From: Steve Snyder
Sent: Sunday, June 2, 2019 6:49 PM
To: MayorBowman; Allard, Matt; Gilroy, Cindy; Mayes, Brian; Orlikow, John; Gillingham, Scott (Councillor); Rollins, Sherri
Cc: CLK-CityClerks
Subject: Email correspondence regarding Report 10 - Unfunded Major Capital Projects at EPC

Hello members of the EPC,

I would like to point to a few truths that have been exposed by report number 10, the Unfunded Major Capital Projects.

According to the attachment, the City's infrastructure replacement value is $35 Billion. If we also look at the Assessment and Taxation department's statistics from 2019, the City's total non-exempt tax base is $90 Billion. This gives the City of Winnipeg a private to public investment ratio of 2.50:1.

Put another way, if you own a home that is worth $300,000 – the approximate median price for a home in Winnipeg – then the value of public infrastructure you contribute to is $120,000. If we assume most of the City's infrastructure needs to be replaced every 50 years, then the median home needs to pay $2,400 per year in just capital improvements for the City to replace all infrastructure within its useful life.

This is a financial disaster. I've said it here before, if the City continues on its current development trajectory, it will **never** have enough money to replace its infrastructure.

To solidify my analysis, the same attachment shows the city has spent $420 Million (average) yearly in capital spending. Again, using that $35 Billion replacement value and a bit of simple math, if every single dollar of capital investment went to replacement (read: absolutely no new infrastructure, no infrastructure maintenance, nothing but infrastructure replacement), it would take the city 83 years to replace everything at current spending levels.

All of this information is clear as day, directly from the mouth of your Asset Management office.

The time to hide your head in the sand is long gone. We cannot afford to maintain what we currently have. The way we currently build our city is making us financially insolvent.

The problem isn't an expense/revenue question; we will never be able to cut enough services, and we will never be able to raise taxes to the point of fixing things. The problem needs to be framed as an investment/return question. We need to invest our money where we get the most real return on that investment.

The last time I sent an email I sent along a link to three videos, and I'm sure you all watched them. But in case you hadn't, here's the link again: https://www.youtube.com/playlist?list=PL4ZJBLI7Y9VptmZpe187YOXaFFyjuzbHs

Each video is less than 2 minutes and outlines why we got to this point, and how we should be assessing our capital investments. These are important questions that need to be answered, and it's your job to answer them.

Please take the time out of your day to watch them, so you can start thinking differently about how we view public investment.

Cheers, and thanks for your time,
Steve Snyder