.

Councillor Swandel questioned if there were any ongoing conversations with the Province about increased revenues from the Province to the City to help with infrastructure issues, to which Councillor Clement noted that he was not privy to discussions with the Province.