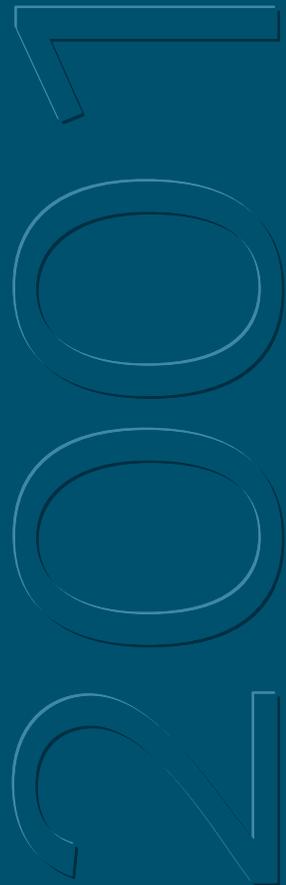


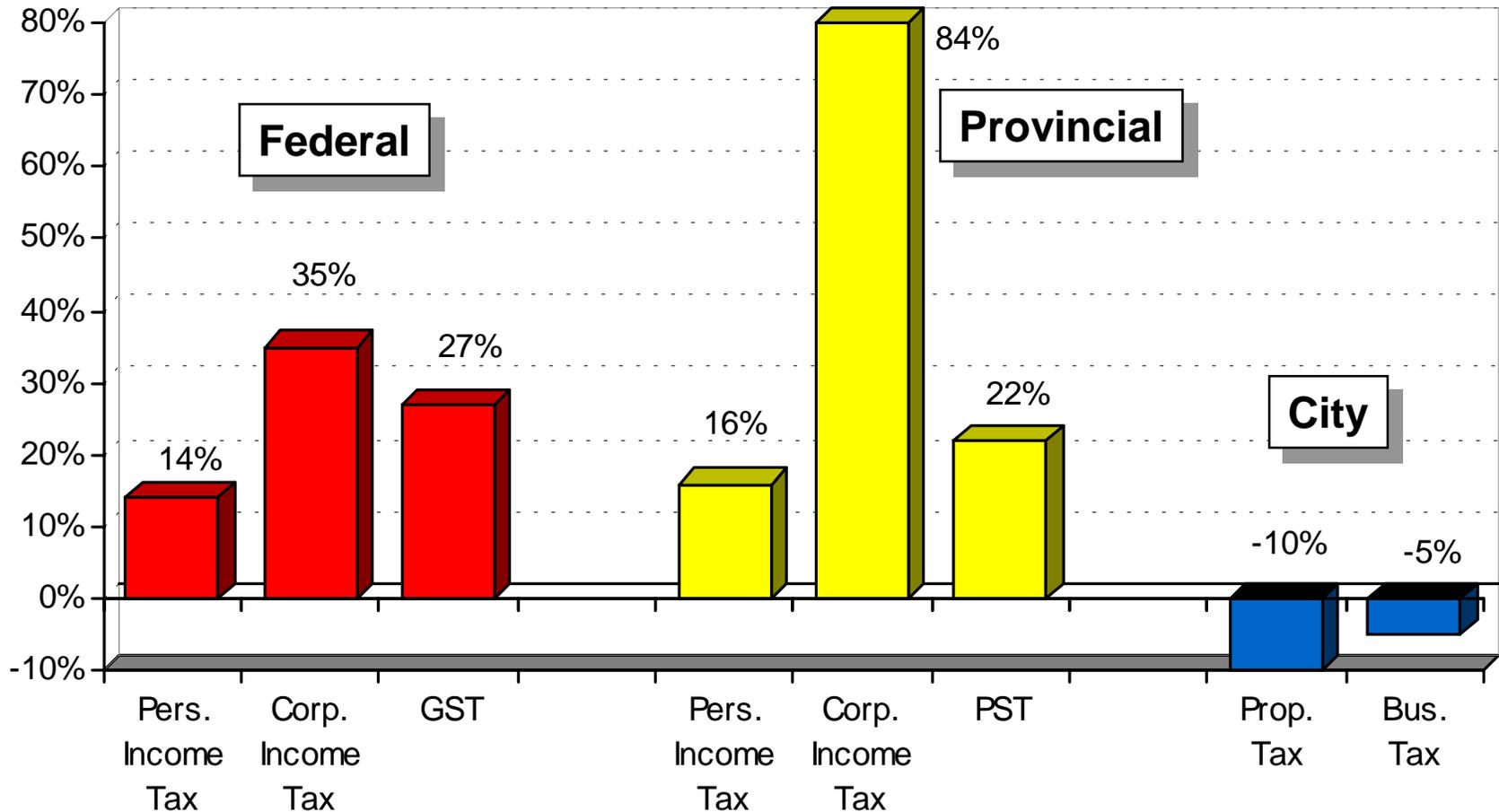
2001 AND 2002 CURRENT ESTIMATES



THE CHALLENGES

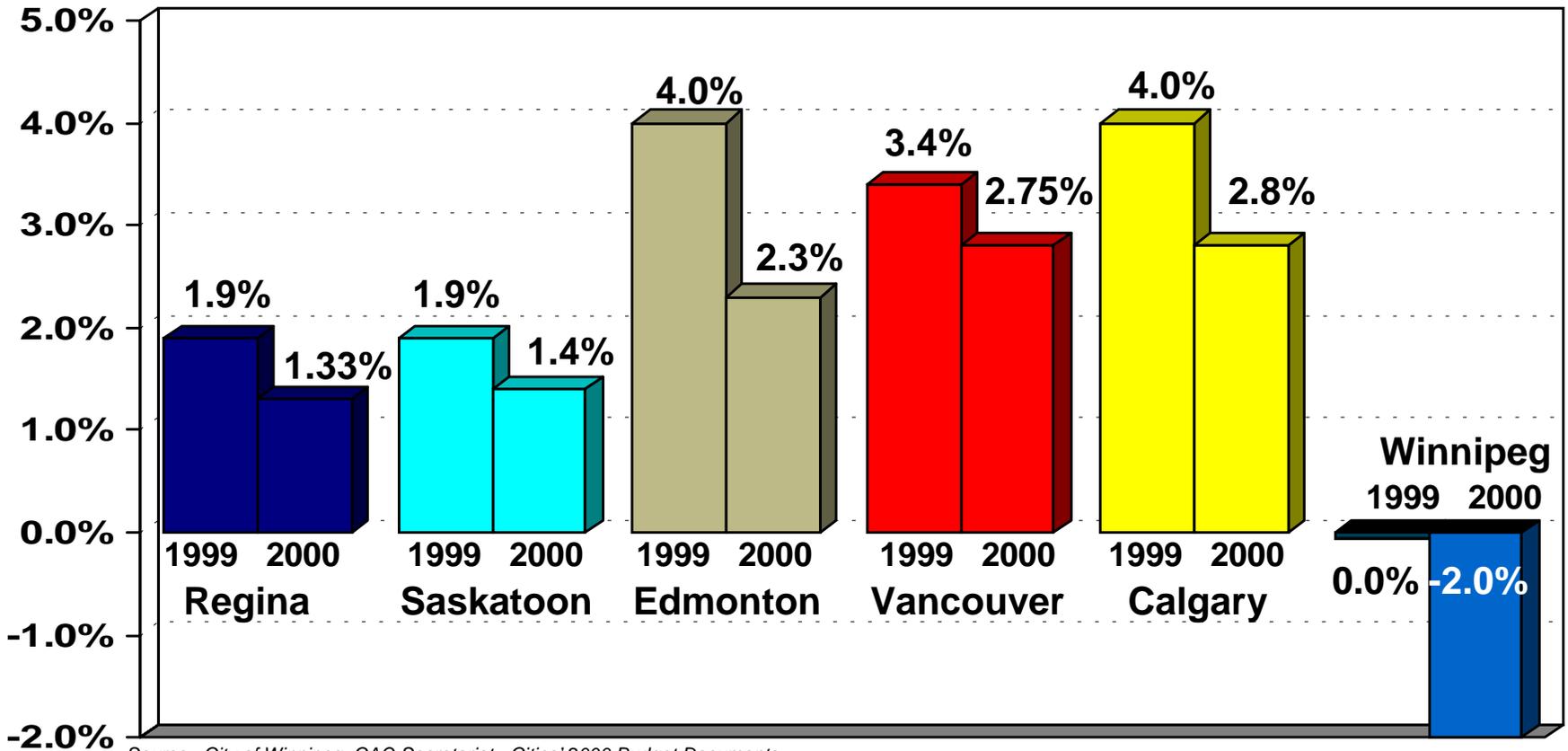
- reducing property taxes (second year in a row – total of 4%)
- wage pressures
- price increases, e.g. fuel prices
- debt charges
- maintaining service levels to meet program needs
- new initiatives
- infrastructure renewal requirements

CHANGES IN TAXATION REVENUES FROM THREE LEVELS OF GOVERNMENT 2000 COMPARED TO 1995 (ADJUSTED FOR INFLATION)



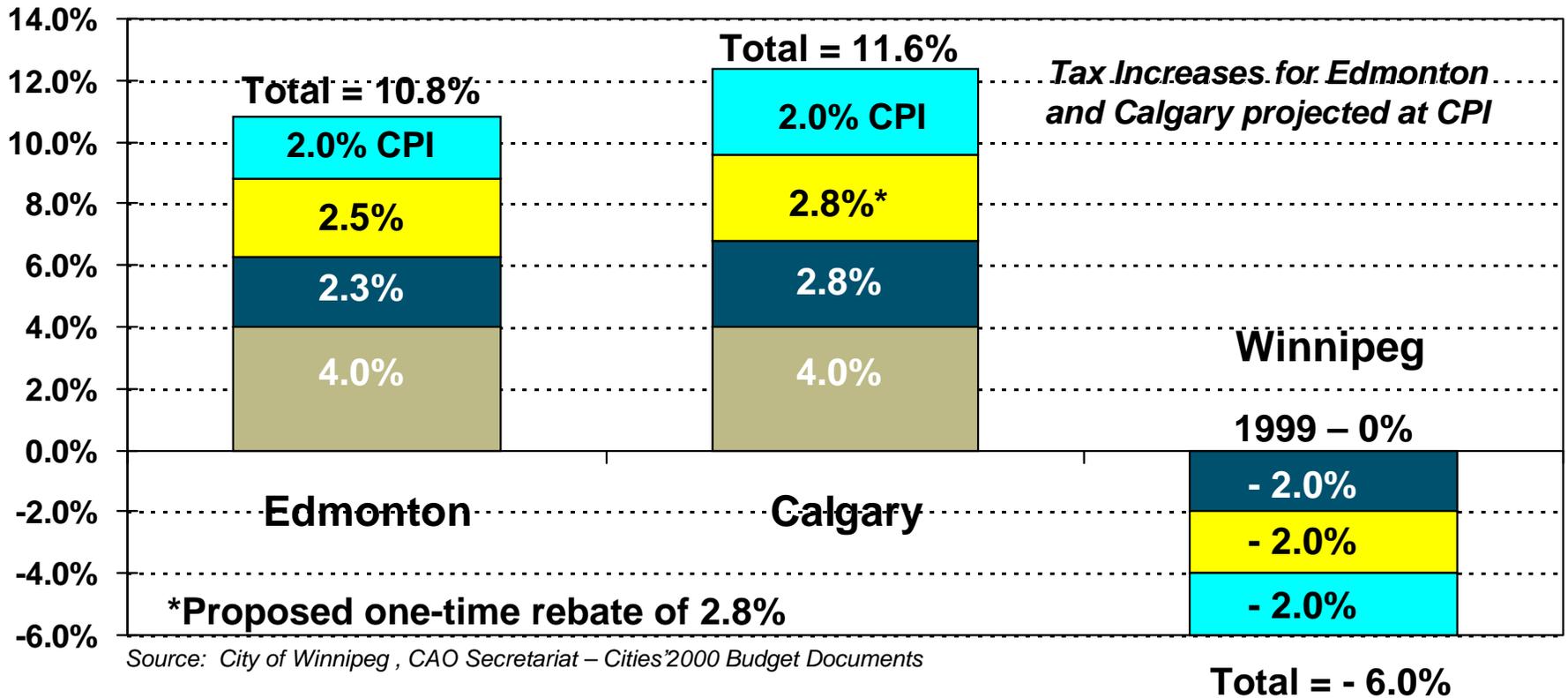
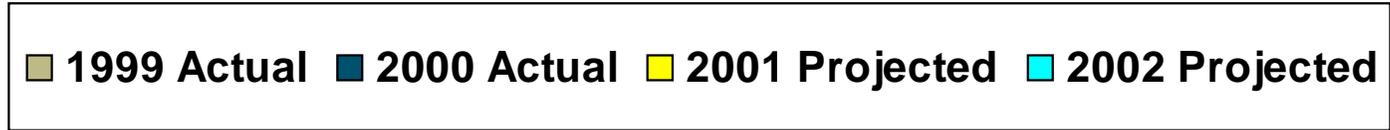
Source: Federal, Provincial, and City of Winnipeg - Corporate Finance Department documents

TAX INCREASES IN OTHER CITIES



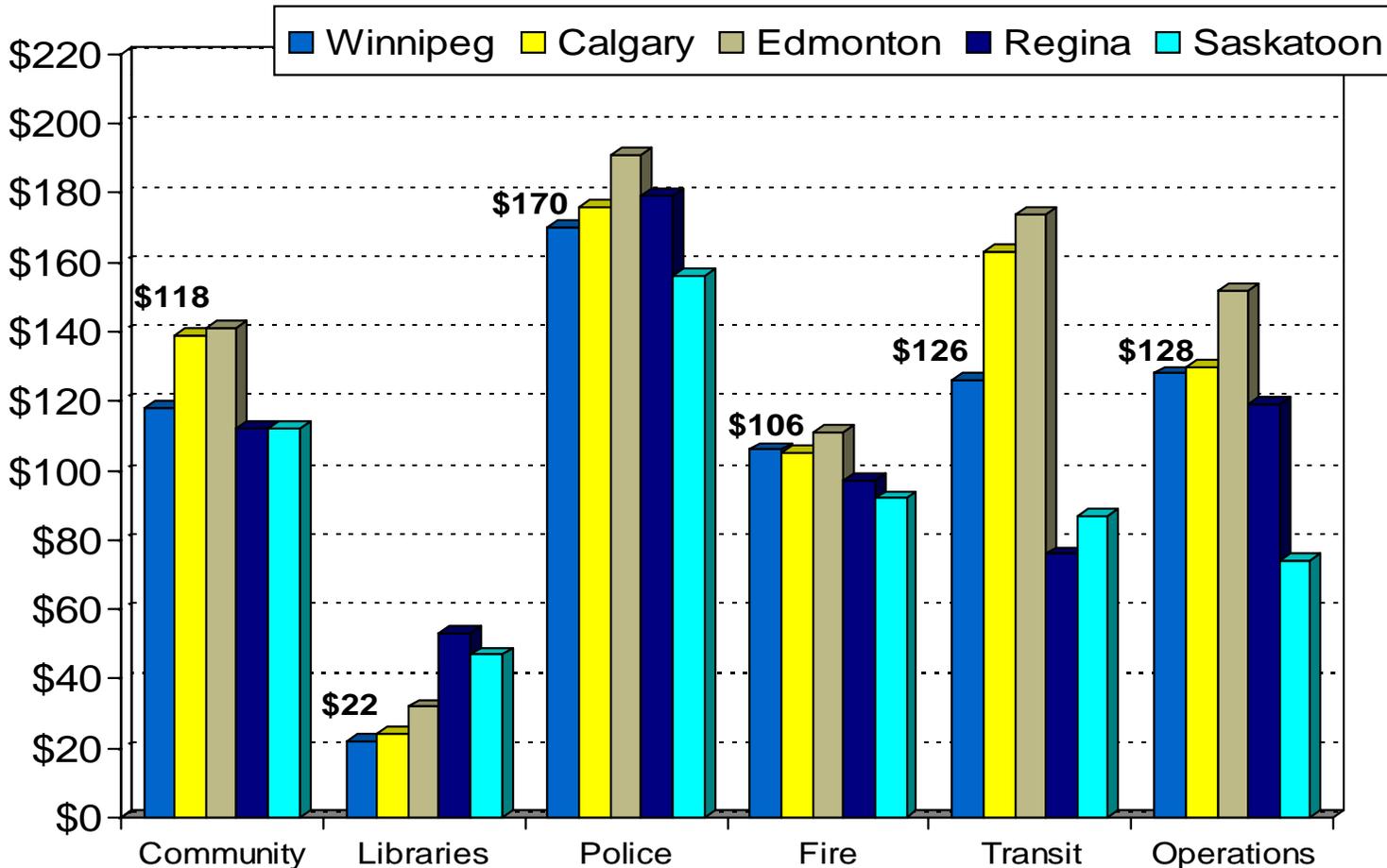
Source: City of Winnipeg, CAO Secretariat - Cities' 2000 Budget Documents

TAX INCREASES EDMONTON, CALGARY AND WINNIPEG



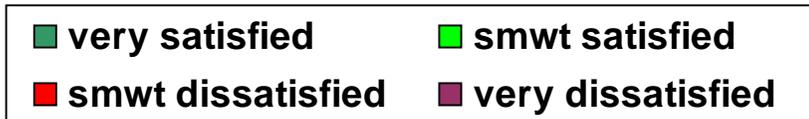
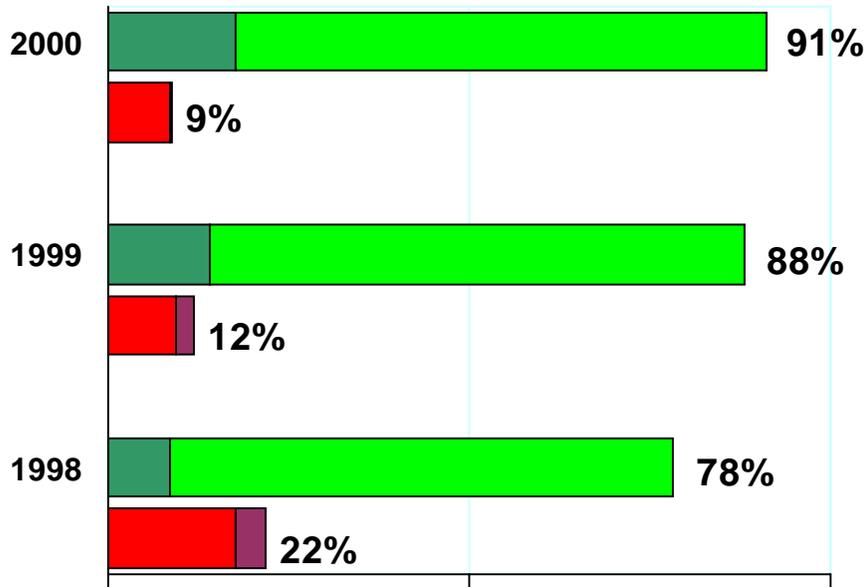
RELATIVE COSTS PER CAPITA FOR PRINCIPAL SERVICES – 2000

Winnipeg is a cost-effective service provider



Citizens' Satisfaction

In general, how satisfied are you with the services provided by the City of Winnipeg?



In general, how satisfied are you with the services provided by the City of...? (satisfied & very satisfied)



Note: Edmonton uses a 5 point scale and has 13% neutral 2000 Public Opinion Surveys

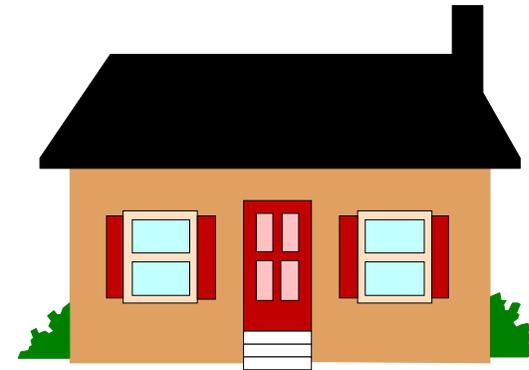
Note: Data restated as percentage of responses to the question. (Does not include don't know and refused.)
 Source: Viewpoints Research /City of Winnipeg, Public Opinion Surveys, October 1998, 1999, 2000

HIGHLIGHTS

2nd year of a three year plan to achieve a more affordable government:

- **decreases property tax rate by 2% for the second year in a row - 4% in total**
- **freezes business tax rate at 1996 levels**
- **protects front line essential services**
- **increases funding for public safety and transit**
- **includes \$3 million for employee training and development**
- **continued commitment to no new borrowing for capital programs**

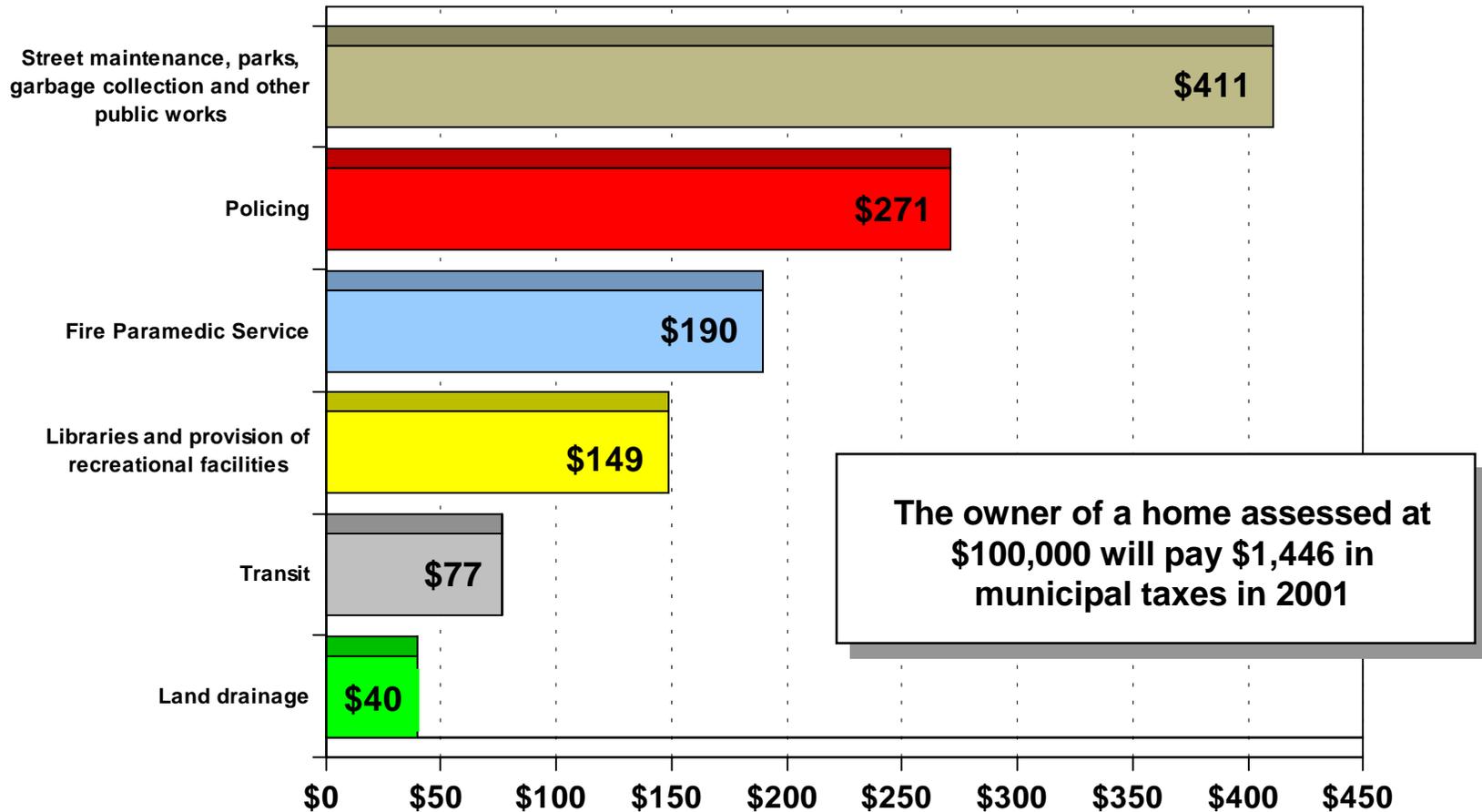
A SAMPLE HOME ASSESSED AT \$100,000



The 2000 to 2002 budget provides homeowners with a 6% property tax reduction. The inflation-adjusted reduction is much larger.

	1999	2000	2001	2002
Municipal property taxes (excludes school taxes):	\$1,506	\$ 1,476	\$ 1,446	\$ 1,416
Decrease from 1999:	Amount	\$ (30)	\$ (60)	\$ (90)
	%	-2.0%	-4.0%	-6.0%

A HOMEOWNER'S SHOPPING BASKET OF PUBLIC CIVIC SERVICES



Not a complete list of tax-supported services

BUDGET SUMMARY

IN MILLIONS	1999 ACTUAL	2000 ADOPTED	2001 CURRENT ESTIMATES	2002 CURRENT ESTIMATES
REVENUE				
Property Tax	\$ 392.7	\$ 388.3	\$ 383.6	\$ 375.8
Business Tax	55.7	54.9	60.1	61.8
Pension Contribution Refund	-	33.9	-	-
Other	209.6	200.6	207.1	228.8
TOTAL	\$ 658.0	\$ 677.7	\$ 650.8	\$ 666.4
EXPENDITURES				
Departmental	\$ 574.5	\$ 555.5	\$ 559.3	\$ 573.6
Corporate	\$ 82.4	\$ 88.3	\$ 91.5	\$ 92.8
Transfer to pension reserve	-	33.9	-	-
TOTAL	\$ 656.9	\$ 677.7	\$ 650.8	\$ 666.4
SURPLUS* / (DEFICIT)	\$ 1.1	\$ -	\$ -	\$ -

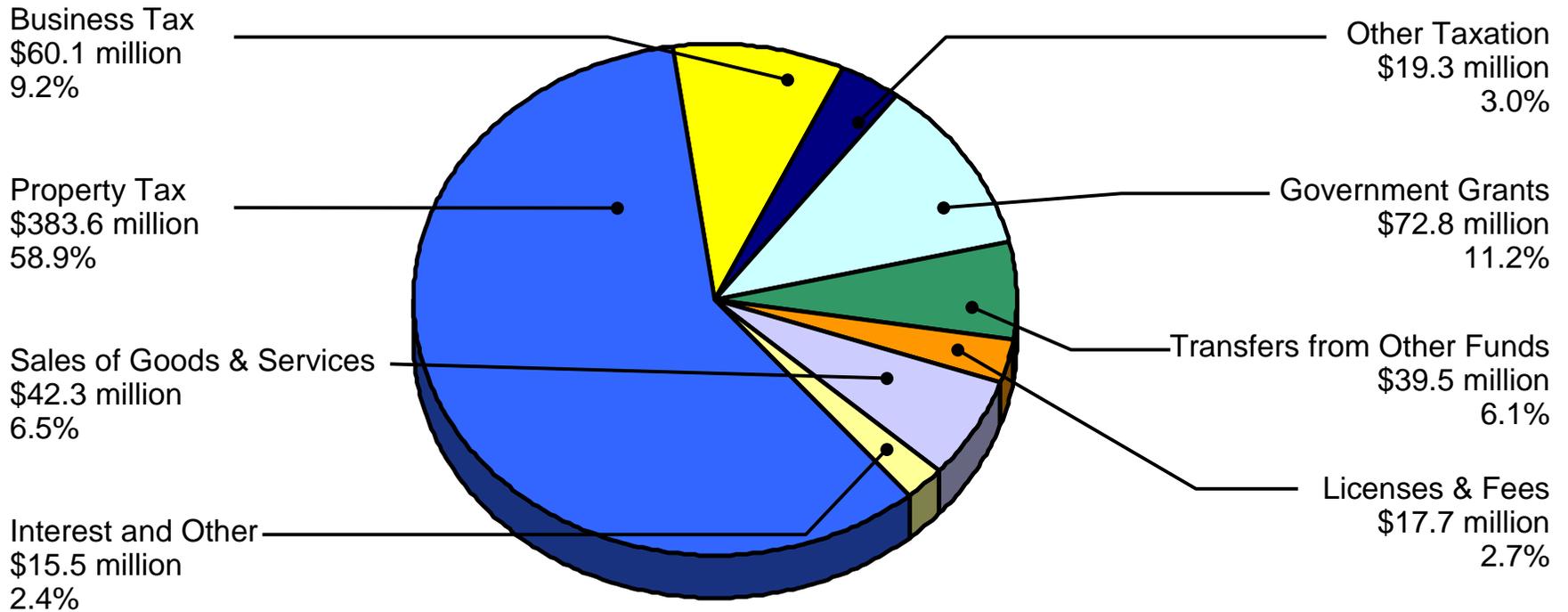
* Surplus transferred to Mill Rate Stabilization Reserve

BUDGET SUMMARY

IN MILLIONS	1999 ACTUAL	2000 ADOPTED	2001 ADOPTED	2002 ADOPTED- IN- PRINCIPLE
REVENUE				
Property Tax	\$ 392.7	\$ 388.3	\$ 383.6	\$ 375.8
Business Tax	55.7	54.9	60.1	61.8
Pension Contribution Refund	-	33.9	-	-
Other	209.6	200.6	207.1	228.8
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TOTAL	\$ 656.9	\$ 677.7	\$ 650.8	\$ 666.4
SURPLUS*/(DEFICIT)	\$ 1.1	\$ -	\$ -	\$ -

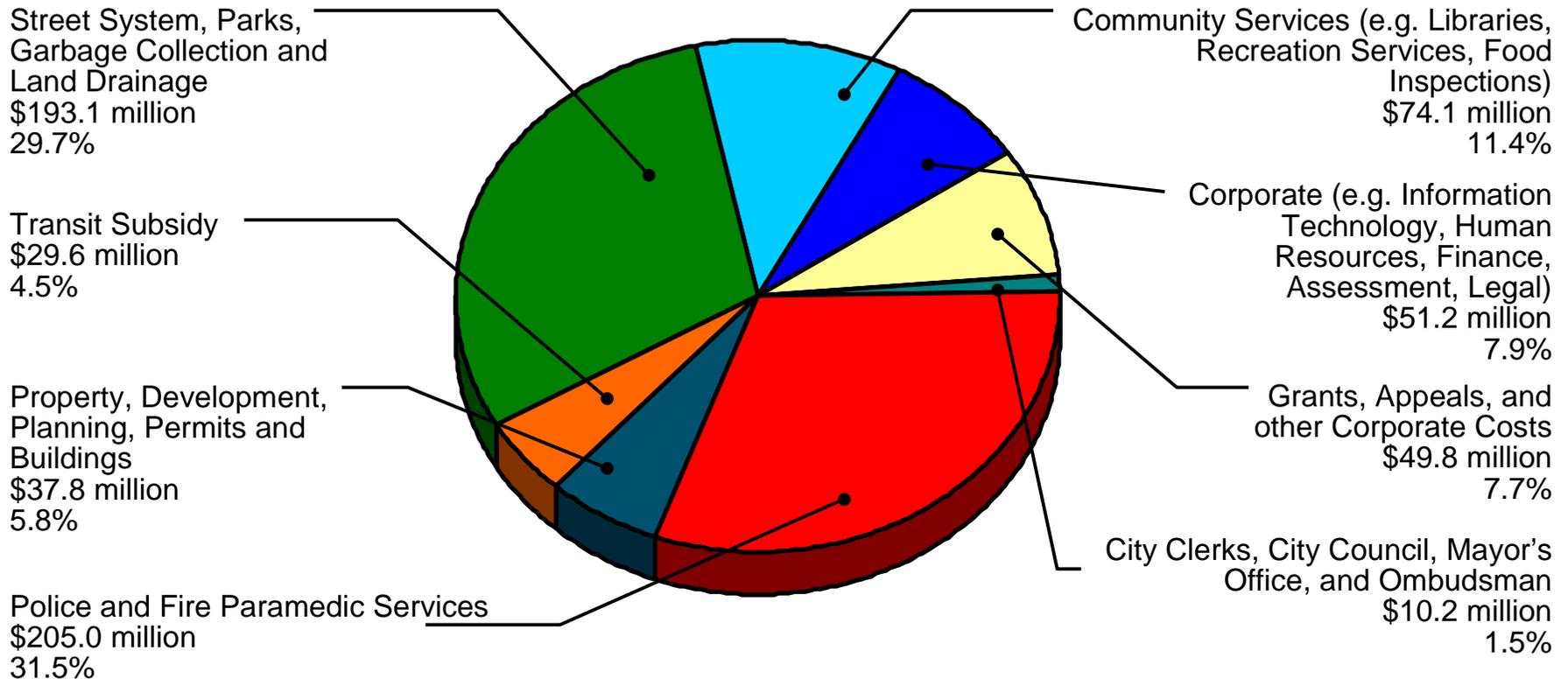
*Surplus transferred to Mill Rate Stabilization Reserve

WHERE DOES THE MONEY COME FROM IN THE OPERATING BUDGET?



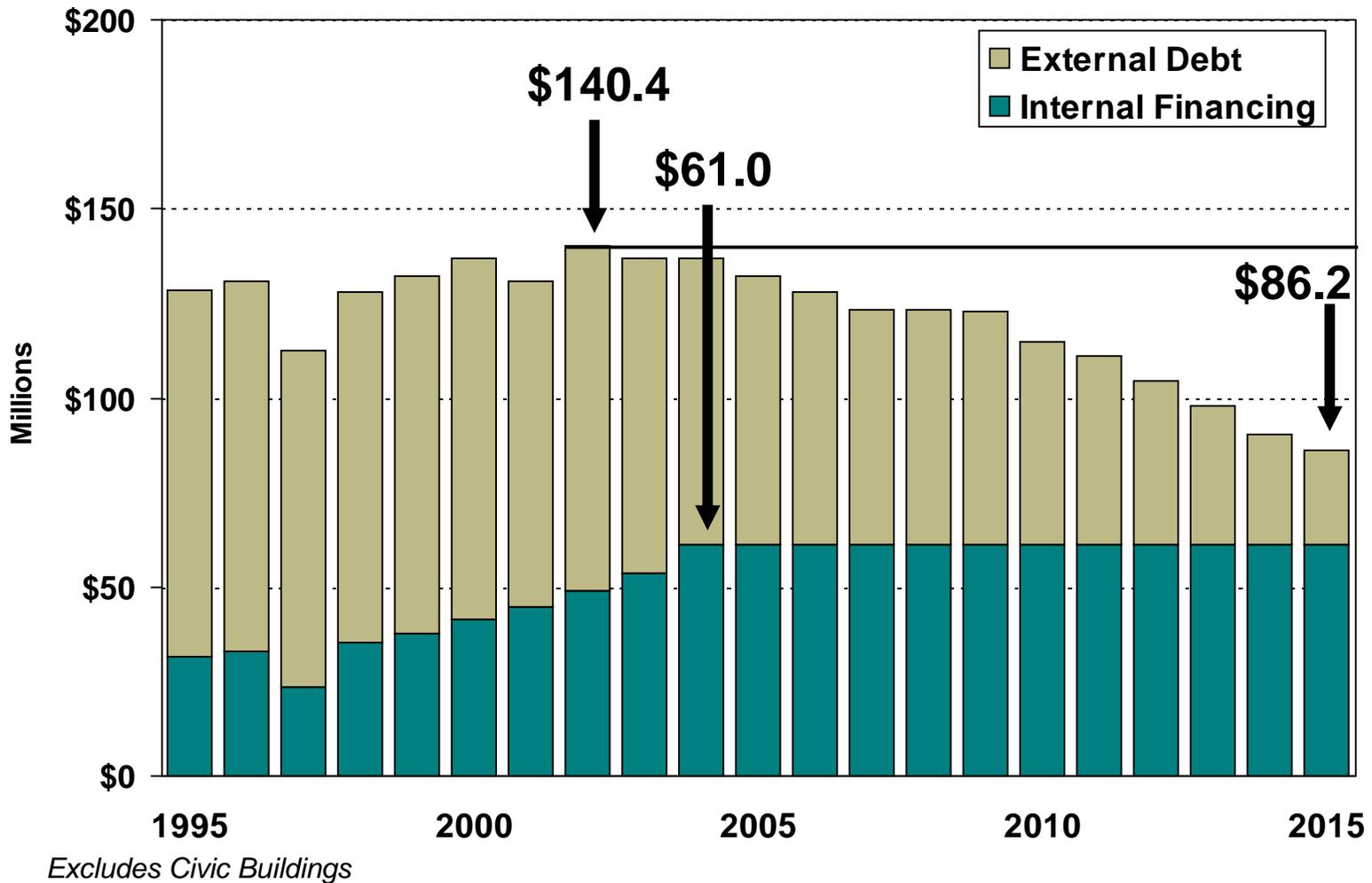
2001 Adopted Budget

HOW IS THE MONEY SPENT IN THE OPERATING BUDGET?

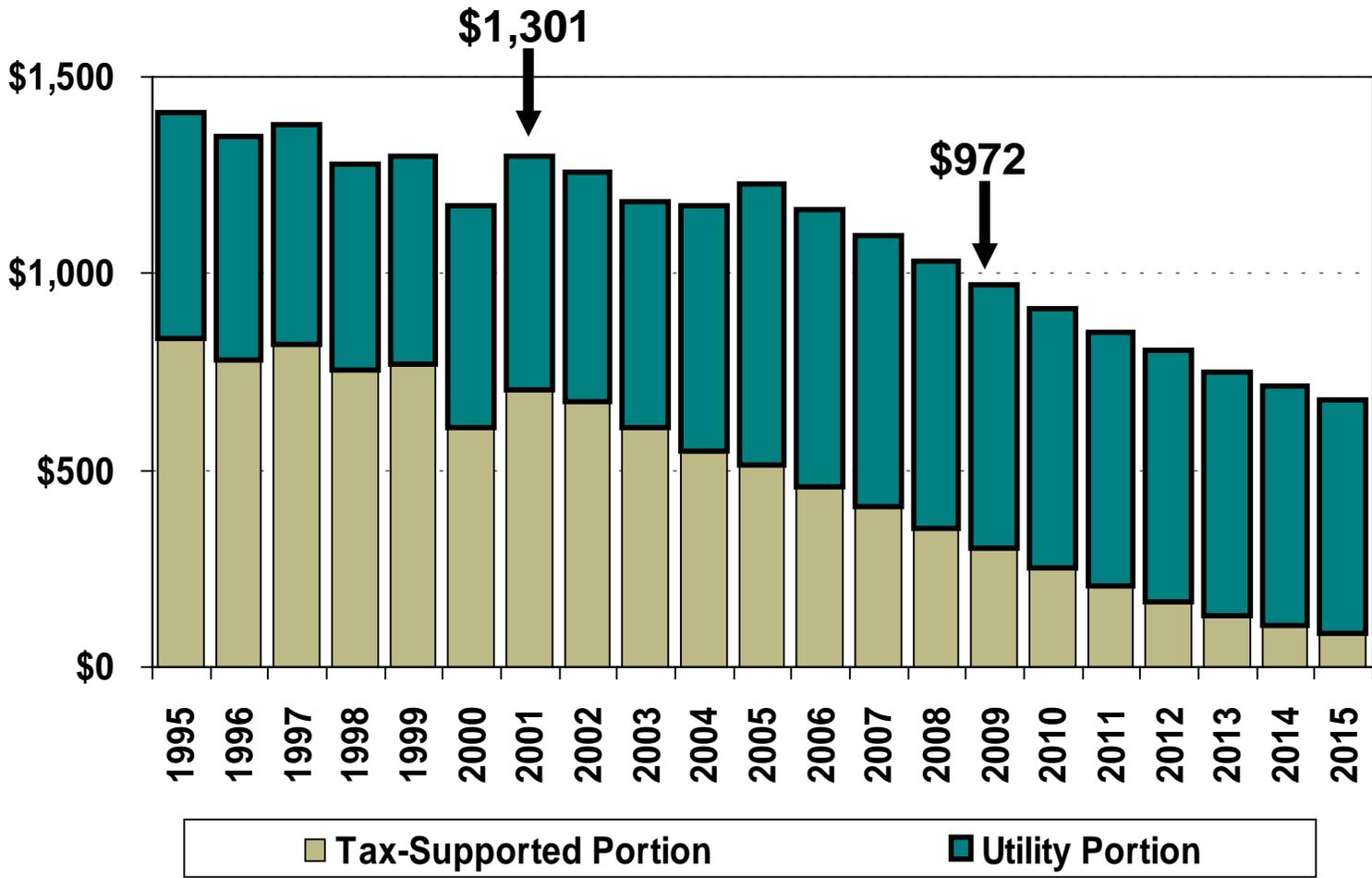


2001 Adopted Budget

TAX-SUPPORTED DEBT SERVICING COSTS TO PEAK IN THE YEAR 2002



PER CAPITA NET EXTERNAL DEBT



COUNCIL ADOPTION OF THE 2001 AND 2002 CURRENT ESTIMATES

On December 12, 2000 Council adopted the following recommendations:

1. That the 2001 Current Estimates as outlined in Schedule "A" be approved.
2. That the 2002 Current Estimates, as outlined in Schedule "A", be approved in principle and referred back to the Executive Policy Committee for submission of appropriate mill rate by-laws and compliance with any other statutory requirements and forwarded to Council for its consideration not later than March 31, 2002.
3. That the City's 2001 mill rate be reduced to 32.140, and that By-law No. 7727/2000 to establish the 2001 mill rate be given three readings.
4. That the City's business tax rate for 2001 remain frozen at 1996 levels – 9.75%.
5. That the transfers to/from utility operations and other funds, as well as the fees and charges outlined in the tax-supported budget submission be approved.
6. That the Chief Administrative Officer be delegated the authority to make allocations in the 2001 and 2002 budget to reflect Council's decisions relating to the pension surplus/contribution holiday.
7. That the Standing Committee on Fiscal Issues be responsible for monitoring the operating budgets subsequent to their approval by Council.
8. That the City continue to negotiate with the Province for cost sharing of services and/or the authority to introduce alternative sources of revenue in order to reduce reliance on property tax revenue, including a new 2001 grant in the amount of \$384,431 for a long-term enhanced Fire/Arson Investigation Unit of five investigators which will increase the staff complement by five.
9. That the City Solicitor be instructed to prepare the necessary by-laws to implement the above recommendations.
10. That as an interim measure, funds in the amount of \$203,511 be reinstated for temporary salaries in the Library Services Division for the 2001 Current Estimates offset by a corresponding one-time reduction in the contribution to the Library Reserve.
11. That the Proper Officers of the City of Winnipeg be authorized to do all things necessary to implement the above recommendations.

THE CITY OF WINNIPEG
2001 and 2002 Adopted Current Estimates
TAX-SUPPORTED SUMMARY

	2000 Adopted Budget	2001 Budget Adopted in Principle	Proposed Revisions	2001 Adopted Budget	2002 Projection Adopted in Principle
Revenue:					
Realty tax/payments in lieu	\$ 388,342,317	\$ 379,078,804	\$ 4,509,748	\$ 383,588,552	\$ 375,806,347
Business tax/license in lieu of business tax	54,882,631	55,726,267	4,343,733	60,070,000	61,760,000
Other taxation	19,673,000	18,895,260	361,240	19,256,500	19,161,500
Government grants	66,627,867	69,548,574	3,286,578	72,835,152	74,582,040
Regulation fees	17,029,158	17,331,656	388,329	17,719,985	25,989,039
Sale of goods and services	44,652,596	41,863,283	466,638	42,329,921	43,886,878
Interest/debt charges recoverable	13,946,728	14,260,364	190,000	14,450,364	14,181,933
Transfers from other funds	37,688,535	40,094,907	(557,380)	39,537,527	49,280,001
Pension Adjustment	33,900,000	-	-	-	-
Other	1,001,589	1,099,177	(133,488)	965,689	1,715,719
Total	\$ 677,744,421	\$ 637,898,292	\$ 12,855,398	\$ 650,753,690	\$ 666,363,457
Expenditures:					
Departmental:					
CAO Secretariat	\$ 2,859,639	\$ 2,848,908	\$ (108,190)	\$ 2,740,718	\$ 2,724,826
Corporate Finance	11,900,101	11,024,907	735,684	11,760,591	12,651,104
Property Assessment	12,101,984	12,416,610	(112,196)	12,304,414	12,241,437
Public Works	154,353,906	157,255,170	(7,710,204)	149,544,966	156,001,602
Fire Paramedic Service	84,134,227	85,773,181	2,661,719	88,434,900	91,031,955
Winnipeg Police Service	114,740,354	117,498,312	(928,690)	116,569,622	120,574,367
Community Services/Museums	72,665,535	72,996,611	1,039,720	74,036,331	75,454,315
Corporate Services	24,300,507	23,069,429	1,288,193	24,357,622	24,130,982
Planning, Property and Development	36,803,290	38,943,857	(1,104,635)	37,839,222	37,822,565
Refuse Collection	15,816,000	15,645,000	869,858	16,514,858	16,774,482
Land Drainage and Flood Control	19,949,873	19,427,212	(527,444)	18,899,768	20,180,001
Other	5,870,145	2,240,567	4,005,934	6,246,501	3,964,845
Sub-total Departmental	\$ 555,495,561	\$ 559,139,764	\$ 109,749	\$ 559,249,513	\$ 573,552,481
Corporate:					
Corporate debt and finance charges	\$ 18,675,885	\$ 17,652,774	\$ 740,566	\$ 18,393,340	\$ 18,455,043
Taxes/insurance/damage claims	9,740,287	9,704,161	(205,580)	9,498,581	9,672,024
Corporate Employee Benefits	4,117,700	4,115,000	3,550,000	7,665,000	4,665,000
Contribution to Transit	26,930,194	27,047,482	2,532,397	29,579,879	28,379,879
Grants/payments to other authorities	9,787,123	10,051,945	612,082	10,664,027	9,600,320
Transfers to Pension Reserves	42,083,888	62,205	-	62,205	-
Other corporate costs	10,913,783	10,124,961	5,516,184	15,641,145	22,038,710
Sub-total Corporate	\$ 122,248,860	\$ 78,758,528	\$ 12,745,649	\$ 91,504,177	\$ 92,810,976
Total	\$ 677,744,421	\$ 637,898,292	\$ 12,855,398	\$ 650,753,690	\$ 666,363,457
Surplus/(Deficit)	-	-	-	-	-

THE CITY OF WINNIPEG
2001 and 2002 Adopted Current Estimates
UTILITY OPERATIONS

	2000 Adopted Budget	2001 Budget Adopted in Principle	Proposed Revisions	2001 Adopted Budget	2002 Projection Adopted in Principle
	\$	\$	\$	\$	\$
Equipment & Material Services					
Revenue	35,934,214	35,402,283	312,583	35,934,214	36,184,259
Expenditure	36,199,961	34,777,426	312,583	35,090,009	35,519,547
Surplus/(Deficit)	(265,747)	624,857	-	624,857	664,712
Hydro Electric System					
Revenue	128,936,900	131,116,400	449,244	131,565,644	133,524,460
Expenditure	108,560,900	111,524,400	246,296	111,770,696	113,195,954
Surplus/(Deficit)	20,376,000	19,592,000	202,948	19,794,948	20,328,506
Transit System					
Revenue	93,630,500	95,627,000	2,042,235	97,669,235	98,127,802
Expenditure	94,505,500	95,952,000	1,717,235	97,669,235	98,127,802
Surplus/(Deficit)	(875,000)	(325,000)	325,000	-	-
Waterworks System					
Revenue	74,400,847	76,603,103	-	76,603,103	76,910,073
Expenditure	69,824,043	69,934,958	158,097	70,093,055	70,329,538
Surplus/(Deficit)	4,576,804	6,668,145	(158,097)	6,510,048	6,580,535
Sewage Disposal					
Revenue	78,634,111	78,178,693	400,000	78,578,693	78,502,898
Expenditure	73,093,985	72,710,155	1,859,885	74,570,040	73,963,881
Surplus/(Deficit)	5,540,126	5,468,538	(1,459,885)	4,008,653	4,539,017
Solid Waste Disposal					
Revenue	10,788,829	11,596,669	828,900	12,425,569	12,618,512
Expenditure	12,583,860	12,626,613	607,225	13,233,838	13,321,391
Surplus/(Deficit)	(1,795,031)	(1,029,944)	221,675	(808,269)	(702,879)
Civic Accommodations					
Revenue	28,419,000	28,329,000	22,993	28,351,993	28,351,993
Expenditure	28,419,000	28,329,000	22,993	28,351,993	28,351,993
Surplus/(Deficit)	-	-	-	-	-
Public Works - Facilities					
Revenue	24,720,122	24,720,122	(1,168,955)	23,551,167	23,551,167
Expenditure	24,720,122	24,720,122	(1,168,955)	23,551,167	23,551,167
Surplus/(Deficit)	-	-	-	-	-
Total					
Revenues	475,464,523	481,573,270	2,887,000	484,460,270	487,771,164
Expenditures	447,907,371	450,574,674	3,755,359	454,330,033	456,361,273

THE CITY OF WINNIPEG
2001 and 2002 Adopted Current Estimates
UTILITY OPERATIONS

Surplus/(Deficit)	<u>27,557,152</u>	<u>30,998,596</u>	<u>(868,359)</u>	<u>30,130,237</u>	<u>31,409,891</u>
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