2002 Local Improvement Interest Rates
File SL-1 (Vol. 21)

3. The Executive Policy Committee has been advised that Section 357 of The City of Winnipeg Act states that when local improvements are financed by means other than issuing debentures, the City Treasurer shall determine the appropriate rates of interest and the interest rates are to be authorized by resolution of Council.

Section 380 of The City of Winnipeg Act states that the City may establish the interest rates for local improvement assessment at up to 1% above the City's cost of funds to cover the costs of assessment and collection.

For many years all local improvements have been financed through the General Reserve Fund and it is appropriate that the 2002 interest rates be established before the end of 2001.

There is no financial impact as the interest rates set for financing local improvements through the General Reserve provide for the recovery of the City's cost of capital and assessment and collection costs.

The Executive Policy Committee recommends:

I. That the interest rates for local improvements in 2002 be established as follows:

Term	Current Market Interest Rate	Amount Added for Assessment and Collection	Total Interest Rate for Assessment
2 – 5 years	5.00%	1%	6.00%
6 – 15 years	6.00%	1%	7.00%
16 – 20 years	6.60%	1%	7.60%

II. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.