Mayor Sam Katz and Members of the Executive Policy Committee:

As you are well aware, in the past three Operating Budgets under Mayor Katz, I have been critical primarily on two issues: one, on the lack of citizen participation throughout the budget process; and, two, the lack of vision - that is, there has been no philosophical direction taken by the Mayor, except to present a 'pro-business' budget.

This year, there was again not even a minimal attempt to involve the public in shaping this 2009 Operating Budget, as opposed to other years under former Mayors Susan Thompson and Glen Murray, when there was at least an attempt to involve citizens during this process. As I have pointed out before, under Susan Thompson, consultations included all day workshops including representatives from neighbourhoods, business, seniors, unions, and students. Mayor Glen Murray held town hall meetings across the city, where citizens were invited to give their ideas about what they felt that the Operation Budget should include. And may I remind City Council that the provincial government has expanded their citizen participation during the development of the provincial budget, where members of the NDP caucus have travelled across the province asking citizens what they think should be included in the budget. Since Mayor Sam Katz adopted the notion that the city should be run like a business, citizens don't matter anymore, regardless of whether they represent the Chamber of Commerce, small businesses or community groups and activists. How many citizens would go to a public meeting about the budget and understand the documents in front of them? But what would happen if we followed Councilor O'Shaughnessy's suggestion and had no public presentations at meetings? If it weren't for us, authoritarianism would replace democracy. Not only have I pointed this out consistently, but the City auditor has also said that the budget process is "flawed".

In regards to my second point - the lack of vision - I would like to point that when President Obama recently introduced his budget he clearly indicated that a budget isn't just a bunch of figures, but that a budget is a vision of the kind of direction that the United States must move towards. So, I was hoping that the city, in its preamble to the 2009 budget, would focus on the future of the direction that Winnipeg is going to take. Unfortunately, except for the extension to the Aboriginal Youth Strategy and the development of a new official "Plan Winnipeg" which will outline the future of the next 25 years of Winnipeg, nothing of significance is included in that preamble. In regards to the new "Plan Winnipeg", it says that it will focus on keeping the city "sustainable", but gives no hint on how that is to be achieved. For example, is Winnipeg's CAO, Glen Laubenstein's comment that "city planners are beginning to understand the connection between personal happiness and urban design" going to be included in the discussion of

the sustainability of the future of Winnipeg?

It is doubtful that the City's 2009 Operating Budget qualifies as a real budget because of uncertainties over revenues and expenditures. This budget lacks fiscal sustainability and is extremely short-sighted (property tax freeze for the past 12 years). In fact, in 3 of the 6 years that Glen Murray was Mayor, there was a decrease in property taxes. On the one hand, it relies on one-time money from reserve funds and surpluses that cannot be replaced in order to balance the budget in the future. It is projecting a deficit of $56.5 million in 2010 and $79 million in 2011.

There is no suggestion in the budget as to how the City will make up those deficits, but the fact is that Winnipeg runs the risk of either being hit with a major, shocking increase in property taxes or huge service cuts in 2010 and 2011. This approach is not only socially unsustainable but is fiscally irresponsible.

And again, there is no recognition of the need for some kind of a "New Deal" for the City of Winnipeg by recognizing that cities cannot continue to finance themselves by property and business taxes alone, in the 21st century. Cities must be recognized constitutionally as independent entities with their own taxing powers, not excluding having a portion of income tax going to cities. 80% of people live in urban areas, so there must be better fiscal arrangements made between the federal, provincial and municipal governments. There is no mention in the budget of the city receiving a greater portion of the gas tax from the federal government and VLT revenues from the provincial government, for example. And there is nothing about removing education taxes from the property tax bill. Not surprisingly, School Board Trustees who have been campaigning in the bi-election this March have suggested that education taxes should be removed from the city property tax bill and be paid for by the provincial government.

It seems to me that Mayor Katz and Executive Policy Committee are relying on the fact that maintaining a property tax freeze and providing tax relief to 3,800 business is good enough to satisfy the average citizen, in spite of the fact that significant cuts in services have occurred over the past 12 years. These cuts have included less snow clearing, less grass cutting - all small things that cumulatively add up. In the long run these cuts will have an impact on the decisions that the leadership will be forced to make after the 2010 election - whether to significantly decrease services or increase property taxes?

Thank you.

Nick Ternette is a community and political activist, freelance writer and broadcaster.