STANDING POLICY COMMITTEE ON FINANCE

QUESTION PERIOD

Councillor Gilroy requested an update on the budget consultations, to which Councillor Morantz replied that they were diligently working towards rolling out a robust public consultation process.

Councillor Schreyer noted that Council wanted to find alternative forms of revenue generation and inquired if other municipalities throughout the province and the country were endeavouring to do the same thing and were working together through the Association of Manitoba Municipalities (AMM) and the Federation of Canadian Municipalities (FCM).

Councillor Morantz replied that the AMM resolution number 4 of 2015, essentially answered that question and confirmed the need to work together with all of the municipalities to lobby the senior levels of government to move the discussion forward.

Councillor Schreyer inquired if there was any municipality in Canada that would be the best model. Councillor Morantz suggested that they were entering a brave new world where municipalities all over the country were standing up, coalescing, and the issue was being recognized across many municipalities. He stated that he was not aware of another municipality that achieved the goal of growth based revenue source for funding municipal services but looked forward to being part of the conversation as they moved forward. He suggested it would be a benefit to The City of Winnipeg and its citizens to retool the traditional model.

Councillor Schreyer inquired if any province had moved in a specific direction that was distinct and favourable as to what a more progressive taxation level would be for a municipality. Councillor Morantz replied that in his first year he focused on trying to figure out how the City's finances worked and had not been looking at the models of other provinces. He suggested that the issue was that the Federal Government has most of the taxation authority, the province has most of the legislative power and the cities had all of the problems and had to go hat in hand asking for more money. He concluded that the current practice had to stop and he was very excited about working to put this fundamental issue on the landscape.

In reference to revenue infusion as it applied to the stabilization reserve, Councillor Schreyer questioned if the process was inadequate where funds were used for an emergency or short-term basis and if consideration should be given to increasing stabilization funds.

Standing Policy Committee on Finance – Question Period (continued):

Councillor Morantz stated that the 2015 budget process was very difficult and that they drew $9.2 million out of the stabilization reserve to cover forecasted expenditures. He added that they changed the policy and reduced the floor on the stabilization reserve from eight to six percent, and that freed up room in the stabilization reserve to draw down an additional $5 million. He also advised that the stabilization reserve was there to protect citizens of Winnipeg from property tax increases or increases of other fees and charges that would be above the norm and might destabilize their financial situation, which is why it was called the stabilization reserve. Councillor Morantz added that once the budget was tabled, Council would determine if surplus funds should go back into the stabilization reserve and they should find other ways to balance the budget.

Councillor Schreyer questioned if the intent was to reverse the ratio and return the floor of the stabilization reserve back to eight percent. Councillor Morantz replied that it was a very important discussion that Council must have in order to get the fiscal house in order and iron out deficits responsibly. He added that the floor of the stabilization reserve was something that they were open to discuss and debate. He reiterated that they originally took the money out of the stabilization reserve to ensure serious tax increases were not imposed on the public but every action had an equal and opposite reaction and they must ensure that the decisions were balanced with good public policy in mind.