Agenda – Council – December 15, 2010

Report – Executive Policy Committee – November 17, 2010

Item No. 1 Referendum Question – Municipal Sales Tax – Infrastructure Renewal

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 17, 2010, the Executive Policy Committee submitted the following to Council:

1. That the September 22, 2010 Council Motion, pertaining to a referendum question on the 2010 Civic Election ballot, be filed.

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

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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1. That the September 22, 2010 Council Motion, pertaining to a referendum question on the 2010 Civic Election ballot, be filed.

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

COUNCIL DECISION:

On September 22, 2010, Council ruled automatic referral of the following motion to the Executive Policy Committee:

Moved by Councillor Wyatt,
Seconded by Councillor Smith,

WHEREAS it is well documented that Winnipeg's existing infrastructure deficit is, as of 2009, $380 million annually, and is growing due to the present situation of the underfunding of existing infrastructure renewal;

AND WHEREAS both the 2010 Capital and Operating Budgets, as well as the projected budgets, contain insufficient funds to address the growing infrastructure deficit;

AND WHEREAS property taxes alone cannot address the growing infrastructure deficit;

AND WHEREAS the federal government has reduced the GST by two percentage points, rather than invest such funds in the nation's crumbling infrastructure;

AND WHEREAS the provincial government continues to fully fund regional road and bridge infrastructure in every municipality in Manitoba, except for the City of Winnipeg;

AND WHEREAS the federal government currently provides municipalities with funds from the gas tax collected in Canada for infrastructure renewal, but that these funds represent less than 40% of the overall fuel taxes paid by Canadians;

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DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

AND WHEREAS the provincial government currently provides funds to Winnipeg for infrastructure renewal but that this only represents a fraction of what is required to renew existing regional roads and bridges;

AND WHEREAS Winnipeg City Council overwhelmingly passed a motion on June 24, 2009, calling "on the Province of Manitoba to fully fund the entire existing regional road and bridge system, as well as any future strategic road and bridge infrastructure, in the City of Winnipeg, to an appropriate level of condition" as they do all the other municipalities in Manitoba;

AND WHEREAS Winnipeg City Council, at the Council Meeting of November 19, 2008, working with the Association of Manitoba Municipalities, voted to support a resolution for the AMM convention calling on a province wide one percent municipal sales tax, to be distributed based on a per capita basis;

AND WHEREAS inside Winnipeg a one percent municipal sales tax, based on a per capita basis and PST rules, would raise approximately $130 million a year;

AND WHEREAS if the provincial and federal governments were to match the $130 million/year, the total of $390 million/year, if in addition to existing funding, would be sufficient to renew our existing infrastructure;

AND WHEREAS unless there are new sources of revenue for the City of Winnipeg that are dedicated and sustained over long periods of time for infrastructure renewal, Winnipeg's infrastructure will continue to collapse at an alarming rate;

AND WHEREAS the provincial balanced budget legislation requires a referendum in order to raise the Provincial Sales Tax;

THEREFORE BE IT RESOLVED that in order to live up to the spirit of the balanced budget legislation, Winnipeg City Council place on the 2010 Civic Election ballot, a yes or no referendum question that states the following:

> "Would you support the establishment of a one percent Municipal Sales Tax collected in the City of Winnipeg, and collected on the same basis as the PST, if you knew that it would be subject to the following:

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DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

a) All monies collected from such a tax would be dedicated to the renewal of EXISTING infrastructure inside Winnipeg, such as existing roads, bridges, lanes, sidewalks, curbs, parks, community clubs, recreation facilities, pools, and libraries;

b) All monies collected would be a net increase of the existing funding of our infrastructure, based on the City of Winnipeg 2010 Operating and Capital Adopted Budgets (in other words, it must be new money IN ADDITION to existing funding levels.)

c) That the Federal Government match all monies collected from the new one percent municipal sales tax, and that such monies are subject to both a) and b).

d) That the Provincial Government be required to match all monies collected from the new one percent municipal sales tax, and that such monies are subject to both a) and b).

e) That the one percent municipal sales tax, once established, cannot be increased or decreased beyond one percent, unless approved via a city wide referendum question by the citizens of Winnipeg.