STANDING POLICY COMMITTEE ON FINANCE

QUESTION PERIOD

Minute No. 573
Councillor Vandal questioned if the matter of borrowing half a billion dollars for capital improvements across the City of Winnipeg was being seriously considered by the Executive Policy Committee for the upcoming Capital Budget.

Councillor Swandel noted that a number of issues were being considered in the Capital Budget and that it would be inappropriate to comment on whether that was part of the process at this time.

Councillor Vandal noted that the other side of the coin to borrowing that amount of money was the ability to service the interest that would be created and inquired if a property tax increase would be considered as part of the operating side as a solution to service the extra interest.

Councillor Swandel acknowledged that property tax increases could be looked at for revenue but stated that this would not get into the realm of solving the infrastructure problems or servicing the interest on debt.

In reference to the operating costs of $30 million for the new waste and water upgrades, which were mentioned previously, Councillor Steeves stated that while in all likelihood funding would come from the Utility's water and waste bills, he questioned what percentage tax increase would the additional $30 million represent, if it were funded in that manner.

Councillor Swandel indicated that a property tax increase of one percent would bring revenue of about 4 million and thus a tax increase would be somewhere in the realm of 8 percent; citing that a $2,000.00 tax bill could potentially be increased by $150.00 on an annual basis to cover the operating cost.