

# COMMUNITY FIRST

**AN ALTERNATIVE  
MUNICIPAL BUDGET  
FOR WINNIPEG, 2009  
2 VISIONS 2 CITIES**



**CCPA**  
CANADIAN CENTRE  
for POLICY ALTERNATIVES  
CENTRE CANADIEN  
de POLITIQUES ALTERNATIVES



## **Contributors**

### **Liz Carlyle**

*Canadian Federation of Students*

### **Marianne Cerilli**

*Social Planning Council of Winnipeg*

### **Sarah Cooper**

*Canadian Centre for Policy Alternatives, Manitoba*

### **Lynne Fernandez**

*Canadian Centre for Policy Alternatives, Manitoba*

### **Jesse Hajer**

*Canadian Centre for Policy Alternatives, Manitoba*

### **Ian Hudson**

*Department of Economics*

*University of Manitoba*

### **Shauna MacKinnon**

*Canadian Centre for Policy Alternatives, Manitoba*

### **Lindsey McBain**

*Canadian Community Economic Development  
Network*

### **Brendon Reimer**

*Canadian Community Economic Development  
Network*

### **Tom Simms**

*Concerned Citizen, North End of Winnipeg*

Many thanks to Doug Smith for his help with production and Alister MacKinnon for the cover.

## **CANADIAN CENTRE FOR POLICY ALTERNATIVES-MB**

309-323 Portage Ave.

Winnipeg, MB

Canada R3B 2C1

ph: (204) 927-3200

fax: (204) 927-3201

ccpamb@policyalternatives.ca

www.policyalternatives.ca



## Table of contents

Executive summary	v
Community first: An alternative municipal budget	1
Introduction to the budget	7
Alternative Municipal Budget 2009 Revenue	11
Alternative Municipal Budget 2009 Expenditure	18
A fairer city	23
A better place to live: housing	26
A better place to work: Community-based development	31
A healthier, more active city	34
A safer city: a community-policing strategy	41
A more sustainable city	44
The Capital Budget	52
Appendix	58
Works Cited	61



## Executive summary

**T**he Canadian Centre for Policy Alternatives-Manitoba Alternative Municipal Budget demonstrates that it is possible to craft a City of Winnipeg operating budget that puts community first while being financially responsible.

CCPA-Manitoba, with the assistance of a variety of community volunteers, has prepared a proposed operating budget for 2009 that makes significant investments in alleviating social and economic inequality in this city, puts in place an aggressive Green Winnipeg Strategy, retains public control over

services and financing, and balances revenues with expenditures.

This is a particularly difficult task in light of the financial situation that the current Council has created. According to its own projections, the City will be facing a \$38-million operating budget shortfall in 2009. The deficit is the result of the decade-long property tax freeze and the decision to reduce the business tax.

The Mayor's Economic Opportunity Commission has recommended reductions in services, privatization of civic functions, and further tax cuts. These

## *Community First: An Alternative Municipal Budget*

measures would not only reduce the quality of civic services, they would not eliminate the looming deficit. Nor would they address the serious infrastructure and environmental issues facing the City.

The Alternative Municipal Budget addresses these issues squarely. To maintain services and make progress on key social and environmental issues, the budget would raise an additional \$68.3-million in revenues. It would do this through:

- 1) Changes to property and business taxes (Revenue increase of \$12.3-million)
- 2) Tax policies that create a better Winnipeg (Revenue increase of \$51.5-million). These include fees to reduce suburban sprawl, a commuter fee to be paid by non-Winnipeggers who drive to Winnipeg to work, a plastic-bag tax, and a fee to encourage water conservation.
- 3) Adjustments to the City's projected transfers from other funds (Revenue increase of \$4-million)

Total revenues generated by the Alternative Municipal Budget would be \$827-million.

With this money the City could make the following investments in people and the environment:

- a \$3-million Aboriginal strategy
- a doubling of the City's current housing budget (an additional \$2-million)
- an \$800,000 investment in community economic development
- a \$4.3-million investment in recreation and leisure activities that would fund a Right to Play Program, increased cooperation with school divisions and the province, a community centre staffing initiative, a new funding formula for community centres,

and an expansion of innovative arts programming

- a \$1-million investment in a recreation capital program
- a \$100,000 workload analysis of Winnipeg Police Services to ensure that police services are being provided in the most effective manner
- a \$9.4-million investment in both a north-south and an east-west rapid transit service
- \$3.5-million to increase the frequency and quality of bus service
- a \$2-million enhancement of the City's planning capacity. The planning unit would be charged with developing a Green Winnipeg Strategy

The budget also calls for:

- \* a moratorium on the use of public-private partnerships
- notice of intent to contract in solid-waste collection starting in 2010
- \* a moratorium on the Waverley underpass and similar proposals
- a moratorium on city funds for new stadium-related infrastructure.

Our budget is responsible and realistic: it addresses the serious inequities and environmental problems facing Winnipeg: problems that will only become more expensive the longer they are ignored. Our budget has the courage to tackle the looming deficit caused by past mismanagement of city business. In a phrase, our budget does what a budget should do—put the community first.



## Community first: An alternative municipal budget

In early 2009, Winnipeg city councillors are going to begin to debate the City's 2009 operating budget. If this past year's experience is any guide to the future, it will not be a pretty sight. This year, proposals were released at the last possible minute and in formats that made it difficult to compare what was being proposed with previous budgets. There was no meaningful way for citizens to participate in the budget process.

Unfortunately for Winnipeggers, the content of the budget was worse than the process. Job cuts were proposed for Community Services, funding was reduced for Handi-Transit and public art. Furthermore, close to half a million dollars slated for extending the wading and outdoor pools season was eliminated.

Nor did the future look any brighter: the City was projecting budget shortfalls of \$38-million in 2009 and \$55-million in 2010. The Mayor and his allies on City Council are projecting a 2009 budget that provides little to no constructive vision to improve the quality of life in the City.

## *Community First: An Alternative Municipal Budget*

Furthermore, it sets the City up for a series of potential crises in the near future.

Little has changed since the tabling of the 2008 budget. Instead of providing the City with meaningful leadership in the face of growing inequality and a looming financial crisis, the Mayor and his supporters on City Council seem content to hand over millions of dollars to private developers to build water parks at the expense of needed public infrastructure and services.

The Mayor and his supporters have good reason to want to divert attention to flashy private leisure facilities that will be out of reach for most Winnipeggers: their economic plans for the City, on which they were elected, are no longer realistic. The Mayor promised to eliminate the business tax and keep Winnipeg's decade-long property-tax freeze in place. Given that the City is projecting a \$38-million revenue shortfall next year, these are dangerous fantasies. By sticking with an agenda that caters to the interests of the city's elite, the Mayor is dividing Winnipeggers and setting up the City for a major cutback in services.

In response to these shortcomings of process and policy, the Canadian Centre for Policy Alternatives (CCPA) is presenting this Alternative Municipal Budget. It is the fourth document that the CCPA has published this year dealing with the City budget. The first two provided an overview of the importance of the civic budget in the lives of Winnipeggers, while the third document provided a critique of the City's preliminary 2008 budget. All three documents were shaped by a desire to articulate a community-oriented vision that challenges the narrow, private view

that the Mayor had adopted. They are available at the CCPA website: [www.policyalternatives.ca](http://www.policyalternatives.ca).

This budget has been developed by a range of policy experts, community activists, students, and academics. It makes no claim to speak on behalf of all citizens of Winnipeg. Nor does it claim to be the final word as to what should be in the 2009 Winnipeg Operating Budget. Rather, it is offered as the opening statement in what should be a very public debate about the contents of the 2009 City of Winnipeg budget. It addresses real problems—growing inequality, uncontrolled urban sprawl, and a growing retreat from public accountability.

The key budget figures are presented in Table 1. They are detailed throughout this document.

The CCPA also recognizes that there is no free lunch. The Alternative Municipal Budget calls for an end to the City's decade long property-tax freeze. As politically popular as the freeze may have been, it has undermined the City's ability to provide needed services and infrastructure and respond to fiscal challenges. As long it continues to freeze property taxes and cut the business tax, the City cannot expect to get a sympathetic hearing from the provincial government when it lobbies for funding increases.

But far more than raising taxes, this budget is about putting the power of City Hall to work building a better city. The budget proposes initiatives that will make this a better city in which to live, to play, to work, and to move around in. Through investments in people and services, it would create a safer and healthier city, with strong, self-reliant neighbourhoods.

When compared with the City of Winnipeg's projected budget figures for 2009, the Alternative Municipal Budget provides significant increases in spending for housing, community development, leisure and recreation. It provides a plan to finally get a rapid transit service on track. The fees that it introduces are intended to encourage low-cost, high-density urban development and to discourage costly

suburban sprawl and the development of bedroom communities that double as tax havens.

In a phrase, it is a budget that puts the community first.

### **THEMES**

This budget has two over-arching concerns 1) the need to address and reverse impacts of growing economic inequality in the city and 2) the need for the City to reverse environmentally unsustainable growth patterns. These themes are interlinked: for example, more sustainable growth patterns will reduce financial pressures on the City, allowing it to direct future resources to increasing social equality.

**Table 1: Alternative Municipal Budget, 2009**  
(All figures in millions of dollars). Totals may not add due to rounding.

<b>Revenue</b>	
Property Tax	441
Business Tax	60
Other Tax	73
Government Grants	92
Regulations and Fees	33
Sales of Goods and Services	67
Interest	9
Transfers from other Funds	51
Other	1
<b>Total</b>	<b>827</b>

<b>Expenditure</b>	
Public Works	215
Transit Subsidy	54
Property, Development, Planning, Permits and Buildings	43
Police and Fire Paramedic Services	301
Community Services	110
Corporate	50
Grants, Appeals, and other Corporate Costs	35
City Clerks, City Council, Mayor's Office, Museums, EPC Secretariat, Audit	19
<b>Total</b>	<b>827</b>

### **Poverty: the great divide**

Winnipeg continues to have double-digit family and child poverty. Table 2 shows the percentage of families that fell below the federal government's poverty line in 2001 (referred to as the low-income cutoff) by municipal ward. While poverty is concentrated in core neighbourhoods, each city ward has families that are struggling with poverty. In 2001 29.7 per cent of families in Point Douglas fell below the federal poverty line, and even in areas such as St. Vital, 15.8 per cent of families fell below the line.

According to the 2006 census, 63,745 Aboriginal people live in Winnipeg, giving Winnipeg the largest Aboriginal population of any Canadian city. In 2006, Aboriginal people accounted for 14.87 per cent of Winnipeg's population under the age of 25. It is expected that this population of 30,400 will grow to 43,500 over the next twenty years. Aboriginal people experience higher levels of unemployment and poverty,

Table 2: Poverty Rate by Households

Ward	Percentage of households that fall below the Low Income Cut-Off (LICO) by City Ward
Charleswood-Tuxedo	8.5%
Daniel McIntyre	35.7%
Elmwood-E.Kildonan	25.2%
Fort Rouge-E.Fort Garry	31.1%
Mynarski	37.5%
North Kildonan	16.7%
Old Kildonan	14.8%
Point Douglas	29.7%
River Heights-Fort Garry	12.5%
St. Boniface	16.2%
St. Charles	13.8%
St. James-Brooklands	18%
St. Norbert	15.4%
St. Vital	15.8%
Transcona	10.5%
Winnipeg as a whole	20.3%

Source: 2001 Census

chronic health problems, and lower levels of educational attainment than other Winnipeggers. Reversing these trends is the greatest challenge facing Winnipeg.

For this reason, the Alternative Municipal Budget is reinstating the City's Municipal Aboriginal Pathway Strategy that was developed in the early years of this decade and then largely ignored.

The City has a broader obligation to blunt the impacts of poverty by offering opportunities for quality recreational experiences, coordinating strategies for library access, literacy and learning, ensuring quality housing through enforcement of health standards, reducing social exclusion

that accompanies poverty through affordable transit, and providing active transportation options through the creation of safe places to walk, bike, skate or paddle. The Alternative Municipal Budget is proposing an additional \$6-million of spending in recreation, largely intended to strengthen community and inner-city resources, and a doubling of the City's housing budget.

Aside from providing such services, the City also has a responsibility to address poverty-related issues in a direct way. Many Canadian cities have municipal committees that are charged with addressing issues of economic inequality. Brandon has a Community Task Force on Impoverishment, Edmonton has an Inner City Forum, and Ottawa has a Poverty Issues Advisory Committee. While the City of Winnipeg has an Equity Committee, to date the Committee has taken the position that poverty-related issues do not fall under its mandate. Given the impacts of social inequality on so many aspects of life in Winnipeg, it is apparent that the Equity Committee's mandate should be clarified to ensure that it requires the Committee to address poverty-related issues.

### A Green Winnipeg Strategy

The Alternative Municipal Budget is proposing a three-pronged "Green Winnipeg Strategy" to address the issues created by urban sprawl. For a city with a relatively small population and modest population growth, Winnipeg is spread out over a very large area (see Table 3). This creates serious financial costs for the City government since it must provide roads, public transit, and sewage to all parts of the city. This sprawling development pattern is also

Table 3: Population Density in Canada

People/ sq km	Toronto	Montreal	Ottawa	Vancouver	Winnipeg
	2650	1850	1700	1650	1400

environmentally unsustainable, given the reliance of this dispersed population on the automobile for transportation. Low-density suburban development also makes alternative forms of transportation such as walking and biking impractical. Such development encourages automobile use, placing much higher demands on infrastructure than alternative forms of transportation and resulting in congested transportation arteries. Automobile transportation also uses significantly more energy than public transportation.

In slow-growth cities such as Winnipeg, new subdivisions are developed at the expense of existing neighbourhoods and infrastructure (because they draw resources and investment away from the core of the city). Urban sprawl requires new, costly infrastructure, compared to infill development that can tap into existing services. A study in Albuquerque, New Mexico, found that the infrastructure cost of one house in a new development was twenty-two times that of the same house in an existing neighbourhood (\$22,000 as opposed to \$1,000) (Leinberger 2008).

High population density, particularly in the core of the city, is crucial for a vibrant and healthy metropolitan community. Giving the recent increases in oil prices and construction costs, which are expected to persist, the City should be encouraging dense development and providing convenient

alternatives to suburban expansion and automobile use.

Automobile dependence occurs when reasonable alternatives to automobile travel are not available. Many people are trying to make more economical and environmentally responsible choices, but choice requires real alternatives.

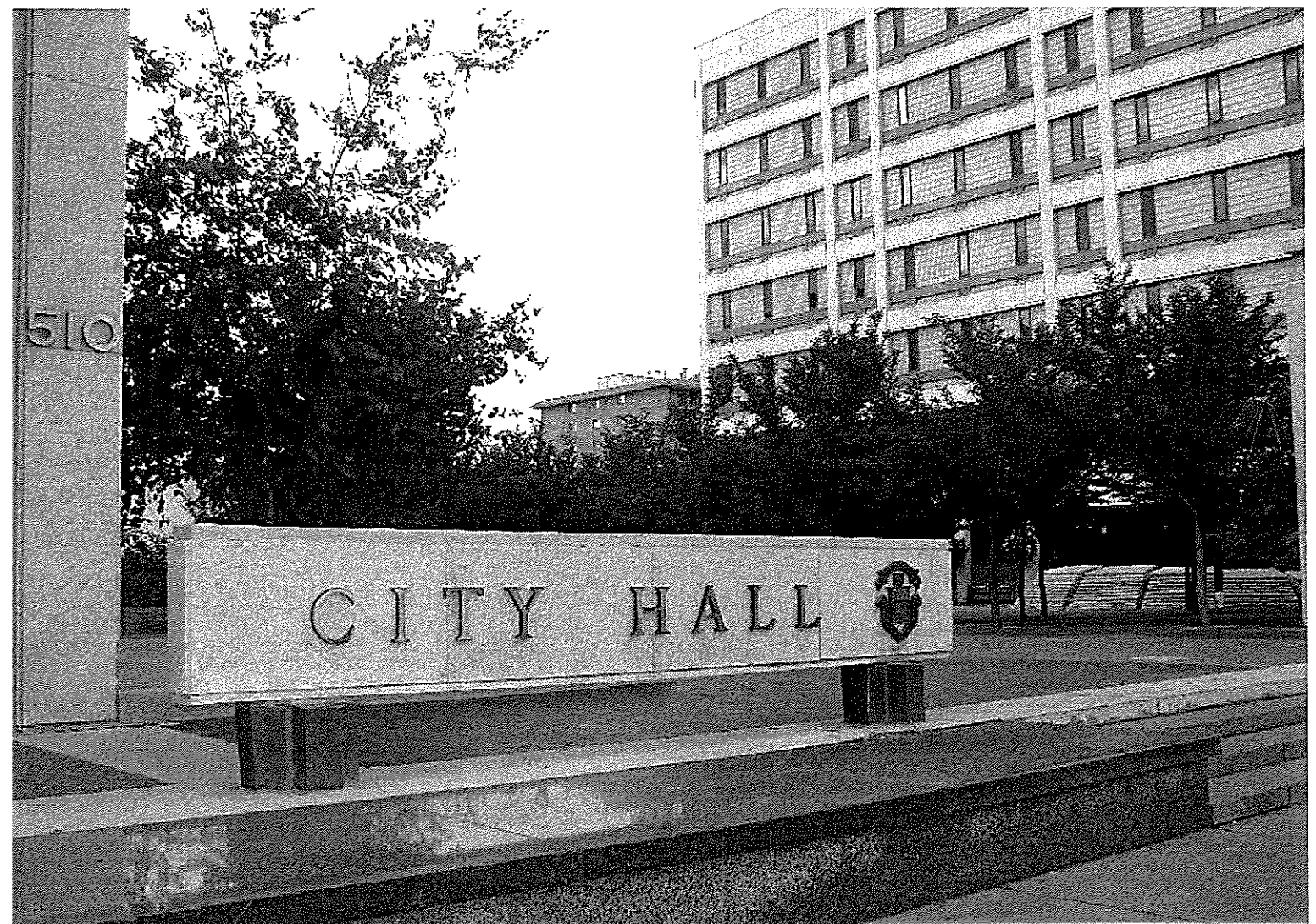
The three elements in the Green Winnipeg Strategy would be:

- 1) a large initial investment in rapid transit and active transportation infrastructure (described in the *A more sustainable city* and *Capital Budget* sections of this budget) to provide Winnipeggers with an alternative to automobile dependence.
- 2) the development of new high-density residential areas and recreation facilities in central neighbourhoods and along rapid transit arteries to meet current and future housing demand (described in the *A more sustainable city* and *A healthier, more active city* sections of the budget).
- 3) a concerted effort to decrease the relative cost and inconvenience of transit and active transportation options when compared to automobile-based transport, by transferring resources from automobile infrastructure to active transportation and public transit facilities. Until public transit and active transportation are as convenient and safe as driving, people are unlikely to change their behaviour. To accomplish this, the City will shift its focus from building highways and underpasses that make the city more car-friendly to building dedicated transit corridors, bicycle and pedestrian corridors (described in detail in the *A more sustainable city* section of the budget).

*Community First: An Alternative Municipal Budget*

Tax policy can also be used to make transit and cycling more attractive. The commuter tax and the new house tax proposed in this budget (see *Alternative Municipal Budget 2009 Revenue* section) are examples of needed tax changes. This budget also contains green infrastructure choices such as the delay of the Chief Peguis Trail Expansion, a rejection of the Waverley underpass, and an immediate construction start on Winnipeg's Rapid Transit and active transportation corridors.

It is also recognized that transportation and development are not the only environmental issues facing the City. In future years, the Green Strategy would be expanded to address such issues as pesticide use, the introduction of community composting programs, and the disposal of electronic waste.



## Introduction to the budget

**T**he City of Winnipeg budget is made up of two sub-budgets: the operating budget and the capital budget.

The operating budget funds the City's day-to-day operating costs, including items such as salaries, pensions, interest on debt, heat and lighting of City buildings, rent, and payments for services. The capital budget funds big-ticket expenses such as the construction of buildings, bridges, roads, water and sewage systems, and the purchase of major pieces of equipment, such as

buses. (More detail on how the municipal budget operates is available in the Canadian Centre for Policy Alternatives-Manitoba's two-part publication *A Citizen's Guide to Understanding Winnipeg's City Budgets* available at [www.policyalternatives.ca](http://www.policyalternatives.ca).)

Spending decisions make up the expense side of these budgets. Each budget also has a revenue side that describes how the expenses are to be funded. The operating budget is funded largely by taxes, fees that the City charges for services, licence fees, and money received from other levels of

*Community First: An Alternative Municipal Budget*

government. To fund the capital budget, the City uses general revenues, borrows money, enters into partnerships with private firms, and receives funding from the provincial and federal governments.

Under Manitoba law, the City's operating budget must be balanced—its revenues and expenses must be equal, with no deficit or surplus. The 2008 Operating Budget is \$767.6-million. The City is allowed to use debt to finance the capital budget. Because capital budget expenses are essentially investments in the future (Winnipeggers, for example, are still getting water from an aqueduct that was originally completed in 1919), it makes sense to borrow to fund these projects. It is true that citizens of the future will pay a portion of the costs, but they will also make use of the

investments and will pay less than if the expenditure were deferred.

By law, the City is required to adopt an operating budget and a capital budget each year. The City also prepares projected budgets for future fiscal years. Table 4 shows the overall operating and capital budgets for the City for 2007-2010 (the years beyond 2008 represent the City's current projections). Table 5 provides the same information, adjusted for inflation.

The operating and capital budgets are inter-related. For example, money from the operating budget is used to pay a portion of the capital budget, and interest payments on capital project debt show up in the operating budget. For this reason, this alternative budget addresses both operating and capital issues.

**Table 4: The overall operating and capital budgets for the City for 2007-2010 All figures in thousands of dollars.**

	2007	2008	2009	2010
Total Capital Program	424,323	421,499	338,120	291,618
Per cent change		-1.3%	-19.8%	-13.8%
Total Operating Budget	741,242	767,577	796,575	822,105
Per cent change		3.6%	3.8%	3.2%

**Table 5: The overall operating and capital budgets for the City for 2007-2010, adjusted for inflation. All figures in 2008 dollars; thousands of dollars.**

	2007	2008	2009	2010
Total Capital Program	427,831	421,499	329,882	277,467
Per cent change		-3.7%	-21.7%	-15.9%
Total Operating Budget	759,470	767,577	777,147	782,213
Per cent change		1.1%	1.2%	0.7%

**WINNIPEG TAXES**

As is the case with all other Canadian municipalities, the City of Winnipeg has very limited taxing powers. It cannot, for example, tax income. By law the City can only set and collect property taxes (although, it can charge fees for various services). The City taxes the owners of residential and non-residential property on the basis of the assessed value of their property. The more valuable one's property, the more one pays. While renters do not directly pay property taxes, it is generally assumed that landlords pass on property tax increases through rent increases.

The City also has a business tax, which is an additional form of property tax based on the annual rental value of business premises. The argument behind the business tax is that without it, only those businesses that owned property would pay municipal property tax.



*Community First: An Alternative Municipal Budget*

The property tax rate has been frozen at the same rate since 1998. Since 2004, the business tax rate had been reduced from 9.75 per cent to 7.75 per cent.

In 2008, it is expected that these taxes will raise 63 per cent of the city's operating budget.

**Trends in Winnipeg revenue**

Tables 6 and 7 detail trends in City of Winnipeg operating budget revenue over the past seven years. Revenue from all sources increased by 18 per cent between 2001 and 2008. However, once this figure is adjusted for inflation (see Table 7), the real increase is only 2.5 per cent (the term "real" in discussion of figures in this budget means the value has been adjusted to take into account the impact of inflation).

The growth in City revenue comes largely from increases in the fees charged for goods and services and transfers from other funds. In particular, in 2006, there was a \$9-million transfer from the Fiscal Stabilization Reserve, a fund designed to protect the city from unforeseen fluctuations in property tax revenue. Property tax revenues have declined in real terms. Business tax revenues declined even before being adjusted for inflation.

The current Mayor has promised to eliminate the city's business tax, which currently brings in \$57.5-million in revenue. He argues that the tax makes it difficult to attract new

investment (since many other cities do not have a business tax), and is unfair since some businesses must pay both the business tax and a non-residential

**Table 6: City of Winnipeg Operating Budget Revenue 2001-2008. All figures in millions of dollars. (Percentages calculated prior to rounding. Numbers may not add due to rounding.)**

	2001 Actual	2008 Budget	% change
Property Tax	384	424	10.4
Business Tax	60	58	-3.3
Other Tax	19	25	31.6
Government Grants	73	90	23.3
Regulations and Fees	18	30	66.7
Sales of Goods and Services	42	67	59.5
Interest	14	9	-35.7
Transfers from other Funds	40	62	55.0
Other	1	1	0.0
<b>Total</b>	<b>651</b>	<b>768</b>	<b>18.0</b>

**Table 7: City of Winnipeg Operating Budget Revenue 2001-2008, adjusted for inflation. All figures in 2008 dollars; millions of dollars. (Percentages calculated prior to rounding. Numbers may not add due to rounding.)**

	2001 Budget	2008 Budget	% change
Property Tax	442	424	-4.0
Business Tax	69	58	-16.0
Other Tax	22	25	14.3
Government Grants	84	90	7.1
Regulations and Fees	21	30	44.8
Sales of Goods and Services	48	67	38.6
Interest	16	9	-44.1
Transfers from other Funds	46	62	34.7
Other	1	1	-13.1
<b>Total</b>	<b>749</b>	<b>768</b>	<b>2.5</b>
Real Total per Person	1176	1165.402	-0.9
Winnipeg Population	637,000	659,000	3.5

property tax. However, the Mayor has not come up with a feasible plan to replace the revenue that would be lost if the City simply abolished the business tax.

The point that needs to be made here is that in a comparative sense, the City does not overtax its business community. In all western Canadian cities it is the residential taxpayer who pays the majority of the tax bill. Table 8 sets out the percentage of total municipal taxes levied on businesses in five Western Canadian cities. Winnipeg businesses tax share is right in the middle of the pack.

This means that across western Canada, Winnipeg is quite competitive when it comes to the taxes it that places on the business community. While there may be some sense in eliminating the business tax (since Winnipeg businesses have to pay a tax that businesses in other cities do not pay), there is little reason to reduce the overall amount of tax the business community pays. If the business tax were to be eliminated, the non-residential commercial property tax should be increased to ensure that there is no loss in revenue. This is precisely what is being done in Edmonton.

### **Winnipeg spending trends**

Total operating budget spending increased by \$117-million (18 per cent) between 2001 and 2008. Once inflation is taken into account, overall spending is only up by 2.5 per cent. As the population of the city increases, there is an increased demand for services. More people and more housing require more streetlights, roads, police officers firefighters, and recreation opportunities. Winnipeg's population grew by 3.5 per cent between 2001 and 2008. Once inflation is factored into the calculation, total Winnipeg operating budget spending per person declined by 0.9 per cent between 2001 and 2008.

The conclusion is that while it may look as if the City's spending is increasing rapidly, once inflation and population growth are factored in, department spending has increased quite modestly since 2001 and total spending per person has actually decreased. It is no wonder that Winnipeg's basic infrastructure and social services are under pressure. Before addressing spending issues, the Alternative Municipal Budget will first present its revenue proposals.

**Table 8: Western Canadian Cities: Non-Residential Property Tax as a Per Cent of Total Taxes, 2006**

City	Non-Residential Tax as a Per Cent of Total Taxes
Winnipeg	43
Calgary	50
Edmonton	45
Regina	37
Saskatoon	31

## Alternative Municipal Budget 2009 Revenue

**F**or the 2009 budget year, the City of Winnipeg is projecting a \$38-million deficit. Projected revenue for 2009 not only fails to keep pace with inflation and population growth, it actually declines.

The City's revenue straightjacket is a problem of its own making. Tax revenues from both business and property taxes are, in real terms, projected to shrink, while other sources of revenue, most notably regulations and fees are to increase. By freezing property taxes and refusing to develop alternate

sources of revenue to make up for the revenue lost through tax freezes, the City has unnecessarily limited its ability to generate income. The result is the looming \$38-million deficit. The Alternative Municipal Budget corrects this problem and generates a balanced budget.

At the time of the release of the 2008 City budget there was a great deal of discussion about whether the City could afford to continue another year without increasing its tax rates. This may seem surprising, given that the City is taking in \$117-million more in 2008

than it was in 2001.<sup>1</sup> However, as noted in the previous section, when adjusted for inflation this 18 per cent increase falls to a much more modest 2.5 per cent increase.

The City generates most of its revenue from residential and non-residential property taxes. This creates an initial problem for the City, since property tax revenues, unlike income or sales taxes, tend not to grow automatically with economic expansion. However, the City has compounded this problem by freezing these rates for a decade. Other jurisdictions, including Calgary and Edmonton, have recently increased their property tax rates. The City's decision to reduce the business tax rate from 9.75 per cent in 2004 to 7.75 per cent in 2007, coupled with a long-term commitment to eliminate the business tax, has further compromised City revenues. While taxation revenue has decreased significantly as a source of City revenue, regulatory fees and sales of goods and services have increased. Some of these increases (such as those generated by photo radar) may yield social benefits, but others (such as the increase in ambulance fees) are socially damaging.

There is good reason to fear that the current administration will attempt to resolve its revenue problems by cutting

1 All figures on revenue and expenditures in the Alternative Municipal Budget, unless otherwise noted, refer to expenditures and revenues found in the tax-supported operating budget. A significant amount of City activity is not included in the tax-supported operating budget. For details see the Appendix. (The tax-supported operating budget is basically the total City operations minus the activities of the special operating agencies or special operating funds.)

expenditures. Indeed, it could be argued that it has created these problems as a prelude to such cuts. The implications of such cuts to the community would be serious, widespread and wholly negative. There are, however, alternatives.

## **THE ALTERNATIVE MUNICIPAL BUDGET'S REVENUE PROPOSALS**

The Alternative Municipal Budget's revenue proposals allow for a balanced budget that protects and expands core services. The proposals reverse measures that have eroded the City's revenue position, address the problem of the lack of growth inherent in property taxes, and discourage urban sprawl. Further, to the degree that the Alternative Municipal Budget relies on fees, it imposes fees that will contain future City spending and create a more environmentally efficient community. Tables 9 and 10 present the Alternative Municipal Budget revenue proposals alongside the City of Winnipeg's past, present, and projected revenue proposals.

We are proposing:

- 1) Changes to property and business taxes (Revenue increase of \$12.3-million)
- 2) Tax policies that create a better Winnipeg (Revenue increase of \$51.5-million)
- 3) Adjustments to the City's projected transfers from other funds (Revenue increase of \$4-million)

### **1) Property and Business Taxes**

As noted above, the difficulty with property taxes is that the tax base (what the tax is levied on, in this case, the value of city property) does not increase automatically with economic growth (unlike income or sales taxes). The property tax base grows only as new

**Table 9: 2009 Alternative Municipal Budget Revenue compared to City of Winnipeg Projected Budget for 2009. All figures in millions of dollars. (Percentages calculated prior to rounding. Numbers may not add due to rounding.)**

	2009 City of Winnipeg Projected Budget	% change from City of Winnipeg 2008 Budget to 2009 Projected Budget	2009 Alternative Budget	% change from City of Winnipeg 2008 Budget to 2009 Alternative Municipal Budget
Property Tax	430	1.3%	441	3.9%
Business Tax	58	0.0%	60	3.3%
Other Tax	26	4.5%	73	191.0%
Government Grants	92	2.2%	92	2.0%
Regulations and Fees	33	9.5%	33	8.7%
Sales of Goods and Services	67	0.4%	67	0.3%
Interest	9	-5.0%	9	-3.5%
Transfers from other Funds	42	-33.4%	51	-18.2%
Other	1	8.8%	1	-21.8%
<b>Total</b>	<b>758</b>	<b>-1.2%</b>	<b>827</b>	<b>7.7%</b>

properties are constructed and as the assessed property value increases. This means that if property tax rates do not change, this source of revenue will grow very slowly. It also means that the real amount of property taxes paid by each homeowner will decline over time unless their property is reassessed.

To correct for the erosion of property tax revenue due to inflation, the 2009 Alternative Municipal Budget will index property and business taxes to the rate of inflation. This means that each property owner and business would see her or his taxes increase each year by the rate of inflation. Based on an estimated rate of inflation for 2009 of 2.5 per cent, this would increase the City's projected 2009 property tax revenue from \$430- to \$440.8-million. An identical increase in the business tax

would increase revenue by \$1.5-million, from \$58- to \$59.5-million.

It is difficult to claim that Winnipeg homeowners are more highly taxed than their Western Canadian counterparts. In 2006, a Winnipeg family paid \$1,274 in property tax on a selected single detached house. The rate for the same house in Regina was \$1,318, in Saskatoon, \$1,230, and in Edmonton, \$1,158. Only Calgary, where the tax was \$904, had a significantly lower tax rate. Once utility costs are taken into consideration, Winnipeggers have the lowest housing costs on the prairies.

-----  
**Projected revenue change**

*Property Tax Increase - \$10.8-million*

*Business Tax Increase - \$1.5-million*

**Table 10: 2009 Alternative Municipal Budget Revenue compared to City of Winnipeg Projected Budget for 2009, adjusted for inflation. All figures in 2008 dollars; millions of dollars. (Percentages calculated prior to rounding. Numbers may not add due to rounding.)**

	2009 City of Winnipeg Projected Budget	% change from City of Winnipeg 2008 Budget to 2009 Projected Budget	2009 Alternative Budget	% change from City of Winnipeg 2008 Budget to 2009 Alternative Municipal Budget
Property Tax	419	-1.2%	430	1.3%
Business Tax	56	-2.4%	58	0.8%
Other Tax	26	2.0%	72	183.9%
Government Grants	90	-0.3%	90	-0.5%
Regulations and Fees	32	6.9%	32	6.1%
Sales of Goods and Services	65	-2.0%	65	-2.2%
Interest	9	-7.3%	9	-5.9%
Transfers from other Funds	41	-35.0%	50	-20.2%
Other	1	6.1%	1	-23.7%
Total	740	-3.6%	806	5.1%
Real Total per Person	1113.9	-4.4%	1215	4.3%

## 2) Creating a Better Winnipeg Using Tax Policy

### a) Measures to reduce sprawl

The City of Winnipeg is facing two inter-related sprawl issues. One is the growth of costly and environmentally inefficient suburban developments within the City limits. The second is the growth of residential areas outside the City boundaries, but within commuting distance. Measures to address suburban sprawl can have the unintended and undesired impact of increasing sprawl outside of the City limits. For these reasons, the Alternative Municipal Budget is proposing a new housing fee to

reduce suburban sprawl and a commuter fee to discourage exurban sprawl.

#### *New Housing Fee*

To encourage the use of existing housing stock and construction in existing neighbourhoods, a \$15,000 fee will be applied to new housing starts in Winnipeg (this fee will only apply in the City of Winnipeg, not in the surrounding municipalities). It will not apply to the replacement or renovation of existing homes. It will also not apply to new units on vacant lots in existing developments or designated areas close to Winnipeg's urban centre that have not yet been developed.

Between 1996 and 2006 Winnipeg averaged 1,500 new housing starts per

year (Canada Mortgage and Housing Corporation). A \$15,000 charge on each of these new units would raise \$22.5-million.

-----  
**Projected Revenue Change**

*New Housing Fee - \$22.5-million*

**Commuter fee**

The growth of residential areas outside the City boundaries is a problem for a number of reasons. First, in terms of the City's ability to generate revenue, the presence of lower property tax jurisdictions within easy commuting distance limits the amount of property tax revenue available to the City. This occurs both because people will build new properties in the low-tax region and then commute into Winnipeg to work, and because the lower tax area limits the City's ability to raise property tax rates within the City as it tries to remain tax competitive. Second, it creates urban sprawl. Third, it increases commuter pressure on infrastructure and generates large environmental costs including increased greenhouse-gas emissions.

For a house with an assessed value of \$100,000, the difference in taxes is roughly \$1,000 for those that are not located within the City boundary. The higher a house's assessed value, the larger the differential, creating a greater incentive to locate high value (and therefore high tax) properties outside the City (Table 11).

It should be no surprise that the population growth rate of Winnipeg is lower than the growth rate outside the perimeter. Between 2001 and 2006 Winnipeg grew by 2.2 per cent, East St. Paul by 13.8, and Headingley by 42.9 per cent. People who work in Winnipeg and live outside the City are, in essence, free riders, using municipal services when they drive and work in the City without paying for them. Ultimately, this is an issue that can be most effectively addressed by the provincial government. In the absence of provincial measures, the Alternative Municipal Budget is proposing the introduction of a commuter fee.

Cities such as London, Singapore and Stockholm have used such a tax to address similar issues. These taxes are levied on the non-resident owners of vehicles every time that vehicle enters a specified zone within a specified time period (usually from 6:00 a.m. to 6:00 p.m., Monday to Friday). Exemptions can be issued for buses, emergency vehicles, and vehicles with parking permits for people with disabilities. Fees are levied on a barrier-free basis as license-recognition cameras mounted at roadways at the municipal boundary record all non-resident vehicles entering the community. The fees are collected through a debit system via phone, the internet, text messaging, or cash transactions at participating retailers. Mechanisms can be built into the system to make sure that it does not tax tourists

**Table 11: Assessed property taxes for \$100,000 home 2005.**

Assessed value (\$)	Winnipeg	East St. Paul	MacDonald	Ritchot
100,000	2,836	1,814	1,760	1,798

Source: Canadian Taxpayers Federation, Winnipeg Capital Region Property Taxes and Utility Charges Survey

*Community First: An Alternative Municipal Budget*

or casual visitors (for example, by not instituting the tax on the first ten visits to the City per year.)

There are 60,000 people living in the Winnipeg Census Metropolitan Area (CMA) outside Winnipeg (a census metropolitan area is a grouping of census subdivisions that includes a large urban area and the surrounding urban and rural communities with which it is closely integrated). A \$4-a-day commuter fee would generate approximately \$1,000 per commuter vehicle per year, an amount that would go a long way to eliminating the property tax gap. On a very rough assumption that half of the CMA population commutes and that there is one commuter in a family of four, a commuter charge would generate \$7.5-million. Given that this fee does not take into consideration ability to pay, it is recommended that the Manitoba government consider developing a tax credit similar to the property-tax credit to make the tax more equitable.

-----  
**Projected Revenue Change**

*Commuter Fee - \$7.5-million.*

**b) Tax on Plastic Bags**

Disposable plastic shopping bags litter the urban environment, clog up City landfills (where they do not readily degrade), are difficult to recycle, present a danger to wildlife, are made of petrochemicals (a non-renewable resource), and carry a risk of suffocation for unsupervised babies. Switching to reusable grocery bags is an easy way for the people of Winnipeg to make their city more environmentally sustainable.

Winnipeg's population is just over 650,000. If each Winnipegger uses five

bags a week, 169-million plastic bags are used in the city each year. A ten-cent per bag tax would generate \$17-million. Since the prime motive behind this tax is to eliminate the use of plastic bags, the revenue generated by this tax would be expected to decrease dramatically over time as people switch to reusable bags.

-----  
**Projected Revenue Change**

*Plastic bag tax - \$17-million*

**c) Flat Rate for Water Use**

The City of Winnipeg's Waterworks Department sets its rates using a three-tier declining block rate structure. Under this structure, the more water one uses, the less one pays for each unit of water. Table 12 shows the 2006-2008 water rates (the volumes are recalculated every three months). While the City increased its water and sewage rates by 11.6 per cent in 2007 and 13 per cent 2008, there was no attempt to eliminate the volume discount associated with the water rate.

**Table 12: Winnipeg Water rates 2006-2008**

Per 100 cubic feet per quarter	2006 rate	2007 rate	2008 rate
Block 1 0-9,600	\$2.75	\$3.15	\$3.45
Block 2 9,601-96,000	\$2.27	\$2.67	\$2.97
Block 3 more than 96,000	\$1.79	\$2.19	\$2.49

This amounts to volume discounting and discourages rather than encourages water conservation. The City charges a flat rate (\$5.12 per hundred cubic feet) for sewage removal, which does not have this perverse incentive structure.

To create an incentive to conserve water, especially at high volumes, the Alternative Municipal Budget would



change the three-block system to a single flat rate that would be between the current rates for block 1 and 2. This would result in a decrease in rates for small volume users and an increase in rates for high volume users. Further, in order to encourage overall conservation by all Winnipeggers, it would increase overall water rates by 5 per cent. This increase would be calculated after the other proposed changes to the rate structure.

Waterworks is projected to earn \$91-million in 2009 from its water sales. A 5 per cent increase would amount to \$4.5-million in additional revenue. This increase would be transferred to City revenues

---

**Projected Revenue Change**

*Waterworks fee increase: \$4.5-million*

**3) Adjustments to the City's projected transfers from other funds**

The largest area of projected decline in City revenue is in transfers from other funds, which the City is projected to drop from \$62-million to \$42-million. Part of the reason for the decline is a City Council decision not to transfer additional funds from agencies if it would put the agencies that generate the funds in a money losing position.<sup>2</sup> For example, since the \$3.6-million transfer from the Winnipeg Parking Authority to general revenue in 2007 contributed to an end-of-year deficit for the agency, the City projects an insignificant draw of \$42,000 from this source in 2009.

The \$20-million reduction reflects an almost across-the-board reduction

in transfers from various municipal agencies. For example, transfers from sewage disposal, which ran a \$60-million surplus in 2007, are projected to decline from \$22-million to \$20-million.

The Alternative Municipal Budget would not reduce the transfers from agencies that are running large surpluses and would therefore not put these agencies into a money-losing position.

The City predicts that it will reduce the transfer from Waterworks by \$2-million (from \$15- to \$13-million) even though the agency ran a surplus of \$44-million in 2007. The Alternative Municipal Budget would continue to transfer \$15-million (plus the additional \$4-5 million described in the previous section) from Waterworks in 2009. The Alternative Municipal Budget would continue to transfer from Sewage Disposal at the 2008 amount.

These changes would create an additional \$4-million in revenue. As a result, the Alternative Municipal Budget will be transferring \$46-million from other funds, as opposed to the \$42-million that the City currently projects.

---

**Projected revenue change**

*Transfers from funds: \$4-million*

---

<sup>2</sup> Data for this section was drawn from the 2007 City of Winnipeg *Detailed Financial Report*.

## Alternative Municipal Budget 2009 Expenditure

**W**hile City expenditures appear at first glance to have increased significantly over the last seven years (Tables 13 and 14), in reality the increase has been quite modest. As noted earlier, one inflation is taken into account, the 18 per cent increase from 2001 to 2008 dwindles to 2.5 per cent. When one factors in population growth, expenditure per Winnipegger has actually decreased by .09 per cent over the seven-year period.

Although the real total budgeted expenditure has not changed very much over the last seven years, distribution of the funding within the budget has been significantly altered. Winnipeg Police and Winnipeg Fire Paramedic Services have seen their proportion of the total budget increase from 31 to 38 per cent, which has come at the expense of Public Works, Grants, Appeals and Other Corporate Costs.

Tables 15 and 16 outline the Alternative Municipal Budget's expenditure proposals for 2009 and compare them to the City's projected

*Community First: An Alternative Municipal Budget*

**Table 13: City of Winnipeg Operating Budget Expenditures 2001-2008. All figures in millions of dollars.**

	2001 Actual	2008 Budget	% change 2001-2008
Public Works	193	205	6
Transit Subsidy	30	38	28%
Property, Development, Planning, Permits and Buildings	38	37	-2%
Police and Fire Paramedic Services	205	290	42%
Community Services	74	97	31%
Corporate	51	49	-4%
Grants, Appeals, and other Corporate Costs	50	33	-34%
City Clerks, City Council, Mayor's Office, Museums, EPC Secretariat, Audit	10	18	77%
<b>Total</b>	<b>651</b>	<b>768</b>	<b>18%</b>

**Table 14: City of Winnipeg Operating Budget Expenditures 2001-2008, adjusted for inflation. All figures in 2008 dollars; millions of dollars. (Percentages calculated prior to rounding. Numbers may not add due to rounding.)**

	2001 Actual	2008 Budget	% change 2001-2008
Public Works	222	205	-8%
Transit Subsidy	34	38	12%
Property, Development, Planning, Permits and Buildings	43	37	-15%
Police and Fire Paramedic Services	236	290	23%
Community Services	85	97	14%
Corporate	59	49	-17%
Grants, Appeals, and other Corporate Costs	57	33	-43%
City Clerks, City Council, Mayor's Office, Museums, EPC Secretariat, Audit	12	18	54%
<b>Total</b>	<b>749</b>	<b>768</b>	<b>2%</b>
Real Total per Person	1176	1165	-0.9%
Winnipeg Population	637,000	659,000	3.5
Winnipeg Census Metropolitan Area Population	690,000	719,000	4.2

*Community First: An Alternative Municipal Budget*

**Table 15: 2009 Alternative Budget Expenditure vs. City of Winnipeg Projections. All figures in millions of dollars.**

	2009 City of Winnipeg Projected Budget	% change from City of Winnipeg 2008 Budget to 2009 Projected Budget	2009 Alternative Budget	% change from City of Winnipeg 2008 Budget to 2009 Alternative Municipal Budget
Public Works	214	4%	215	5%
Transit Subsidy	41	7%	54	42%
Property, Development, Planning, Permits and Buildings	39	5%	43	17%
Police and Fire Paramedic Services	298	3%	301	4%
Community Services	102	5%	110	13%
Corporate	50	1%	50	1%
Grants, Appeals, and other Corporate Costs	35	5%	35	5%
City Clerks, City Council, Mayor's Office, Museums, EPC Secretariat, Audit	19	5%	19	5%
<b>Total</b>	<b>797</b>	<b>4%</b>	<b>827</b>	<b>8%</b>

**Table 16: 2009 Alternative Budget Expenditure vs. City of Winnipeg Projections, adjusted for inflation. All figures in 2008 dollars; millions of dollars. (Percentages calculated prior to rounding. Numbers may not add due to rounding.)**

Public Works	209	2%	210	2%
Transit Subsidy	40	4%	53	39%
Property, Development, Planning, Permits and Buildings	38	2%	42	14%
Police and Fire Paramedic Services	291	0%	293	1%
Community Services	99	2%	107	11%
Corporate	48	-1%	48	-1%
Grants, Appeals, and other Corporate Costs	34	2%	34	2%
City Clerks, City Council, Mayor's Office, Museums, EPC Secretariat, Audit	18	2%	18	2%
<b>Total</b>	<b>777</b>	<b>1%</b>	<b>806</b>	<b>5%</b>

spending for 2009. As can be seen by comparing Tables 15 and 16, the City's projected overall 4 per cent spending increase for 2009, will, after inflation is taken into account, amount to an increase of just 1 per cent. The increases are spread out amongst all categories except Corporate Costs, with relatively larger increases going to Public Works and Police and Fire Paramedic Services.

Table 17 outlines the Alternative Municipal Budget's proposed net increases in operating expenditures.

The 2009 Alternative Municipal Budget presents a balanced budget and increases funding to many services and programs that are a priority for Winnipeggers. These expenditure increases are outlined in the following sections.

The spending proposals in the Alternative Municipal Budget contribute to making Winnipeg:

- a fairer city
- a more active city
- a safer, more secure city
- a more sustainable city
- a better place to work
- a better place to live

The following sections outline the ways that the budget will meet these goals.

*Community First: An Alternative Municipal Budget*

**Table 17: Alternative Municipal Budget Operating Expenditures Changes. All figures in millions of dollars.**

	2009
<b>Public Works</b>	
Roadway Construction and Maintenance (Chief Peguis Expansion Delay)	-2.0
Roadway Construction and Maintenance (Disraeli Overpass Financing)	3.2
<b>Total Public Works Increase</b>	<b>1.2</b>
<b>Transit Subsidy</b>	
Transit (Increased Bus Operation) - Estimated	4.0
Transit (BRT Corridors Financing)	9.4
<b>Total Transit Subsidy Increase</b>	<b>13.4</b>
<b>Planning, Property and Development</b>	
City Planning (Planning and Infrastructure Economic Analysis Unit)	1.0
City Planning (Secondary/Neighbourhood Plans)	1.0
Economics Development (CED Training Intermediary)	0.5
Economic Development (CED Purchasing Initiative)	0.3
Neighborhood Revitalization (Housing)	1.8
<b>Total Planning Property and Development Increase</b>	<b>4.5</b>
<b>Police and Fire Paramedic Services</b>	
Police (Strategic Evaluation of Personnel Deployment)	0.1
Police (Building Financing)	2.1
<b>Total Police and Fire Paramedic Increase</b>	<b>2.2</b>
<b>Community Services</b>	
Recreation (Community Centre Programming and Maintenance)	4.6
Recreation (Community Centre Capital Debt and Finance Charges)	0.6
Recreation (New Soccer Facility Debt and Finance Charges)	0.4
Neighbourhood Revitalization (Aboriginal Strategy)	3.0
<b>Total Community Services Increase</b>	<b>8.6</b>
<b>Corporate</b>	
Equity Lens	0.1
<b>Total Corporate</b>	<b>0.1</b>
<b>Total Expenditure Increase</b>	<b>30.0</b>

## A fairer city

**T**he bonds that hold a community together fray when social and economic inequality prevents some people from participating in and benefiting from community life. Many of the measures in the Alternative Municipal Budget, particularly those regarding housing, employment, and recreation and leisure, are intended to rebuild community bonds and blunt the impacts of inequality.

The Alternative Municipal Budget will also make proposals to ensure that poverty is firmly on the agenda at City Hall and that the City's Aboriginal Strategy is finally implemented.

### **AN EQUITY AND DIVERSITY LENS**

A tool that could be used to assist the City in addressing issues of social inequity is an equity and diversity lens. Such a lens would assist in identifying and eliminating barriers to social and economic inequality. It could also be used to reinforce best practices in the planning, development, execution, and

## *Community First: An Alternative Municipal Budget*

evaluation of policies, services and programs.

Specifically an equity and diversity lens could be used to

- detect the impact of new policies and program on diverse individuals and groups
- evaluate existing programs to determine if they eliminate barriers and provide benefits equitably to diverse individuals and groups
- identify strengths and areas for improvement
- identify practices and milestones that could be replicated to build upon original successes
- identify steps that could be taken to eliminate barriers

It is important to recognize that the development of such a lens is a first step. The next would be to implement its findings into the planning process.

The Alternative Municipal Budget commits \$50,000 to the development of an equity and diversity lens to be used in assessing municipal policies and programs.

### ----- **Summary of New Expenditures:**

*Development of an Equity and Diversity Lens: \$50,000*

### **IMPLEMENTING AN ABORIGINAL STRATEGY FOR THE CITY**

The City has, over the past decade, created a number of Aboriginal initiatives. The most significant of these was the adoption, in 2003, of *First Steps: Municipal Aboriginal Pathways*. This policy framework was intended to create a new era of co-operation between the City and Winnipeg's Aboriginal

community. It committed the City to concrete action in five policy areas:

- employment
- economic development
- safety
- quality of life
- outreach and education

The City also committed itself to reporting on the progress that had been made in meeting these commitments in 2006.

While it would be wrong to say that no progress has been made, the fact is that the City has not taken many of the steps that it committed to taking. It also failed to publish an assessment of the program in 2006.

In 2008, the City adopted an Aboriginal Youth Strategy, which is being referred to as the City's *Next Step on the Municipal Aboriginal Pathways*. The Strategy made a one-year commitment of \$1-million to support Aboriginal community-driven youth initiatives. In selecting projects to fund, the City will be taking advice from the Aboriginal Partnership Committee of the Winnipeg Partnership Agreement and the Coalition of Community-Based Youth Serving Agencies.

The decision to focus on youth is understandable. However, on its own, the Youth Strategy does not put the City back on the *Municipal Aboriginal Pathways*. There is a need to address the issues facing the entire Aboriginal community. It is important not to lose sight of important *Municipal Aboriginal Pathways* priorities such as the development of:

- Aboriginal Economic Development Partnerships



- a multi-purpose community facility
- safe and affordable accommodation for Aboriginal people
- ongoing Aboriginal Pathways community consultation forums

Furthermore, the City has committed itself to only one year of funding for its Aboriginal Youth Strategy, which is to be delivered by external agencies. Aside from the projects that these agencies will be proposing, there is a great deal that the City can do internally. These measures included increasing:

- employment and training opportunities for Aboriginal youth
- the mentorship and internship opportunities for Aboriginal youth
- the number of free and subsidized physical activity programs
- the hours that free and drop-in recreation services are offered
- transportation opportunities to recreation facilities
- library services in communities with a significant Aboriginal population

### **Getting the Municipal Aboriginal Pathways framework back on its feet**

The Alternative Municipal Budget proposes a five-year commitment to get the *Municipal Aboriginal Pathways* framework back on its feet.

To do this, the Alternative Municipal Budget would establish an inter-departmental Municipal Aboriginal Pathways Team with the leadership and authority to implement the *Municipal Aboriginal Pathways* commitments in consultation with the Aboriginal community. The Budget for the Team in 2009 would be \$3-million. Of this

amount, \$2-million would be allocated to the Aboriginal Youth Strategy, where Aboriginal community-driven youth initiatives of the sort funded in 2008 would receive \$1-million and \$1-million would be allocated to internal Aboriginal youth initiatives (this would include employment, mentoring, and improved access to recreation and library services). An additional \$1-million would be earmarked for support for non-youth projects identified in the *Municipal Aboriginal Pathways* framework. Later portions of this budget identify areas where the *Municipal Aboriginal Pathways* funding should be targeted.

City Council should commit itself to continuing to support the Aboriginal Youth Strategy at a level of \$2-million a year for the following four years. The Council should increase the funding for other *Municipal Aboriginal Pathways* initiatives to \$2-million a year for the following four years.

### **----- Summary of New Expenditures:**

*Aboriginal Youth Strategy: \$2-million*

*Municipal Aboriginal Pathways funding:  
\$1-million*



## A better place to live: housing

*Photo:  
Winnipeg's  
inner-city  
housing stock  
is continuing  
to deteriorate.*

**W**innipeg has a serious and growing housing problem. An increasing number of people, particularly in Winnipeg's inner city, are paying too much for housing that is cramped and decaying. Safe, stable housing provides more than just a roof over one's head; it is linked to employment, health, and in the case of children, improved educational outcomes. Despite knowledge of this growing problem, the City of Winnipeg is

allowing much of its affordable housing stock to deteriorate, particularly in the inner city.

The Alternative Municipal Budget is proposing a redoubling of City efforts in this area, increasing the City's housing spending from \$2.175-million to \$4.350-million. It is also proposing that \$400,000 of this increase come from the \$1-million being added to the budget to fund *Municipal Aboriginal Pathways* initiatives. It is proposing a targeted new program to improve the

enforcement of housing standards in rental accommodation.

These initiatives would create a quick stopgap, allowing for more investment in, and response to, the immediate problems facing core neighbourhoods in Winnipeg. In the long term, the City must develop a comprehensive and multi-faceted strategy to deal with access to affordable housing.

**HOUSING AND AFFORDABILITY**

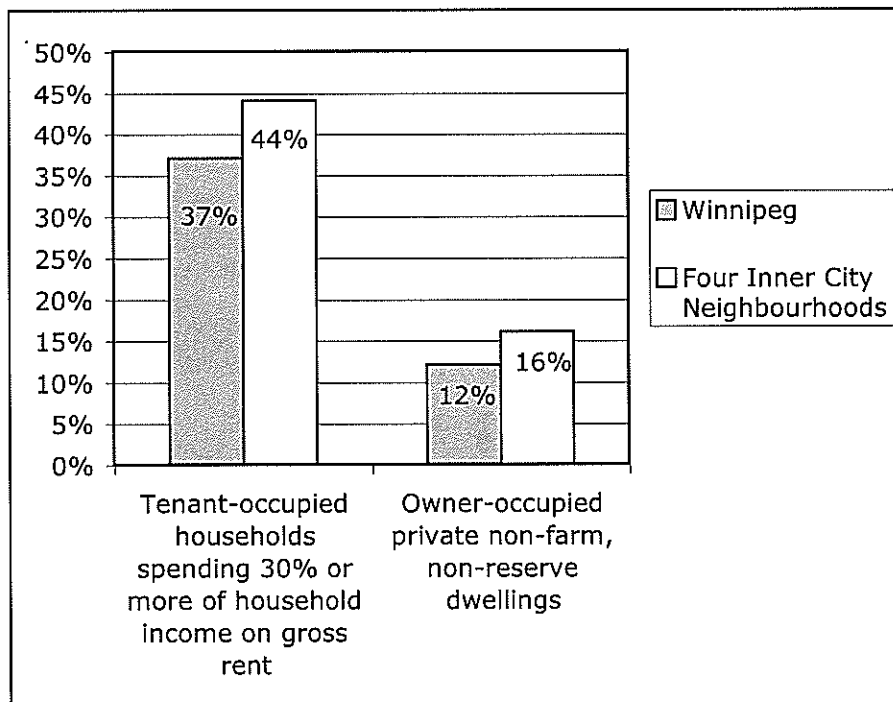
The Canada Mortgage and Housing Corporation defines affordable housing as adequate shelter that does not cost more than 30 per cent of pre-tax household income. In 2006, 37 per cent of tenant-occupied households in Winnipeg spent 30 per cent or more of their household income on gross rent (Figure 1). Twelve per cent of owner households also spent more than 30 per cent of their income on housing (Statistics Canada

2008). When one looks at four inner-city neighbourhoods, these figures jump to 44 and 16 per cent respectively (Statistics Canada 2008). For households with only one earner, or supporting children, overcrowding can be a significant problem due to the challenge of finding suitable housing within 30 per cent of one’s income.

**Housing decay**

Inner-city housing is aging and is in need of more repair than housing in the rest of the city (Figure 2). In 2006, the proportion of dwellings needing major repairs in four inner-city neighbourhoods was 15 per cent, almost double the Winnipeg average of 8 per cent (Statistics Canada 2008). This is of particular concern since in 2001 the figure for the inner-city neighbourhoods was 12 per cent, while the figure for the

Figure 1: Household Spending on Housing, 2006



*Community First: An Alternative Municipal Budget*

city as a whole was 9 per cent (Statistics Canada 2008).

Aboriginal people face specific housing challenges. The Aboriginal population in Winnipeg “is more likely to be facing socio-economic hardship, live in poorer quality housing, move with greater frequency, be more concentrated within the inner city, and expend more resources toward shelter” (Institute of Urban Studies 2008, iii).

Demographically, Winnipeg is changing: immigration to Manitoba has increased dramatically in the last decade, from approximately 7,000 in 2004 to a projection of 20,000 annually over the next ten years. Three-quarters of these immigrants will settle in Winnipeg, adding to the overall demand for housing in the city. With the Aboriginal population expected to grow in the next few decades, safe and adequate housing

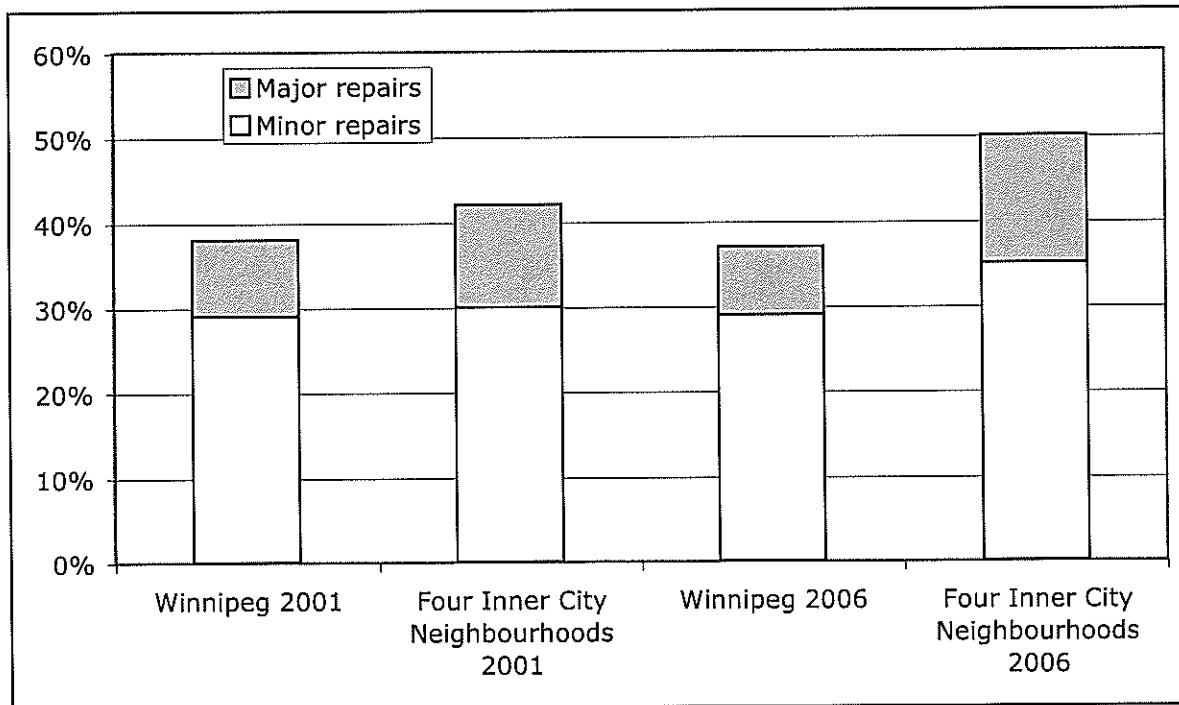
for children and families must be a priority.

**WINNIPEG’S HOUSING POLICIES**

In 1999, the City of Winnipeg approved the Winnipeg Housing Policy and the following goals:

- To bring new life back to older neighbourhoods through locally planned, community supported housing renewal initiatives.
- To support housing renewal strategies that integrate economic and structural change to improve the quality of life for local residents while building neighbourhood stability.
- To create and provide tools to enable communities to implement renewal efforts, and to support, wherever possible, locally developed products, businesses and initiatives. (City of Winnipeg 1999, 1).

**Figure 2: Proportion of Housing Requiring Repair: 2001 and 2006**



In 2000, the City's Housing Implementation Framework detailed how the City would implement the Housing Policy. This led to the creation of the Winnipeg Housing and Homelessness Initiative, which brought together the federal, provincial and municipal governments to administer housing programs within the Winnipeg area. Under the policy, each of Winnipeg's 228 neighbourhoods was categorized as

Major Improvement Zones, Rehabilitation Areas, Conservation Areas, or Emerging Areas.

The Major Improvement Zones are listed in Table 18 and the Rehabilitation Areas are listed in Table 19. Major Improvement Zones are older areas that have experienced significant decline to the point where housing and neighbourhood infrastructure require complete renewal.

**Table 18: City of Winnipeg Major Improvement Zones**

Centennial  
Daniel McIntyre  
Dufferin  
Dufferin Industrial  
Lord Selkirk Park  
North Point Douglas  
North Portage  
South Point Douglas  
Spence  
St. Johns  
St. Matthews  
West Alexander  
West Broadway  
William Whyte

Five of the Major Improvement Zones have since been designated as Housing Improvement Zones and receive funding to build and renovate housing. Housing Improvement Zones are areas targeted for increased housing investment through the use of economic incentives. The City should increase the number of Housing Improvement Zones to include all 14 Major Improvement Areas, as they all require additional inputs to develop, renovate and maintain affordable housing.

**Table 19: City of Winnipeg Rehabilitation Areas**

Airport  
Broadway-Assiniboine  
Brooklands  
Burrows Central  
Burrows Keewatin  
Central St. Boniface  
Chalmers  
Ebby-Wentworth  
Inkster-Faraday  
Kensington  
King Edward  
Logan  
Lord Roberts  
Luxton  
McMillan  
Mission Industrial  
River Osborne  
St. John's Park  
Tissot  
Weston  
Wolseley

#### WINNIPEG HOUSING SPENDING

In 2007, the City spent \$2.079-million on housing initiatives; in 2008 this increased to \$2.102-million, and in 2009 it is projected to reach \$2.175-million. However, in real terms, the City spent \$2.12-million on housing in 2007, which rises to just \$2.13-million in 2009 (2008 dollars). In 2008, Winnipeg spent only 0.27 per cent of its operating budget, through Neighbourhood Revitalization, on housing. In comparison, Edmonton budgeted 0.89 per cent of its total operating budget for housing, while Ottawa budgeted 3.98 per cent. Winnipeg's spending is more comparable with Regina's 0.25 per cent.

Of the \$2.175-million the City is budgeting for housing in 2009,

*Community First: An Alternative Municipal Budget*

\$1-million is transferred each year to the Housing Rehabilitation Investment Reserve. The reserve is spent each year in the following way: \$200,000 goes to Aboriginal housing organizations, while the remainder is divided up equally among the five Housing Improvement Zones: Centennial, West Broadway, Spence, North Point Douglas and William Whyte. These zones were chosen based on the need for intervention and renewal of housing and neighbourhood infrastructure. Each zone has a housing plan, which is funded through the Housing Rehabilitation Investment Reserve. Stakeholder groups review applications for the funding, based on the priorities set out in the housing plans and make recommendations to the designated development corporations, which in turn make recommendations to the Housing Rehabilitation Investment Reserve for final approval. The funds are primarily used for "bricks and mortar" repairs, including exterior fix-up grants, renovations, or new housing development. The other \$1.175-million is spent on salaries and administration, and other housing projects, sometimes in partnership with other levels of government.

The Alternative Municipal Budget's proposed doubling of the Housing Initiatives budget would, in the short term, increase the amount of funding available for housing upgrades and renovations. An additional \$1-million would be transferred to the Housing Rehabilitation Investment Reserve, to be used directly in core neighbourhoods for housing development, renovations and upgrades, including retrofitting for energy and water efficiency. This would double the amount available to Aboriginal housing organizations to

\$400,000, and the amount available to each of the Housing Improvement Zones to \$320,000. Two new Housing Investment Zones would be identified, and would each receive \$320,000. The remainder, an additional \$535,000, could be used to increase the enforcement of housing standards in rental accommodation.

In future years consideration should be given to using zoning regulations to ensure the development of adequate affordable rental and cooperative housing. This has been done in other jurisdictions, and, in Winnipeg, the West Central Women's Resource Centre HOMES Program is developing a proposed bylaw that would require developers to set aside a portion of each residential development for social (affordable) housing. Developers would also be required to ensure that housing is available to meet the special requirements of elderly persons, persons with disabilities, and large families.

-----  
**Summary of New Expenditures:**

*Housing Initiatives Increase:*

*\$2.175-million*



## A better place to work: Community-based development

In the past it was often thought that the best way to help people and communities that had been pushed to the economic edge was to attract a large-scale employer to the area or to invest in a massive public-works program. For example, to improve housing, governments might hire an outside contractor to develop a large public-housing complex. Bulldozers would appear on the scene, neighbourhoods would be levelled, people from outside

the community would be hired to design and build the projects. Millions of dollars would be spent, but very little would be earned or stay in the inner city.

Another, community-controlled, form of development has emerged in response to this top-down approach. Often termed community economic development (CED), it takes place when people in a specific community take deliberate, cooperative efforts to shape their community's future, merging economic goals with their social, cultural and environmental goals.

*Photo: Coming retirements will create an opportunity for the City to hire people from communities that in the past have not been employed in large numbers by the City.*

## *Community First: An Alternative Municipal Budget*

Community economic development is a multi-faceted approach, conceived and directed locally, to revitalizing and renewing community economies by managing and strengthening community resources for community benefit. It is founded on the belief that problems facing communities—unemployment, poverty, job loss, environmental degradation and loss of a community's sense of control over its future—can best be addressed by community-led, grassroots, integrated approaches.

There is a great opportunity for the City of Winnipeg to take a leadership role in supporting this renewal of communities. In doing so, it would be joining municipalities across the country that already support CED or are exploring ways to do so. The City could greatly assist existing community initiatives without significant budget implications by incorporating CED approaches into its human resource and procurement practices.

### **Human resources**

The City of Winnipeg is facing a serious employment problem. Baby-boomers account for a very high percentage of its 9,000-member workforce. It will be losing a considerable amount of talent and institutional memory when those workers retire in the next few years. The City is also having trouble keeping the people that it does hire. For example, over the next three years, the city auditor predicts that 134 professionals and 154 tradespeople will leave the City's employ, most of them going to other employers.

At the same time, unemployment remains a serious problem for the city's Aboriginal and inner-city residents. Community economic development

approaches can provide a way to address both these issues.

Research has shown that the most effective training and employment programs are made up of networks of employers, community-based employment development organizations, unions, governments, and educational institutions. Members of the network make formal commitments for which they are held accountable. Typically the collaboration between the members of the network is coordinated by an institution that is often termed a workforce intermediary. The role of the intermediary is to provide the opportunity for employers to identify their needs, and for each of the other representatives to agree about the part they will play in meeting those needs. The workforce intermediary brokers many of the relationships, facilitates the discussions, keeps records of the commitments, and provides technical assistance to help the various members work together.

The Alternative Municipal Budget proposes the creation of a Human Resources Roundtable that would include the City's Human Resources department, organizations with training capacity (for example, Red River College), and community-based employment development organizations to serve as a workforce intermediary. Roundtable members would identify projected job openings at multi-year intervals, identify core competencies for each of the job groupings, and establish a means by which those who are unemployed or underemployed would gain access to the training required for those jobs. In the process, the members would also develop a plan to move people into employment



and provide support and mentoring after placement.

A Workforce Intermediary would require multi-year funding commitments for up to four staff (one coordinator, plus three staff for each of the three job sectors with the greatest potential), for a total budget of \$500,000 annually.

-----  
**Summary of New Expenditures:**

*CED employment initiative: \$500,000*

**PURCHASING INITIATIVES**

Another way that the City of Winnipeg can assist community economic development initiatives is through strategic purchasing. Opting for the cheapest bid is often not the best investment. Strategically purchasing from businesses that are owned locally, employ local people, pay a living wage, and spend their profits locally, creates an economic multiplier effect that benefits the local economy. While there is a growing awareness of the environmental and social impacts of purchasing, this is not always at the forefront of decision-making processes.

The provincial government has developed Aboriginal Procurement, Sustainable Development Procurement, Community Economic Development Procurement, and No Sweat Procurement policies. The City could build on these policies and on its commitment to the well-being of Aboriginal people, the well-being of the planet, the strengthening of communities, and the respect for human rights and decent working conditions around the world, by adopting similar policies at the municipal level. Provincial directories already identify businesses that fit the criteria of each procurement policy, and could be utilized in

developing policies for the municipal government.

This initiative could be accomplished without any significant increase to the budget. A staffing complement of three individuals could develop policies to analyze current procurement patterns, and an internal communications plan to advance the policies through the City's departments. This staff complement would cost less than \$300,000 per year but would result in a significant impact far greater than this to the local economy and the city.

Given that a portion of both the human resources and procurement strategies will target the Aboriginal community, it is proposed that \$100,000 of the funding for these two initiatives come from money set aside in the Aboriginal Strategy proposed in the Alternative Municipal Budget.

-----  
**Summary of New Expenditures:**

*CED purchasing initiative: \$300,000*



## A healthier, more active city

*Photo: This picture of a City of Winnipeg wading pool was taken on June 24, 2008, when the temperature was 28 degrees above zero. The City had not yet opened its pools to the public.*

**W**hile the current City Council has tried to divest itself of responsibility for social services, recreation and leisure remain a clear municipal responsibility with the potential to bring substantial social and economic benefits to city residents. In recent years, the Recreation, Leisure and Library Facilities (RLALF) Study and the Public Use Facilities Study (PUFS) concluded that \$183-million would be needed just to restore all of

Winnipeg's 300 community facilities. In 2004 the Mayor stated that he would redirect \$43-million in federal government funding that had been originally earmarked for rapid transit to recreation. Although there have been some renovations, not all of the money is going to city facilities.

What has been missing from this focus on recreation facilities, however, is a strategy to increase both facility usage and participation in healthful activities. The benefits that come from

having a population that is actively engaged in a full-range of recreational activities is well documented. Investing in quality recreation programs and facilities can help reduce costs incurred by the medical, justice, child welfare, and social service systems. Therefore the Alternative Municipal Budget sets itself four recreation goals:

- 1) Get more Winnipeggers to use city facilities and programs.
- 2) Increase the physical activity of Winnipeg citizens by ten per cent by 2010.
- 3) Design programs that maximize the benefits of recreation for all.
- 4) Develop new funding partnerships with other levels of government to support these shared goals.

Meeting these goals will not be easy. Governments have often set physical activity goals without reaching them. In 2003, for example, the federal government and the provinces set a target of a ten per cent increase in physical activity by 2010. It is unclear on the progress to now. Ideally, all of us should be involved in some physical activity, and in particular, every child should be involved in daily physical activity. To reach these goals the Alternative Municipal Budget is proposing an additional \$6-million in recreation and leisure spending. This will include investments in operations, maintenance, and new community facilities.

#### **THE OPERATING BUDGET**

The Alternative Municipal Budget is committed to increasing recreation and leisure operating spending by \$4.3-million over and above the City's

2009 projections. This money will be targeted at improving access and strengthening community resources. The Alternative Municipal Budget would establish five new initiatives.

- 1) A Right to Play Program
- 2) Increased cooperation with school divisions and the province
- 3) Community Centre staffing initiative
- 4) A new funding formula for community centres
- 5) Expanding innovative arts programming

#### **Right to Play Program**

When compared with children from middle and high-income families, children from low-income families are less likely to participate in recreation and physical activity. According to the Canadian Parks and Recreation Association 2005 study *Bridging the Recreation Divide*, barriers to participation by low-income children include user fees, equipment costs, transportation, inadequate local facilities, parks, playgrounds and safe places to play, isolation and exclusion, and a lack of family support and awareness of opportunities. The Alternative Municipal Budget is proposing a Right to Play Program to address a number of these issues.

While City of Winnipeg can reduce or waive fees for city recreation programs and services upon the receipt of a written letter of application, this service is not well advertised and can be intimidating. Currently the City receives only approximately 1,000 letters a year. The Alternative Municipal Budget's Right to Play Program would improve the fee waiver program and promote the

fee waiver option through promotion on the website, in the *Leisure Guide* and in community groups programs. In addition, the Right to Play Program would partner with schools. It would target Grades 1, 6, 9 and 11, important transition years for children, through an outreach program to encourage participation and registration in city activities.

Central elements of this program would include:

- Increased free and subsidized program options
- Significant enhancement of the number of hours that “free-play” and “drop-in” recreation services are offered
- Increased Aboriginal-specific programs, including culture-based options and traditional sports

#### **Increased cooperation with the public-school system**

The City has 300 recreation facilities, which provide numerous recreation and leisure programs. In only a limited number of cases do the City and local school divisions cooperate to ensure that local children are able to make the best use of these facilities and programs. One example of a successful cooperation is the Seven Oaks School Divisions Grade 2 skating and Grade 4 swimming programs. These make use of City facilities to ensure all students experience these activities.

The Manitoba government’s recent decision to require that all senior year students have four physical education/health credits is to be commended. However, it will put pressure on schools, some of which do not have sufficient gymnasium space and specialized staff.

There is a clearly a need and opportunity for greater cooperation between the Winnipeg school divisions, the Manitoba government, and municipalities to ensure that students do not receive subpar physical education because of lack of access to adequate physical education facilities. Cooperative programs between school divisions, the City of Winnipeg and other partners should ensure full use of facility assets to ensure quality programming. The City, provincial government, and school divisions must negotiate these agreements to determine what programs qualify for school use agreements.

#### **Community Centre Staffing Initiative**

While Winnipeg’s 70 community centres (also called community clubs) are owned by the City, they are operated by volunteer boards that raise funds to hire staff. These centres depend heavily on volunteers to both provide services and raise money. Relying on volunteers has and will continue to yield unequal results as community club operating budgets can range from \$25,000 to \$1 million. Middle- and high-income communities have better facilities because community residents have more money to donate. As a result, the range of services and the level of investment in the centres themselves vary from neighbourhood to neighbourhood.

The Community Centre Staffing Initiative would be designed to address the resource imbalance faced by community centres in low-income neighbourhoods and to increase the employment opportunities for residents of those neighbourhoods.

The City would agree to hire additional graduates from the Manitoba government’s Youth Recreation Activity

Worker Program at Red River College and recreation development workers to work with inner-city community boards to plan and deliver community development and recreation programming.

### **A new funding formula for community centres**

The projected operating budget for City recreation facilities (staff, maintenance and programs) for 2009 is \$51-million. Over \$39-million is to come from City revenues and \$11-million is in projected revenue from fees. Out of this, the City is budgeting \$8.2-million for the City's 70 community centres. Community centre grants are determined by the Universal Funding Formula (UFF), which is based on heated square footage of the centres. This formula places older and/or smaller centres at a disadvantage since they usually have relatively higher maintenance and programming costs, while their smaller square footage calculates into smaller grants. Under the formula, funding is not provided to portions of a facility that are revenue generating, such as indoor arenas. The Alternative Municipal Budget proposes that the City develop a new funding model that recognizes the needs of smaller centres (which are usually found in low-income communities).

### **Innovative arts programming**

The Graffiti Gallery Art Programming, a not-for-profit community art center, has started a partnership with Turtle Island and Norquay Community Centres and neighbouring schools to offer quality programming to children who would otherwise not have access to any art programming. The City of Winnipeg recreation program should create similar partnerships with other community

centers and Manitoba Housing Authority family housing and seniors housing in Winnipeg. Agreements with groups like Graffiti Gallery to partner with City staff using City facilities will build on the assets of all partners. This fits with the new Live Safe Vision for Crime Prevention. The City also offers music, theatre, arts and crafts in the leisure guide programs; however the targeted art programs by groups like Graffiti Gallery take the approach of using arts for community development. The option for offering more City arts programming in core area neighbourhoods in after school and summer programs still exists.

---

### **New funding for above programs:**

*\$4.3-million*

### **RECREATION CAPITAL BUDGET**

The 2008 capital budget allocated \$22.6-million in spending on recreation capital projects, \$17.4-million of which are from the reallocated transit spending. The budget projects an additional \$7.5-million for 2009, \$2.1-million of which comes from the reallocated transit spending. While this sounds like a healthy increase, it should be borne in mind that as of 2004 \$183-million was needed to upgrade existing facilities.

The Alternative Municipal Budget proposes an additional \$10-million in capital spending for recreation. It would be made up of:

- 1) Improved funding for recreation and community clubs—\$6-million in 2009 (debt and finance charges of \$.6-million). This money would be used to address a portion of the existing recreation infrastructure deficit.

- 2) A targeted capital spending program—\$4-million in 2009 (debt and finance charges of \$.4-million). This money would be used to develop new high-use facilities located in under-serviced communities. Two potential projects would be an additional indoor soccer facility or an outdoor pool in Winnipeg's inner city.

This additional \$10-million would add an additional \$1-million in debt and finances charges to the 2009 operating budget.

-----  
**New funding for above capital**

**expenses:**

*Improved capital funding for recreation and community clubs: \$.6-million debt and finance charges*

*Targeted capital spending program: \$.4 million debt and finance charges*

**Water Parks for People Not for Profit**

The Alternative Municipal Budget would not have funded the development of the Canad Inns private water park at its Polo Park location. The money that is going to the Canada Inns project started its life as part of a \$43-million federal commitment to funding bus rapid transit in Winnipeg. When Mayor Katz shelved that project, \$9-million was then budgeted for the development of a water park oasis in Kildonan Park. The City has since scaled back that project, and given the money to Canad Inns. The decision to support a private development means that the City will lose the ability to ensure that there is adequate access to all members of the public to the facility.

The money that the City is going to be putting into the Canad Inns water park would have been much better spent on the maintenance of existing

pools and the possible development of new pools in the inner city. As a matter of policy, all moneys budgeted for recreation facilities should be used to maintain existing facilities and development of new public facilities.

**PARKS AND URBAN FORESTRY**

The budget for Winnipeg city parks and keeping the city green was \$28.5-million in 2007. This includes funding for 465 soccer fields, 365 baseball fields, 210 tennis courts, 179 kilometres of riverbank frontage, 323 parks treated for weeds and many other amenities. The Alternative City Budget keeps the funding at this level.

Winnipeg currently has 939 park sites totaling 3,244 hectares. According to the 2001 Green Space Acquisition and Stewardship in Canadian Urban Municipalities study by Evergreen, Winnipeg ranks fifth among mid-sized Canadian cities in terms of the amount of green space per capita. While Winnipeg has about 12 hectares per 1,000 people, Calgary has over 40 hectares, and Ottawa and Edmonton have 18 to 19 hectares. Metro Toronto has only 2 hectares per 1,000 people.

The Assiniboine Zoo had an operating budget of \$4.9-million in 2007 (this includes \$202,000 to feed the animals). The Zoo generates over a million dollars in revenue per year but needs substantial capital investment in maintenance to ensure safe access for the public. The Conservatory, another popular refuge and photography venue, had a budget of \$1.879-million in 2008 while it generates \$194,000 in fees.

Since the Mayor and his supporters suggested locating condominiums in Assiniboine Park there has been growing concern about future plans for the

park. The new Park Board operates at arm's length from City Council. This reduces public accountability and creates new opportunities for reducing public services in the park, increasing fees, introducing new and expensive amenities such as the Tavern in the Park restaurant, and even reviving the condominium project. The Park's projected capital budget for 2009 is \$11-million; given the new Park's new governance model, there is good reason to worry what this significant sum of money will be used for.

The Alternative Municipal Budget would also reject recent proposals made by the Mayor's Economic Opportunity Commission to privatize municipal park services, particularly security services.

**Dutch elm disease control**

Winnipeg's elm trees are threatened by Dutch elm disease and the ash trees are now threatened by emerald ash bore. Currently, for every three trees lost to disease, only one tree is planted, resulting in a loss of about 5,000 trees a year. At \$1.1-million (the combined forestry and Dutch elm budgets) the urban forestry budget needs an additional \$.7-million to keep up with tree pruning and replacement. The Alternative Municipal Budget proposes an additional \$.7-million to allow for the replacement of all removed trees.

**-----  
New funding to Dutch elm disease  
control**

*Cost: \$.7-million*

**GOLF COURSES**

The Special Operating Agency that operates the City's 12 golf courses had a \$265,000 deficit in 2006. Three of the courses are operated directly by the City, two are managed under joint management agreements, and seven are leased to private operators. The lease fees ranges from \$1.00 to \$100,000 and in some cases run for 100 years. The Mayor's Economic Opportunities Commission has recommended offloading these assets.

The Alternative Municipal Budget recommends that the City retain ownership of all 12 golf courses and resume the operation of those that are currently privately managed. The City's pricing policies should address the needs of seniors, youth and others who cannot afford to golf at private clubs. The current plan to increase fees by \$1.00 per game will make the courses even less accessible to the public and could reduce the number of people who use them. Instead of increasing costs, consideration should be given to expanding the use of courses through promotion and free golf program for youth at Crescent Golf Course to other areas of the city.

**A NEW PARTNERSHIP AGREEMENT TO  
UPGRADE FACILITIES**

Given the City's \$183-million recreation infrastructure deficit, there is a need for the City to work through the Big City Mayors Caucus (BCMC) of the Federation of Canadian Municipalities to negotiate additional funding for quality recreational facilities and programming. The federal government and the provincial government have seen their revenue increase at a far faster pace than the municipal government, even though both the federal and

*Community First: An Alternative Municipal Budget*

provincial governments have been cutting tax rates. Increased recreational activity would, in the long run, reduce federal and provincial health care and other spending, and in the process help eliminate the current recreation infrastructure deficit.

The City should establish a Winnipeg Facilities Development Authority to develop and implement a five-year plan for community facility renewal. A tri-governmental agency with representation from the sports, recreation and cultural sectors and the planning community, it should have the responsibility for overseeing any future stadium proposals. The goal would be to have facility development take place in a transparent forum.