2004 to 2006 Preliminary Operating Budget



February 24, 2004

Winnipeg

THE CHALLENGES

- City's commitment to a competitive tax environment
- Static revenues
- Wage pressures and general price increases
- Maintaining service levels to meet program needs
- Full year costs of approved initiatives
- Infrastructure maintenance and renewal requirements

Winnipeg

HIGHLIGHTS

- No increase in property taxes – 7 straight years of tax freezes and reductions
- Business tax rate frozen for the 9th year in a row
- Funding for public safety remains a priority
- The City's second 3-year budget process
- Continuing fiscal restraint
- Front line essential services maintained
- New initiatives

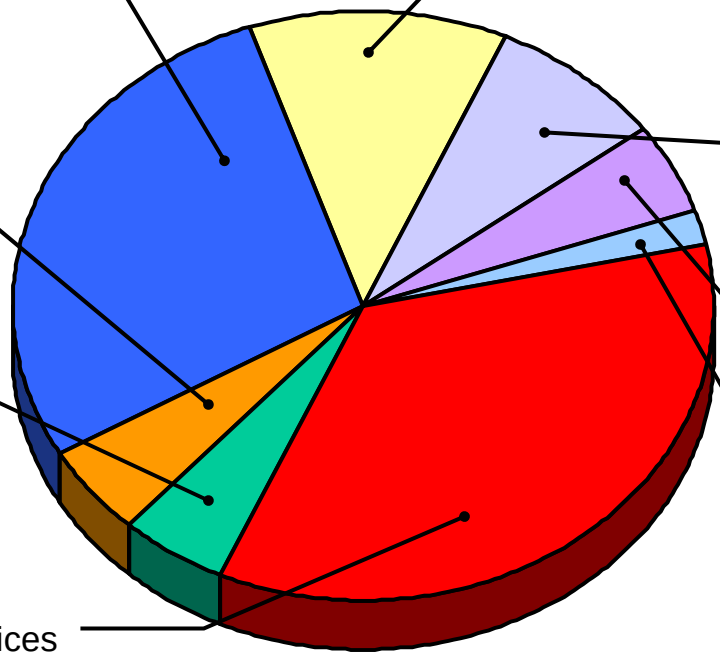
BUDGET SUMMARY

In Millions of $	2004 Preliminary Budget	2005 Projection	2006 Projection
REVENUE			
Property Taxes	**$ 391.6**	$ 379.3	$ 382.8
Business Taxes	**62.7**	62.4	67.2
Other	**238.6**	234.9	234.9
TOTAL	**$ 692.9**	**$ 676.6**	**$ 684.9**
EXPENDITURES			
Departmental	**$ 606.0**	$ 583.9	$ 589.7
Corporate	**86.9**	102.3	111.9
TOTAL	**$ 692.9**	**$ 686.2**	**$ 701.6**
SURPLUS / (DEFICIT)	**$ -**	**$ (9.6)**	**$ (16.7)**

Tax-Supported

Winnipeg

HOW IS THE MONEY SPENT IN THE OPERATING BUDGET?



Street System, Solid Waste collection, Land Drainage and Street Lighting
$193.7 million
28.0%

Transit Subsidy
$35.5 million
5.1%

Property, Development, Planning, Permits and Buildings
$38.6 million
5.6%

Police and Fire Paramedic Services
$243.3 million
35.1%

Community Services (e.g. Libraries, Recreation Services, Food Inspections)
$83.2 million
12.0%

Corporate (e.g. Information Technology, Human Resources, Finance, Assessment, Legal)
$55.8 million
8.1%

Grants, Appeals, and other Corporate Costs
$32.0 million
4.6%

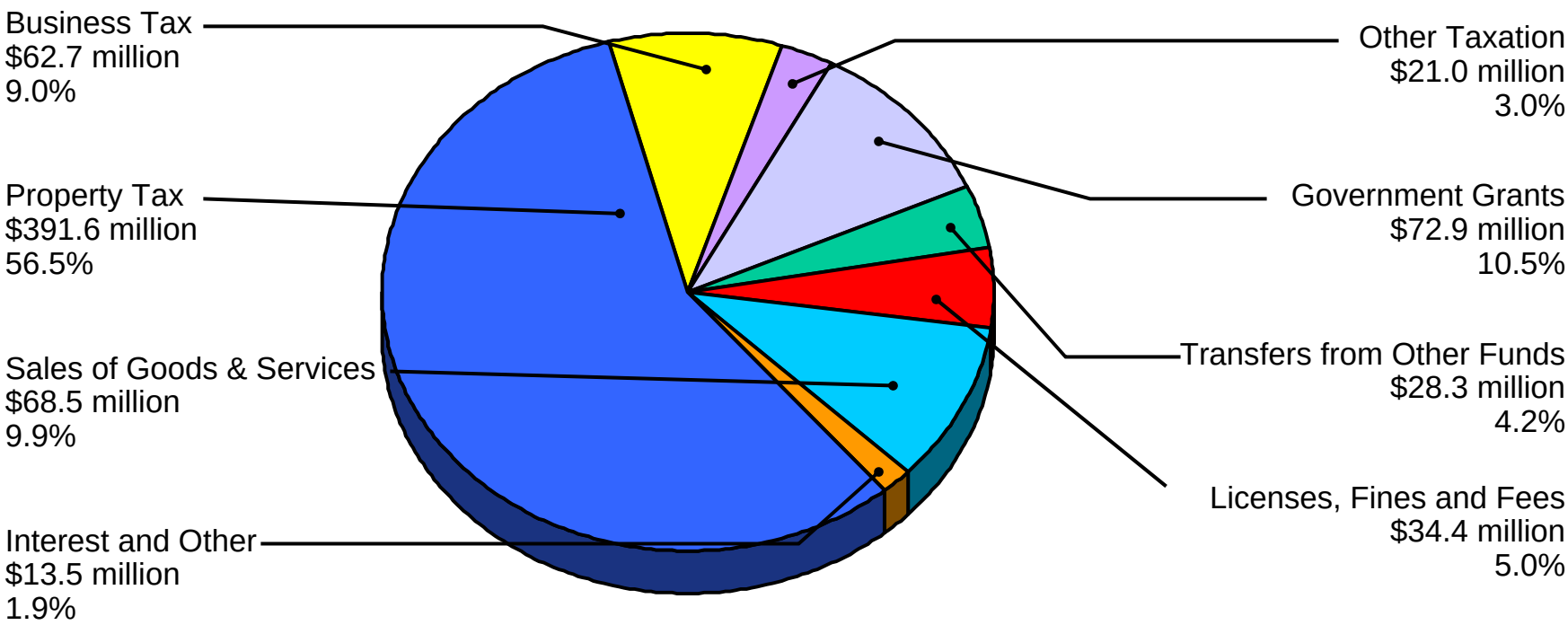
City Clerks, City Council, Mayor's Office, Museums, EPC Secretariat, Audit
$10.8 million
1.5%

2004 Preliminary Operating Budget - $692.9 million

Tax-Supported

Winnipeg

WHERE DOES THE MONEY COME FROM IN THE OPERATING BUDGET?



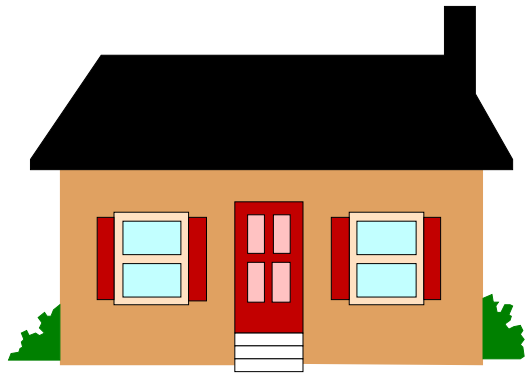
2004 Preliminary Operating Budget - $692.9 million

Tax-Supported

Winnipeg

A SAMPLE HOME ASSESSED AT $100,000 IN 1999

Homeowners are paying lower property taxes now than they did in 1999



Between 1999 and 2002, 86% of homeowners saw their municipal property taxes decrease. The overall average decrease for homeowners was just over 8%. This was due to tax reductions and growth in assessment in non-residential categories. The City has frozen taxes in both 2003 and 2004. The inflation-adjusted reduction is much larger.

	1999	2000	2001	2002	2003	2004
Municipal property taxes (excludes school taxes):	$ 1,506	$ 1,476	$ 1,446	$ 1,416	$ 1,416	**$ 1,416**
Decrease from 1999: Amount		$ (30)	$ (60)	$ (90)	$ (90)	**$ (90)**

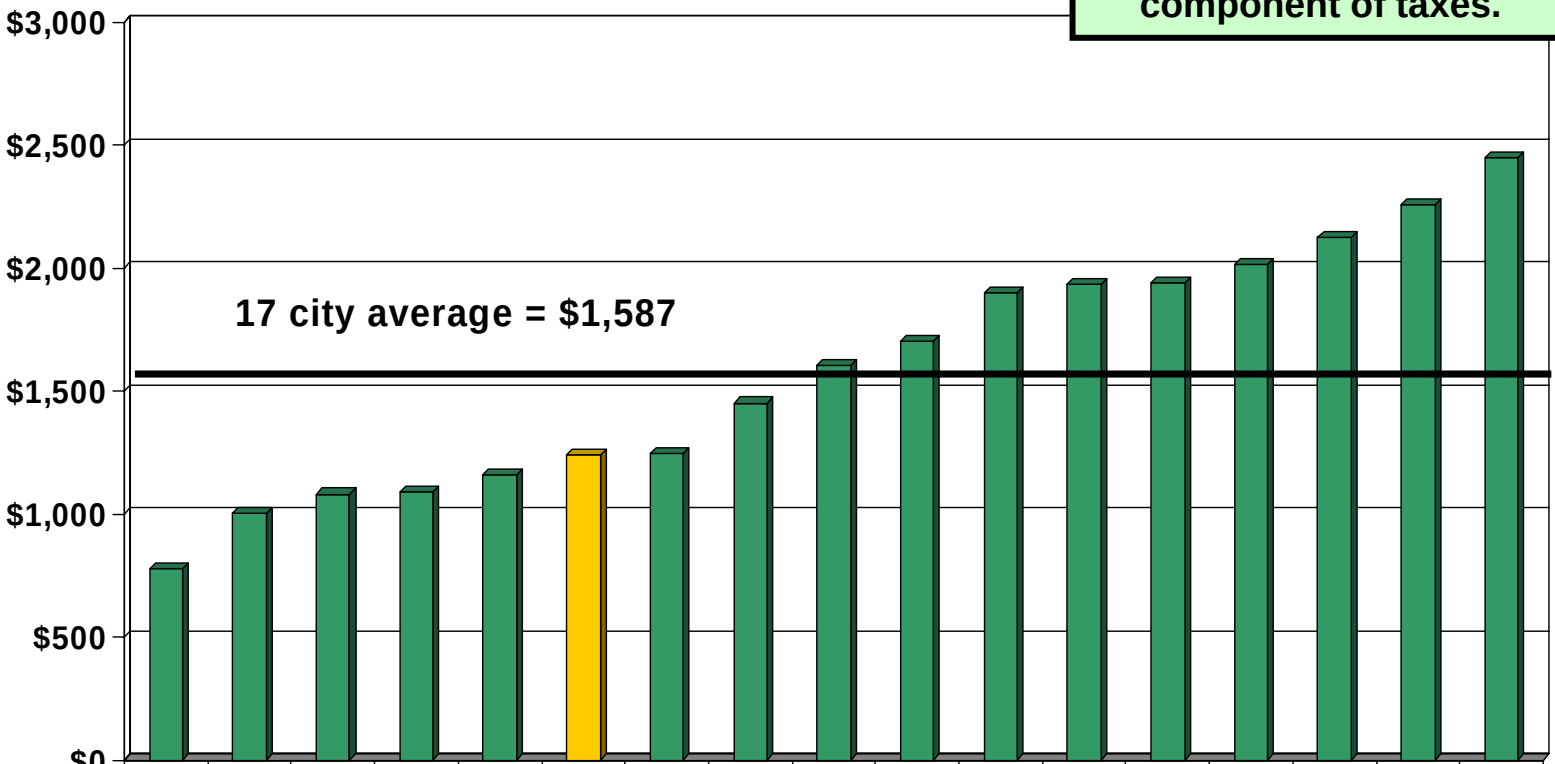
Due to the 2002 reassessment, the home's assessment for 2002 to 2004 is $106,000.

2003 Edmonton Residential Property Tax Survey

1200 sq ft, 3 bedroom Bungalow

Municipal Taxes

For Wpg, entire $400 Tax Credit applied to School component of taxes.



	Cal	Edm	Sask	Sur	Reg	Wpg	Burn	Van	Hal	Tor	Lon	Kit	Lav	Bram	Ott	Ham	Mont
2003	777	1,004	1,081	1,092	1,157	1,240	1,248	1,451	1,602	1,701	1,900	1,934	1,940	2,017	2,126	2,256	2,448

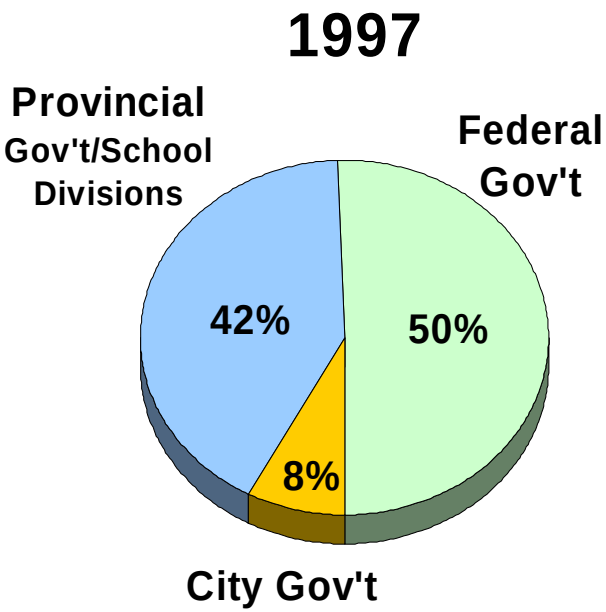
Source: City of Edmonton Residential Property Taxes & Utility Charges Survey, December 2003.
Out of 25 cities in survey, used 17 largest cities (Regina and larger)--approx 200,000 plus population.

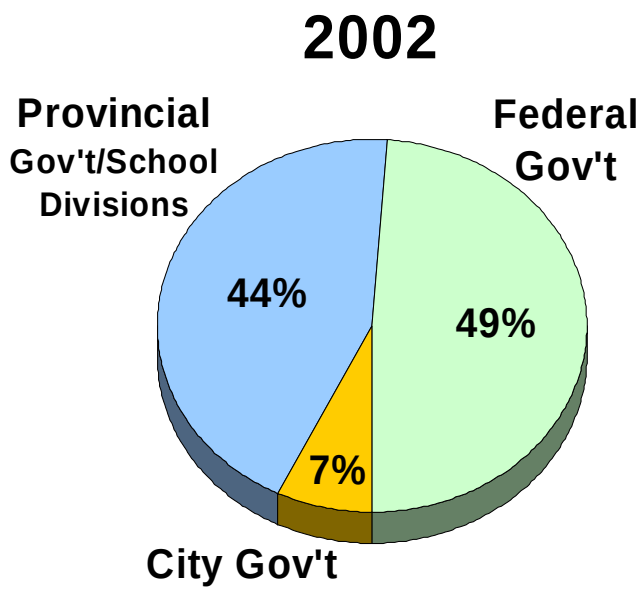
Winnipeg

Winnipeg's Taxation Pie: 1997 vs 2002

Total Estimated Taxes Paid by Winnipeggers

$6.0 billion **$6.8 billion**



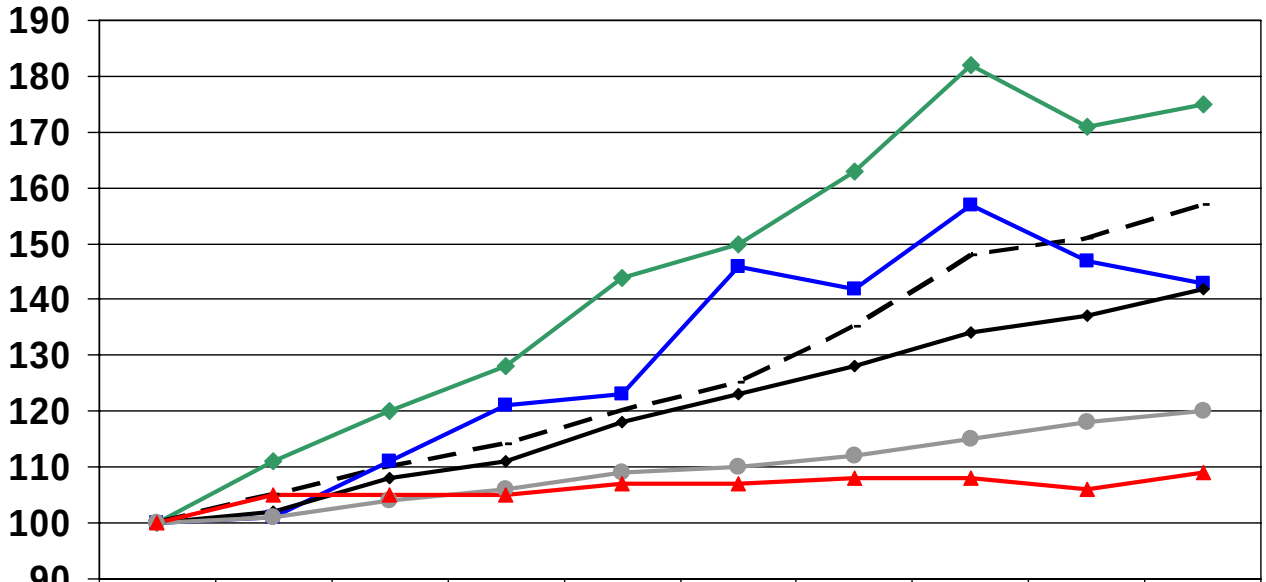


Estimated taxes collected in Winnipeg by each level of Government. (includes EI Premiums for Federal Gov't) Source: Annual financial statements/reports. For Federal Government used restated financial data.

Winnipeg

Changes in Primary Taxation Revenues 3 Levels of Government

Index 1993 = 100

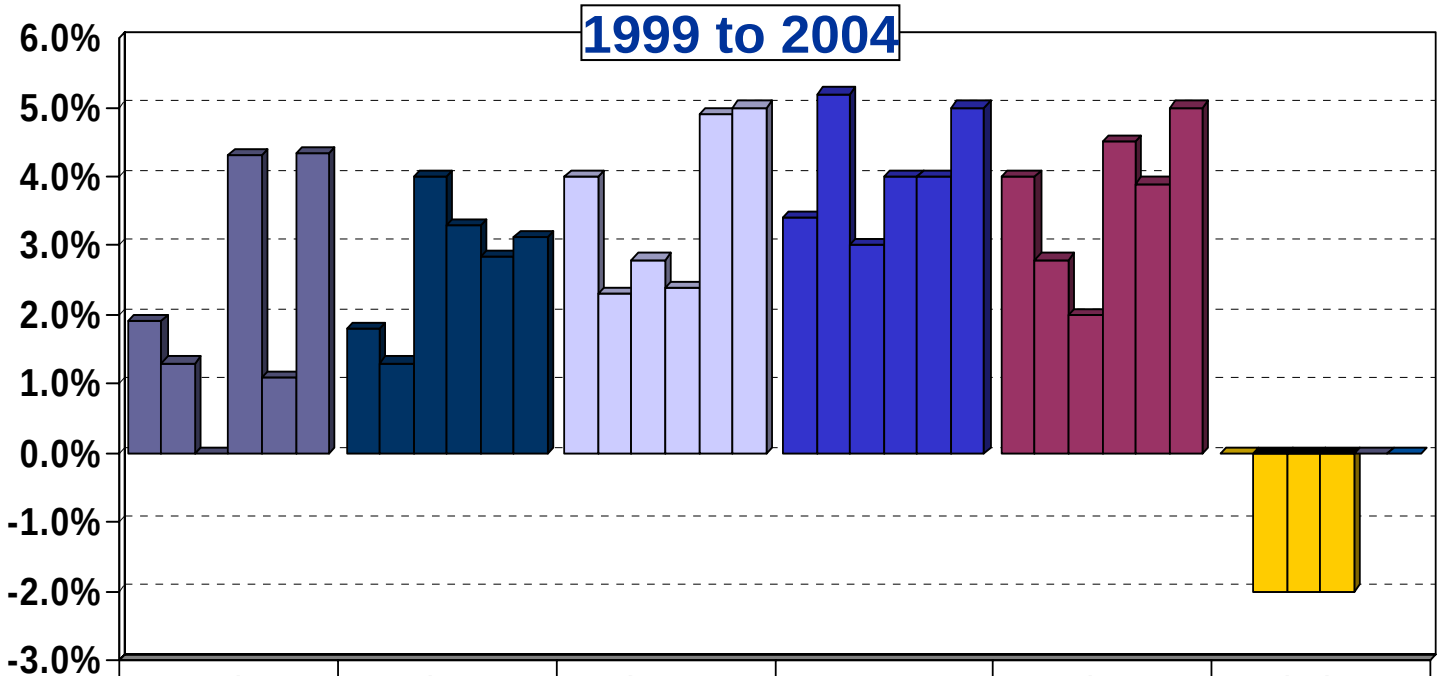


	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Gov't of Canada	100	111	120	128	144	150	163	182	171	175
Canada's Economy	100	105	110	114	120	125	135	148	151	157
Prov of Manitoba	100	101	111	121	123	146	142	157	147	143
Winnipeg's Economy	100	102	108	111	118	123	128	134	137	142
CPI - Winnipeg	100	101	104	106	109	110	112	115	118	120
City of Winnipeg	100	105	105	105	107	107	108	108	106	109

Primary Taxation Revenues: Income & sales taxes for Fed & Prov Gov'ts, and property & business tax for City. Source: Derived from Conference Board of Canada report on Fiscal Prospects for the Federal and Provincial Governments – July 2002

Winnipeg

Property Tax Changes in other Cities



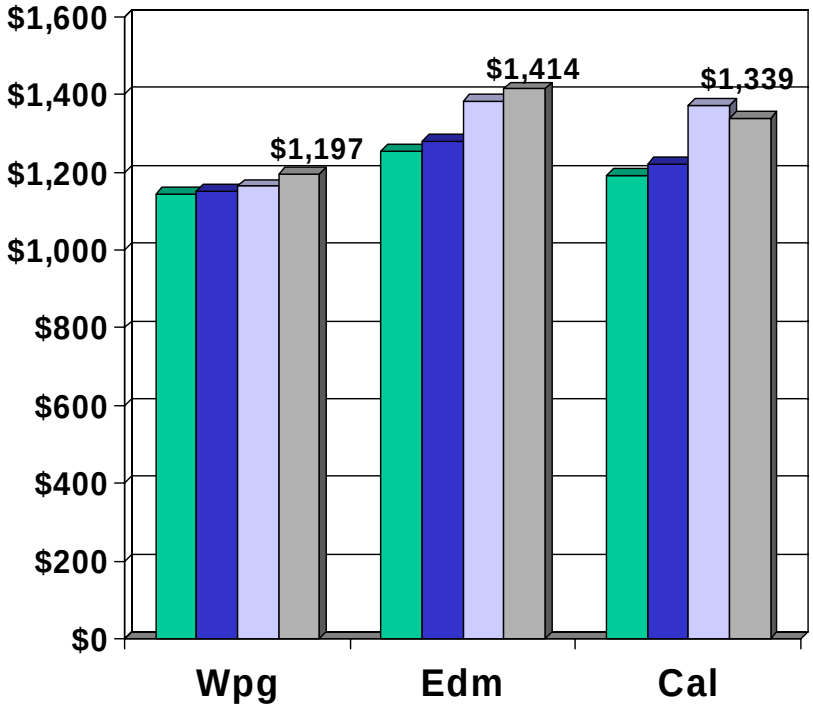
	Regina	Saskatoon	Edmonton	Vancouver	Calgary	Winnipeg
1999	1.9%	1.8%	4.0%	3.4%	4.0%	0.0%
2000	1.3%	1.3%	2.3%	5.2%	2.8%	-2.0%
2001	0.0%	4.0%	2.8%	3.0%	2.0%	-2.0%
2002	4.3%	3.3%	2.4%	4.0%	4.5%	-2.0%
2003	1.1%	2.8%	4.9%	4.0%	3.9%	0.0%
2004	4.3%	3.1%	5.0%	5.0%	5.0%	0.0%

Source: Cities' budget documents, websites, and the Edmonton Property Tax Survey

Winnipeg

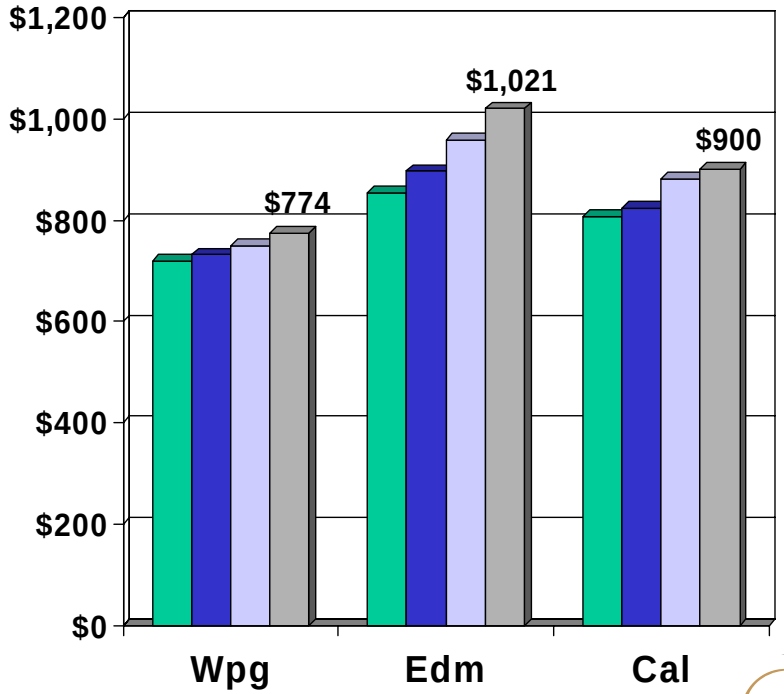
Comparing City Budgets of Winnipeg, Edmonton, Calgary

Total Expenditures
Dollars Per Capita
1999 to 2002



Source: City of Winnipeg, CAO Secretariat
& Corporate Finance Dept, Jan 2002

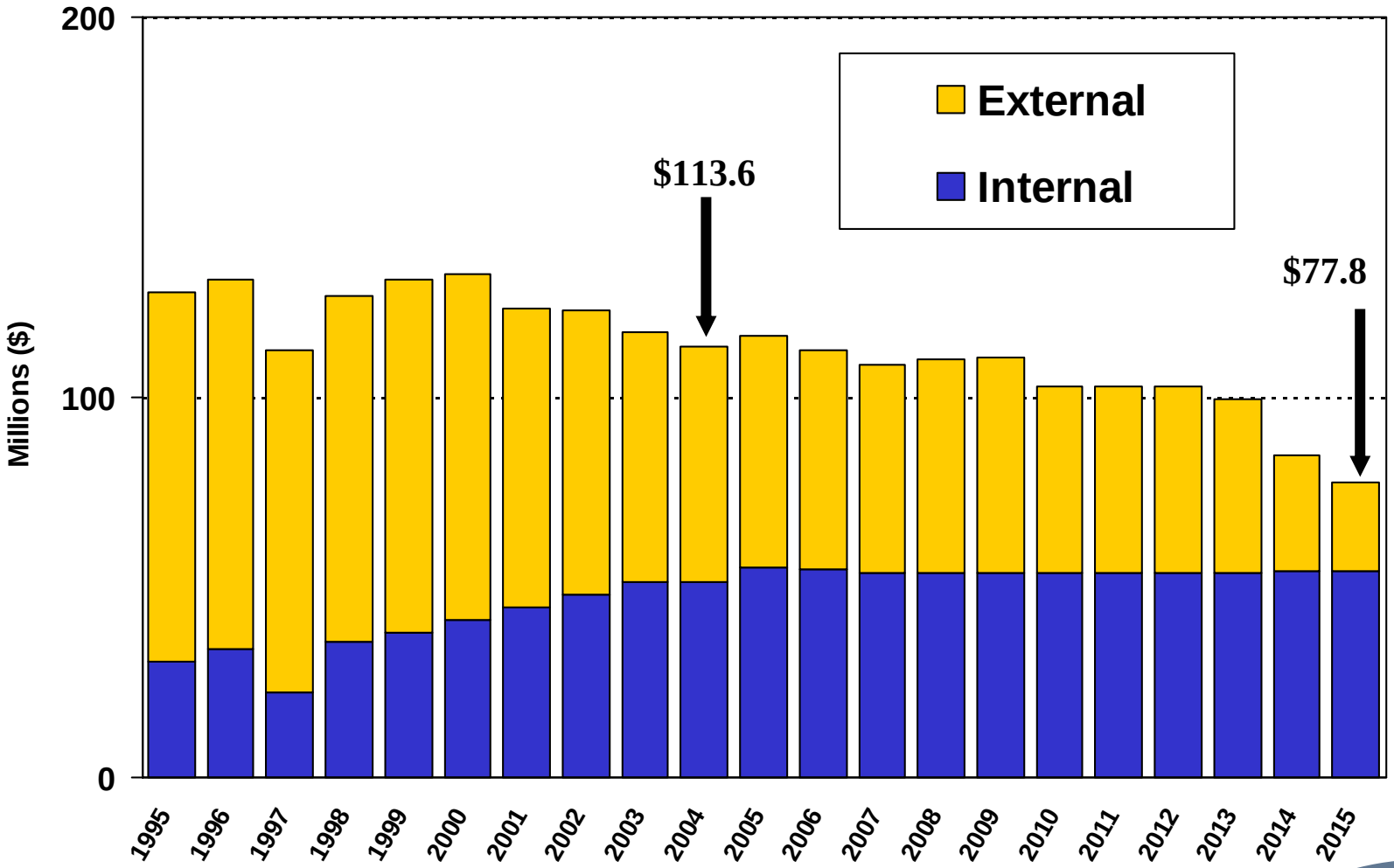
Total Expenditures
On Principal Public Services
Dollars Per Capita
1999 to 2002



Source: City of Winnipeg, CAO Secretariat
& Corporate Finance Dept, Jan 2002

Winnipeg

TAX-SUPPORTED DEBT SERVICING COSTS



Excludes Civic Accommodations and Transit.

Winnipeg

BUDGET PROCESS
NEXT STEPS

- Standing Policy Committees review budget – February 26 to March 12, 2004
- Executive Policy Committee provides for public representation – March 15, 2004
- Executive Policy Committee tables final recommendations – March 17, 2004
- Council conducts final review and adoption – March 23, 2004

Winnipeg