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EPC - Dec 12, 2013

Options to Freeze Taxes while Investing more than City Budget in Infrastructure

1. 3 Million from year end surplus, Please see attachment on next page for a breakdown of projections. The City budget doesn't identify any surplus money from 2013 financials. I have done a extensive analysis of the last five years pick up in the last quarter of the year. On average we pick up 12.7M. This year we are 6.2m in a deficit position. If we take a 9.2M estimate which is more than 3.5 below average we will finish with three million more to move into 2014 budget.

2. 2 Million from permits reserve, close down reserve and fund any potential shortfall from Financial Stabilization Reserve, This reserve is in place to mitigate any potential shortfalls from revenue projects for permits and inspects fees. The reality is any shortfall in revenue comes off the bottom line at the end of the year in the financial status report. There is no need for this reserve to be in place

3. 1.75 Million grant to YMCA. This grant is for the potential partnership with the YMCA and other levels of government to build three facilities in Winnipeg. No MOU is signed with YMCA and other levels of government and thus delay this until 2015.

4. 2 Million addition to the vacancy management total over 2013 levels

5. 2 Million in 3 month hiring freeze. Simply do not hire for a 4 month period which will save your money

6. 2 Million Enhanced Assessment Catch Up Program. Assessment of new homes and expansions form existing property owners is sometimes up to 1.5-2yrs behind. The city does eventually get all the money from new home buyers and people that have expanded their homes but later. Assessment has confirmed that if they hire seasonal workers to catch up the work you will see a 3 fold return on investment. Target 3M of revenue minus 1M in onetime wages for net gain of 2M.

7. 3 Million operational efficiencies target for the whole city organization. This represents .003% of a 950M dollar operating budget.

TOTAL SAVINGS

15.75M

Total amount of City proposed tax increase

2.95% x 4.5M = 13.2M

Difference in my budget Proposal

400K addition to City's Police Operating budget
200K for Ethics and Accountability Office
15.75M (Scott's savings through budget options -600K (additional spending) = 15.15M

Scott's budget options	15.15M
City of Winnipeg tax increase.	13.2M
	1.95M

ADDITIONAL MONEY FOR INFRASTRUCTURE UNDER SCOTT'S PLAN WOULD BE 1.95M

Q4 Report Analysis

(All information is pulled from financial status reports tabled at Finance Committee)

I have compared the last five years of what we picked up in the last quarter of the year. One or two years data is interesting. Five years is a trend that can't be ignored.

2013 Financial status report for Sept 31, 2013. 6.2M deficit. What this means is that the City need to pick up 6.2M to come in at a balanced budget. This is the number that the budget projects with no money from surplus moving forward into 2014.

The following numbers are compiled from the last five years.

2008 Financial status update ending Sept 31, 2008. Project 3.8M surplus
Year end financial status report (Dec 31, 2008). Total 12.8M

- In 2008, we picked up 9.3M in the last quarter of the year. 12.8 - 3.8M= 9.3M

2009 Financial status update ending Sept 31, 2009. Projected 3.4M deficit
Year end financial status report (Dec 31, 2009). Total 5.2M surplus

- In 2009, we picked up 8.6m in the last quarter of the year. 3.4m +5 .2M= 8.6M

2010 No financial status report for Sept due to election
Year end financial status report (Dec 31). .1M surplus at year end

- Unable to compare because there was no Sept report due to election
- City was in legal dispute with Mb Hydro for 10M but settled for 5M out court

2011 Financial status update ending Sept 31, 2011. 5.7M deficit

- Year end financial status report (Dec 31). 3.6M surplus
- In 2011 we picked up 9.3M in the last quarter of the year. 5.7M + 3.6M=9.3M

2012 Financial status update ending Sept 31, 2012. 7.7M deficit
Year end financial status report (Dec 31). 15.9M

- In 2012 we picked up 23.6M in the last quarter of the year. 7.7M + 15.9M=23.6M

If you average out the pickup in last five years (2010 cannot be compared because there wasn't a Sept report) we average over 5 years (2008-2012) pick up of 12.7M.

2008 9.3M
2009 8.6M
2011 9.3M
2012 23.6M

50.8M / 4 years = 12.7M (Q4 PU average)

<u>CURRENT SITUATION</u> 6.2M Deficit

Even if you use a very conservative PU well below the average of 5 years; lets say 9M, then you have more than enough money to balance the budget with a zero tax increase before 2% for infrastructure.