Minute No. 319
Report - Executive Policy Committee - April 7, 2004

Item No. 2 The New Deal
File FR-2

COUNCIL DECISION:

Council amended the recommendation of the Executive Policy Committee and adopted the following:

1. That the New Deal for Winnipeg be comprised of the following five (5) components:

   A. A transfer of 2/3 of 1% of the current Federal Goods and Services Tax yielding approximately $62 Million annually; and

   B. A transfer of 3 cents of the current Provincial fuel tax collected in Winnipeg together with the introduction of a new 3 cents per litre fuel tax applied Province wide with the amount collected in Winnipeg transferred to The City of Winnipeg yielding approximately $66 Million in total annually; or a transfer six (6) cents of the existing Provincial fuel tax collected in Winnipeg ($66 Million); with all monies being dedicated to transportation and infrastructure renewal; and

   C. The conversion of the grants that The City of Winnipeg currently receives from the Province of Manitoba to an income tax sharing formula resulting in no net increase in funding in the first year of implementation; and

   D. The provision of a 4% reduction in property taxes resulting a loss of revenue of $15 Million followed by 5 consecutive years of property tax freezes; and

   E. The implementation of infrastructure efficiencies amounting to $10 Million annually.

2. That the City of Winnipeg request legislation from the Government of Canada and the Province of Manitoba to provide the City with these, or equivalent fiscal tools to address the infrastructure and service deficit facing the City of Winnipeg.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

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DECISION MAKING HISTORY:

Moved by His Worship Mayor Murray,
That the recommendation of the Executive Policy Committee be adopted.

The Speaker advised that at the request of Councillor Steek, each recommendation would be voted on separately, and further advised that with the concurrence of Council, each sub-recommendation would also be voted upon separately.

Moved by Councillor Lazarenko,
That the item be referred back to the Executive Policy Committee for further consideration and discussion.

Councillor Lazarenko called for the yeas and nays, which were as follows:-

Yea: Councillors De Smedt, Wyatt and Lazarenko. 3

Nay: His Worship Mayor Murray, Councillors Eadie, Angus, Clement, Gerbasi, Lubosch, Pagtakhan, Smith, Steek, Steeves, Thomas, Vandal and O'Shaughnessy. 13

and the motion to refer the item was declared lost.

In amendment,

Moved by Councillor De Smedt,
Seconded by Councillor Steek,
That the item be amended as follows:

- by deleting in Recommendation 1.B. the following words: "together with the introduction of a new 3 cents per litre fuel tax applied Province wide with the amount collected in Winnipeg transferred to the City of Winnipeg"

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DECISION MAKING HISTORY (continued):

- by deleting in Recommendation 1.B. the figure of $66 Million and replacing it with $33 Million;

- by deleting Recommendations 1.D. and 1.E.

The Speaker ruled that the last part of the motion, "by deleting Recommendations 1.D and 1.E" was out of order as Council was already considering the sub-points of each recommendation separately.

The amendment proposed by Councillors De Smedt and Steek was put.

Councillor De Smedt called for the yeas and nays, which were as follows:-

Yea: Councillors De Smedt, Steek, Wyatt and Lazarenko. 4

Nay: His Worship Mayor Murray, Councillors Eadie, Angus, Clement, Gerbasi, Lubosch, Pagtakhan, Smith, Steeves, Thomas, Vandal and O'Shaughnessy. 12

and the amendment was declared lost.

In amendment,

Moved by Councillor Angus,
Seconded by His Worship Mayor Murray,

That the item be amended by adding the following words to Recommendation 1.B.: "that all monies be dedicated to transportation and infrastructure renewal".

The amendment proposed by Councillor Angus and His Worship Mayor Murray was put.

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DECISION MAKING HISTORY (continued):

Councillor Eadie called for the yeas and nays, which were as follows:-

Yea: His Worship Mayor Murray, Councillors Eadie, Angus, Clement, De Smedt, Gerbasi, Lubosch, Pagtakhan, Smith, Steek, Steeves, Thomas, Vandal, Wyatt and Lazarenko.. 15

Nay: Councillor O'Shaughnessy 1

and the amendment was declared carried.

The motion for the adoption of Recommendation No. 1 A. was put.

Councillor Steek called for the yeas and nays, which were as follows:-

Yea: His Worship Mayor Murray, Councillors Eadie, Angus, Clement, De Smedt, Gerbasi, Lubosch, Pagtakhan, Smith, Steek, Steeves, Thomas, Vandal, Wyatt, Lazarenko and O'Shaughnessy. 16

Nay: 0

and the motion was declared carried.

The motion for the adoption of Recommendation No. 1 B. was put.

Councillor Steek called for the yeas and nays, which were as follows:-

Yea: His Worship Mayor Murray, Councillors Eadie, Angus, Clement, Gerbasi, Lubosch, Pagtakhan, Smith, Steeves, Thomas, Vandal and O'Shaughnessy. 12

Nay: Councillors De Smedt, Steek, Wyatt and Lazarenko. 4

and the motion was declared carried.

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DECISION MAKING HISTORY (continued):

The motion for the adoption of Recommendation No. 1 C. was put.

Councillor Steek called for the yeas and nays, which were as follows:-

Yea: His Worship Mayor Murray, Councillors Eadie, Angus, Clement, De Smedt, Gerbasi, Lubosch, Pagtakhan, Smith, Steeves, Thomas, Vandal, Wyatt, Lazarenko and O'Shaughnessy. 15

Nay: Councillor Steek. 1

and the motion was declared carried.

The motion for the adoption of Recommendation No. 1 D. was put.

Councillor Steek called for the yeas and nays, which were as follows:-

Yea: His Worship Mayor Murray, Councillors Eadie, Angus, Clement, Gerbasi, Pagtakhan, Steeves, Thomas, Vandal and O'Shaughnessy. 10

Nay: Councillors De Smedt, Lubosch, Smith, Steek, Wyatt and Lazarenko. 6

and the motion was declared carried.

The motion for the adoption of Recommendation No. 1 E. was put.

Councillor Steek called for the yeas and nays, which were as follows:-

Yea: His Worship Mayor Murray, Councillors Eadie, Angus, Clement, Gerbasi, Pagtakhan, Smith, Steeves, Thomas, Vandal, Lazarenko and O'Shaughnessy. 12

Nay: Councillors De Smedt, Lubosch, Steek and Wyatt. 4

and the motion was declared carried.

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DECISION MAKING HISTORY (continued):

The motion for the adoption of Recommendation No. 2 was put.

Councillor Steek called for the yeas and nays, which were as follows:-

Yea: His Worship Mayor Murray, Councillors Eadie, Angus, Clement, De Smedt, Gerbasi, Lubosch, Pagtakhan, Smith, Steek, Steeves, Thomas, Vandal and O'Shaughnessy. 14

Nay: Councillors Wyatt and Lazarenko. 2

and the motion was declared carried.

The motion for the adoption of Recommendation No. 3 was put and declared carried.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 7, 2004, the Executive Policy Committee passed the following motion, namely:

WHEREAS Winnipeg has demonstrated national leadership in promoting a 'New Deal' for cities, one that would provide increased revenues to municipalities in order to address the nation's growing infrastructure deficit;

AND WHEREAS numerous influential and credible national research organizations support the case for a "New Deal" for Canadian municipalities recognizing, in particular, the need for municipal governments to have access to revenues that grow with the economy;

AND WHEREAS in September 2003, The City of Winnipeg launched an intensive 10-week public consultation process to consider its "Early Ideas" for a New Deal, a proposal that included significant reductions in existing revenues while introducing a number of potential new revenue sources leading to an overall annual increase of $120 Million to be directed to infrastructure improvements;

AND WHEREAS the public responded passionately to The City of Winnipeg's "Early Ideas" package leading to the following conclusions:

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DECISION MAKING HISTORY (continued):

- That there is very strong support for change, with acknowledgement that the current dependency on property taxation is unsustainable and that the growing infrastructure deficit must be addressed; and
- That while the citizens of Winnipeg may be prepared to accept a modest increase in taxation to address infrastructure needs, The City of Winnipeg should, first and foremost, seek a greater share of existing tax revenue from the Provincial and Federal Governments; and
- That The City of Winnipeg should continue to apply pressure on its internal practices in order to find efficiencies, improve operations, and reduce costs;

THEREFORE BE IT RESOLVED that Executive Policy Committee's position with respect to a New Deal for Winnipeg be comprised of the following 5 components:

- A transfer of 2/3 of 1% of the current Federal Goods and Services Tax yielding approximately $62 Million annually; and
- A transfer of 3 cents of the current Provincial fuel tax collected in Winnipeg together with the introduction of a new 3 cents per litre fuel tax applied Province wide with the amount collected in Winnipeg transferred to The City of Winnipeg yielding approximately $66 Million in total annually or transfer six (6) cents of the existing Provincial fuel tax collected in Winnipeg ($66 Million);
- The conversion of the grants that The City of Winnipeg currently receives from the Province of Manitoba to an income tax sharing formula resulting in no net increase in funding in the first year of implementation; and
- The provision of a 4% reduction in property taxes resulting a loss of revenue of $15 Million followed by 5 consecutive years of property tax freezes; and
- The implementation of infrastructure efficiencies amounting to $10 Million annually;

BE IT FURTHER RESOLVED that the City of Winnipeg request legislation from the Government of Canada and the Province of Manitoba to provide the City with these, or equivalent fiscal tools to address the infrastructure and service deficit facing the City of Winnipeg.