Melissa Kuhn

November 17, 2025

To:

Mayor Scott Gillingham and Members of Winnipeg City Council

510 Main Street

Winnipeg, Manitoba, R3B 1B9

Subject: Rebalancing the 2026 City Budget to Protect the Middle Class

Dear Members of Council,

I am writing as a middle-class Winnipeg resident who is trying to build a stable, dignified life in this city; but I am becoming increasingly afraid that this will be impossible. Despite working hard, cutting back, and budgeting carefully, I feel myself slipping backward financially every year. My rent increases. Fees increase. Utilities increase. Groceries increase. And my wages do not keep pace.

This is not sustainable. Not for me. Not for thousands of other Winnipeggers.
And certainly not for the long-term health of our city.

Budgets must reflect the lived reality of residents. And right now, the lived reality for middle-class households, like mine, is that we are being squeezed from every direction. That is why I am proposing a series of practical, fair, evidence-based solutions that would restore balance and rebuild trust. I've also referenced data and statistics (included in the attached annex) that back up each of my concerns.

Solutions That Would Restore Stability, Fairness, and Hope:

1. Modernize the Business Tax System

Right now, the business tax structure benefits many companies that are not struggling, while shifting more of the burden onto residents. This is not balanced, nor fair.

Index business taxes to inflation, just like residential property taxes

Residents face automatic increases. Businesses do not. This creates a widening gap where households absorb more pressure while commercial properties are shielded. Equal indexation creates fairness and stability.

Link the Small Business Tax Credit to actual business revenue or profit, not rental value

A business paying $40,000 in rent is not necessarily a “small business.”
Some of these businesses earn hundreds of thousands of dollars per year.
Some receive the credit despite having strong margins and high cash flow.

Basing eligibility on rental value alone is outdated and can be easily exploited. Revenue-based criteria would ensure the credit supports small, vulnerable businesses —the ones it was intended for.

- Ensure high-margin businesses do not qualify for subsidies

Restaurants, salons, retail shops, and service businesses can (and often do) take in large amounts of cash revenue. Without revenue-based eligibility, affluent business owners can benefit from credits designed for struggling operators.

A modernized system would prevent misuse, reduce loopholes, and restore public confidence.

2. Protect Renters From Indirect Tax Pass-Through

As a renter, I feel the impact of every decision the city makes, even though I do not receive a property tax bill directly. Increased property taxes and fees are routinely passed on through rent, often without explanation.

To protect the more than one-third of Winnipeg residents who rent, I urge you to implement the following:

- Require justification for rent increases tied to property taxes

If a landlord raises rent due to a tax increase, they should have to show proof and justify the amount. This prevents exaggerated or opportunistic rent hikes.

Conduct “Renter Impact Assessments” for all major budget decisions

Every tax or fee increase should include a formal analysis of how it affects renters. This is standard practice in many cities and ensures that housing affordability is considered in every budget.

Create a Rent Stabilization Fund

A small, targeted fund could help prevent sudden spikes in rent caused by policy decisions.
This keeps people housed, prevents displacement, and stabilizes communities.

3. Strengthen Conflict-of-Interest Disclosure

Winnipeggers deserve absolute confidence that policy decisions are made in the public interest, and not influenced by personal financial connections.

- Require councillors to disclose all business ownership, no matter how small

Even a 1–4% stake in a business can lead to financial benefit if policies shift in that business's favour. Full transparency is essential.

- Include indirect holdings through partnerships, corporations, or trusts

Many business interests are held indirectly. These must be disclosed to prevent hidden conflicts.

Mandate annual reporting and random audits

Good governance requires verification. Random audits strengthen integrity and reinforce that elected officials are held to the highest standard of ethics. These reforms would significantly increase public trust and demonstrate that council is committed to transparency and accountability.

4. Develop a Comprehensive Middle-Class Affordability Strategy

The middle class is shrinking. Not because people are not working, but because the cost of simply living keeps rising faster than incomes. Winnipeg must have a long-term plan to address this reality.

- Stabilize fees, taxes, transportation costs, and utilities over a multi-year horizon

Residents need predictability. A multi-year affordability strategy would identify risks, set limits, and ensure balanced, manageable increases.

- Publish an annual "Middle-Class Affordability Scorecard"

This would track changes in:
– housing costs
– utilities
– municipal fees

– transit affordability
– childcare
– basic cost-of-living indicators

Transparency empowers residents and guides smarter decision-making.

- Evaluate every budget for its impact on working households

Budgets should answer one central question:
Does this make life more affordable or less affordable for the people who keep this city running? Right now, the answer is often the latter.

5. Stabilize Municipal Fees

Municipal fees are some of the fastest-rising costs facing ordinary households. These increases often happen quietly and hit renters especially hard because they are passed through directly into the cost of housing.

Cap fee increases at inflation

Residents should not face unpredictable and unjustifiable jumps in water, sewer, garbage, transit, or other essential service costs.

Reduce fees for core services for low- AND middle-income households

This acknowledges that the affordability crisis is hitting the middle class harder each year.

Sunset automatic fee increases unless justified publicly

If the City cannot clearly explain why a fee needs to increase, it should not increase.

Why These Changes Matter:

- Combined city fee and tax hikes are becoming overwhelming: in 2025, the average homeowner faces a $400+ increase in property tax, garbage, and sewer fees.

- While Winnipeg is still praised for *relatively low municipal property taxes* compared to other Canadian cities, that does not protect middle-class households from the burden of rising non-tax costs.

- The recent long-term water/wastewater funding plan keeps rate hikes modest (2.8% in 2026, 4.2% in 2027), but without structural reform to how fees are implemented, that still translates into meaningful cost increases for everyday citizens.

I am not asking for special treatment. I am asking for fairness, transparency, and policies that recognize the financial reality facing ordinary Winnipeggers such as myself. Surely, I can't be the only one who feels this way.

I want to live here, grow here, and build a future here. But right now, the affordability crisis threatens the stability that me and every other resident deserves.

Winnipeg needs to protect the middle class; the people who are quietly building their lives here, contributing to our economy and community, but are one or two bad years away from losing stability.

Please consider these solutions seriously. Not just for me, but for the thousands of residents whose voices are rarely heard, yet whose lives are deeply affected by every decision you make.

Thank you for your service, for listening, and for taking the time to consider the concerns of the people you represent.

Sincerely,

Melissa Kuhn

Annex: Key Data & Statistics that support my points mentioned above:

- The City of Winnipeg's own plan projects fees and charges rising at 5% per year in 2025 in its budget assumptions. https://legacy.winnipeg.ca/finance/files/2025FeesandChargesSchedule.pdf

- Winnipeg's water and sewer rate increases have been limited by the City to just 2.8% in 2026 and 4.2% in 2027, which is much lower than previously forecasted, thanks to long-term financing and other government contributions. City of Winnipeg

- Under the 2025 multi-year budget, the City planned to invest $1 billion in road renewal over six years. City of Winnipeg

- Winnipeg's inflation assumptions in the city's own budget are ~3.2% for "Fees & Charges" (2024), per its economic-demographic modelling. https://legacy.winnipeg.ca/cao/pdfs/EconomicDemographicVariables-2025-Q4.pdf

- The City of Winnipeg is recognized for *very low municipal property taxes* compared to other major Canadian cities: Calgary's analysis found Winnipeggers pay almost 40% less per person on municipal property taxes than the average of other large cities. City of Winnipeg

- According to the City, municipal property taxes are only ~2.7% of median household income in Winnipeg — among the lowest of major Canadian cities. City of Winnipeg

- The average Winnipeg homeowner could face a $400+ increase in costs in 2025 due to combined tax and fee hikes: property tax at 5.95%, plus significant increases in garbage and sewer fees. Winnipeg Free Press

- The Consumer Price Index (CPI) for Winnipeg (city) was modeled in 2024 with an inflation rate assumption of 3.5% in the city's own budget-planning documents. https://legacy.winnipeg.ca/cao/pdfs/2024-Economic-Demographic-and-Fiscal-Outlook.pdf

- The new Solid Waste (garbage) fee for Winnipeg will start April 1, 2025 at $63.50 per quarter for residential properties, then increase to $66 in 2026, and $68.50 in 2027. City of Winnipeg

- Manitoba's rent increase guideline for 2024 is 3%, its highest since 1992, according to CMHC; this has significant implications for renters as tax and fee costs rise. cmhc-schl.gc.ca