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December 8, 2016

Executive Policy Committee
City of Winnipeg

Delegation:

Irwin Kumka – President, Kildonan Presbyterian Cemetery Inc.
George Fraser – Executive Director, Kildonan Presbyterian Cemetery Inc.

Re: Special Meeting – 2017 Operating Budget
Frontage Levy Issues – Roll # 05009422000
Kildonan Presbyterian Cemetery & Historic Church – Established 1851

Dear Mr. Mayor & EPC Councillors:

On March 15th of this year we appeared in delegation to raise concerns about the proposed increase in the 'Frontage Levy' for 2016 by 25%. That increase was approved by Council. It followed a previous increase of 16% in 2015. The combined increase for all Taxpayers amounted to an increase of 41% for that area of taxation over two short years.

Perhaps most homeowners do not pay much attention to these increases, but Religious and Non-Profit Cemeteries do. They, by their history & by their strategic locations in this city are large property owners. This is recognized by the Assessment Act of the Province of Manitoba which has historically exempt these properties from property and education taxes across the Province. But the 'Frontage Levy', a modern invention, now appears to be designed to catch up with the spirit of that exemption for Cemeteries ... unfortunately, quickly and aggressively here in the City of Winnipeg. No taxpayer can appeal the 'Frontage Levy' only the calculation.

The only response to date that we have had to the request for review of this situation, which we began in 2015, was to face a re-assessment that applied 'flankage' previously not part of the calculation for the Kildonan Presbyterian Cemetery. A double 'whammy' if you like. An old error by the City. The increase for Kildonan on the levy is now over $8,000 up from under $2,000.

Other Cemeteries have had this re-assessment applied to their sites. They too have become unfortunate victims' to error correction and the recent 'wild' fluctuation in increases which without prediction suddenly have come to a complete stop this year. Everyone remains nervous about the future, if it happened once it surely could happen again!

Some taxpayers may be relieved there will be no increase this year, but no one should forget that they and Cemeteries must continue to pay the recent 41% increase forever and wait and wonder when the next big hit is coming!

No member of City Council can explain or has given a valid reason for the large increase in 2015/16 and no one has given a reason for the zero increase in this category of taxation this year. It just doesn't make sense. The two year increase is now part of a contribution to the current operating budget of an estimated 5.8% or a $62.8 million total contribution. Described this year as 'street repair' when last year it was intended to be used for 'infrastructure' generally. It could be argued that the increase for the 'Levy' this year should have been near the rate of 5.8% to reflect its share of funding for the overall budget, but it was kept at zero. Why? A suspect taxpayer would have to anticipate another large hit again soon to maintain the 5.8% or greater capacity of this pool of funds to meet the contribution target set by this budget. Street renewal demand is huge!

This does not make for good planning or for good relationships with those who operate these historic cemeteries. They, the volunteers, are probably the most sensitive taxpayers to the fluctuation in increases to the 'Frontage Levy' of any property owner. It is the first question they ask when the annual budget document hits the media. Did the 'Frontage Levy' increase?

Kildonan is not alone in this concern. Mr. Jim Baker, Executive Director of the Elmwood Cemetery and a new Director of the Western Canada Cemeteries Association from Manitoba had wanted to be part of this presentation today but he is away from the City. He asked us to remind Council and remember as a community, the extraordinary effort led by former Mayor, Bill Norrie to save Elmwood Cemetery from a complete collapse of its private owners and the perpetual fund. A collapse which actually caused the Cemetery to stop operating for a period of time. This same situation could occur at any of the Religious & Non-Profit Cemeteries in Winnipeg if the City advances aggressively on the 'Frontage Levy'. In short, the City will simply "get the keys" to these sites and then be faced with operating them as a City enterprise. The Cemeteries could simply stop paying the levy anytime and allow the City to take the land for non-payment. That can occur quite quickly given the present situation. If the pressure continues something has to happen. The cost for the City to operate these Cemeteries will be a lot higher than the costs incurred now.

All Protestant denominations and other religions are under significant operational pressure these days due to declining numbers. This is well documented across Canada and as some say "It is becoming increasingly difficult to get more blood from the 'stones' that once were the 'cornerstones' and leaders of our communities". A reality that must be faced with this form of heritage into the future.

Last year, we proposed what we thought was a reasonable next step in these discussions which is repeated here again:

1. *That the EPC establish a 'working group', led by the Administration of the City of Winnipeg, and comprised of representatives from religious & non-profit cemeteries and any places of worship responsible for cemetery operations that will:*
    - *Review all Frontage levy assessments for religious based cemeteries in an open and transparent manner and recommend any adjustments based upon their findings in this regard to EPC.*
    - *Consider possible 'special exemptions' for religious & non-profit cemeteries from or reduced frontage levies that recognize the important function of and the relative size of these lands; their physical locations in relation to other properties and the important memorial significance of cemeteries within the broader community for the purposes of family remembrance and collective history.*
    - *Consult and discuss the possibility of amendments to the Assessment Act of the Province of Manitoba that will recognize the immediate and future operational needs of religious & non-profit based cemeteries and bring clarity to the intent of the original exemptions provided by the Act.*
    - *Prepare plans, recommendations and procedures for the possible 'future transition' to Municipal authority of any religious or non-profit cemetery that cannot continue to operate as originally intended. (This planning process will require consultation with the Province of Manitoba within the context of the Cemeteries Act.)*

2. *That the EPC direct the administration to reopen discussions, began over 5 years ago, directly with the 'Kildonan Presbyterian Cemetery' for the proposed acquisition by it of surplus City of Winnipeg land located directly across from the current cemetery on John Black Avenue. (Such acquisition is intended to greatly assist the Cemetery operations into the foreseeable future and to form part of the current lands of the cemetery.)*

The Kildonan Cemetery is in the Ward of Councillor Devi Sharma and she is very aware of the situation. But while being supportive has not come up with any solution to either of #1 or #2 requests above. Despite discussions with the Administration. And since this is now a City wide issue it would seem reasonable that EPC would, this year, consider our suggestion seriously. The matter will not go away!

Unfortunately, Kildonan did not receive any communication following our EPC presentation in March. Not a letter ... not a phone call, not an email, not even a 'Tweet'! The matter was simply ignored. This despite the promoted consultation priority sought by Council on difficult budget issues. This is a difficult issue.

In closing, we emphasize that a dramatic response from Kildonan of withholding its future payments is a legitimate option that might have to be the next step toward gaining the attention of the City of Winnipeg if nothing happens after today. There is not much else left as options if reasonable dialogue is not acceptable.

The Cemetery representatives also noted that water bills will increase by 8.9% and we did not want to leave today with EPC worried if they thought this would impact Kildonan too.

The Cemetery and Historic Church has never, since it was established in 1851, attached itself to City services for water or sewer! Thank God! But other Cemeteries are attached and facing this above inflation increase and the Frontage Levy. Water use they can control the levy they can't.

We can meet anywhere ... anytime!