2012 Capital Budget
Public Consultation

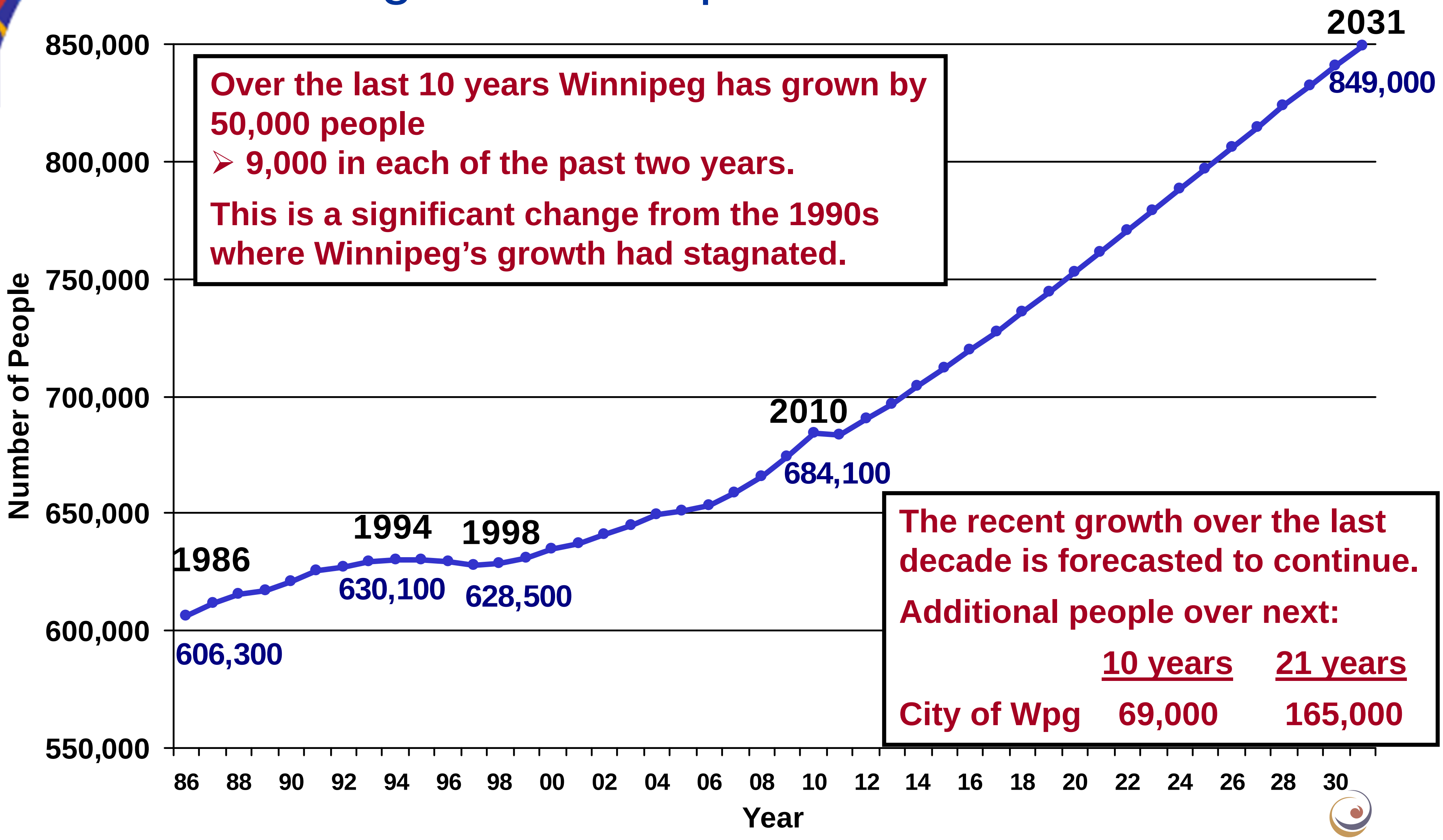
Councillor Scott Fielding
Chairperson of the Standing Policy Committee on Finance
November 1, 2011

Winnipeg

Agenda

- Presentation – Councillor Scott Fielding
  - Economic indicators
  - Capital budget
- Round table discussion / questionnaire
- Representative from each table to provide summary of group discussion
- Closing comments

Conference Board of Canada's Long Term Population Forecast



Source: Conference Board of Canada, Long Term Demographic and Economic Forecast for Winnipeg CMA report, June 2007

Note: City of Winnipeg forecast data is derived from Winnipeg CMA by examining land availability issues and demographic trends. Adjusted to actual 2008 population base.

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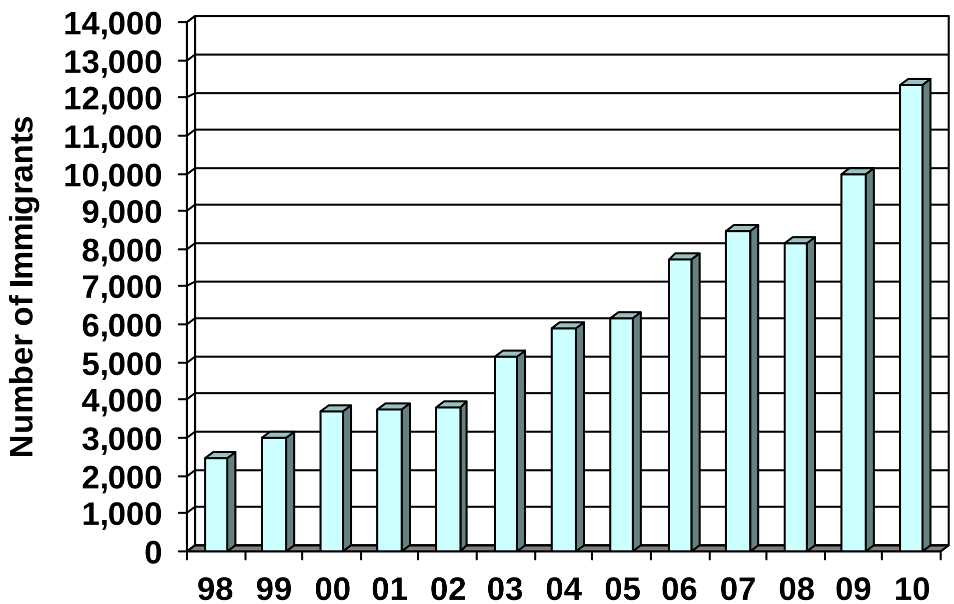
A significant contributing factor to Winnipeg's population growth is Winnipeg's rising immigration

With the success of the Provincial Nominee Program, which began in 1999, Winnipeg's immigration has quadrupled.

Immigration to Winnipeg



In 2007, the Province of Manitoba set a new target for the year 2017: to double the annual number of immigrants from 10,000 province-wide to 20,000; in 2009, the Province received 13,500.

– Winnipeg typically receives about 75% of the total immigrants to MB.

City Regions	2009	2010
Toronto	82,637	92,184
Montreal	42,531	46,460
Vancouver	34,628	37,336
Calgary	13,708	16,103
Winnipeg	9,972	12,342
Edmonton	8,508	11,006
Ottawa	6,297	7,172
% of Canada	79%	79%
Total Canada	252,172	280,681

Source: Citizenship & Immigration Canada, Immigration Overview: Facts and Figures 2010

Winnipeg’s Housing Market continues to be healthy which is in contrast to Canada’s housing market.

With renewed population growth, new house construction began an upward trend. Housing starts in 2006 & 2007 have tripled in numbers since 2000. In 2009 new home buyers were cautious, but 2010 shows we are back to a strong market.

House prices have also increased substantially – doubling since 2000.

New House Prices, Single Detached, Average

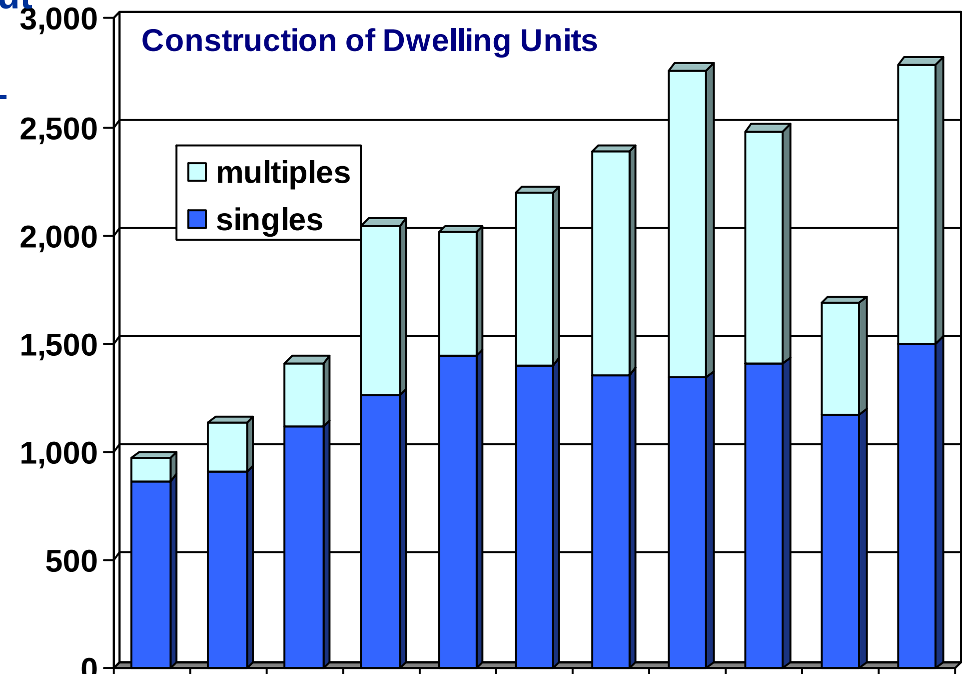
Year	Price	% Increase
2000	$175,500	
2010	$376,600	115%
2011F	$392,000	4%
2012F	$406,000	4%

Resale House Prices, Average MLS Listing

Year	Price	% Increase
2000	$89,100	
2010	$228,700	157%
2011F	$241,000	5%
2012F	$248,500	3%

Source: CMHC Housing Market Outlook,

“Winnipeg's resale homes market will set a new yearly record for dollar volume of sales after posting its best October on record last month, Winnipeg REALTORS said today. ” Wpg Free Press, November 5th,2010



	00	01	02	03	04	05	06	07	08	09	10
multiples	107	229	293	785	573	794	1,028	1,423	1,075	517	1,288
singles	863	906	1,117	1,259	1,440	1,400	1,355	1,339	1,405	1,171	1,499

Source: Canada Mortgage and Housing Corporation

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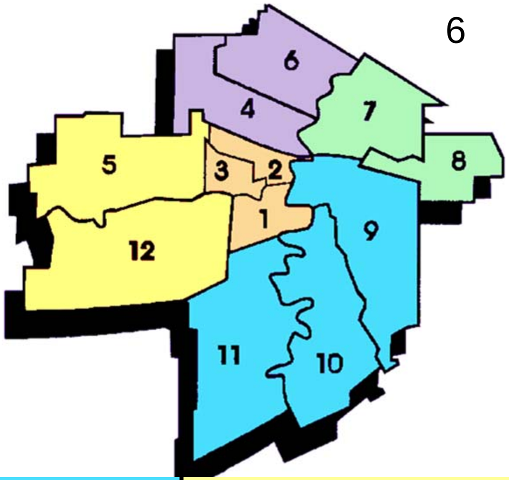
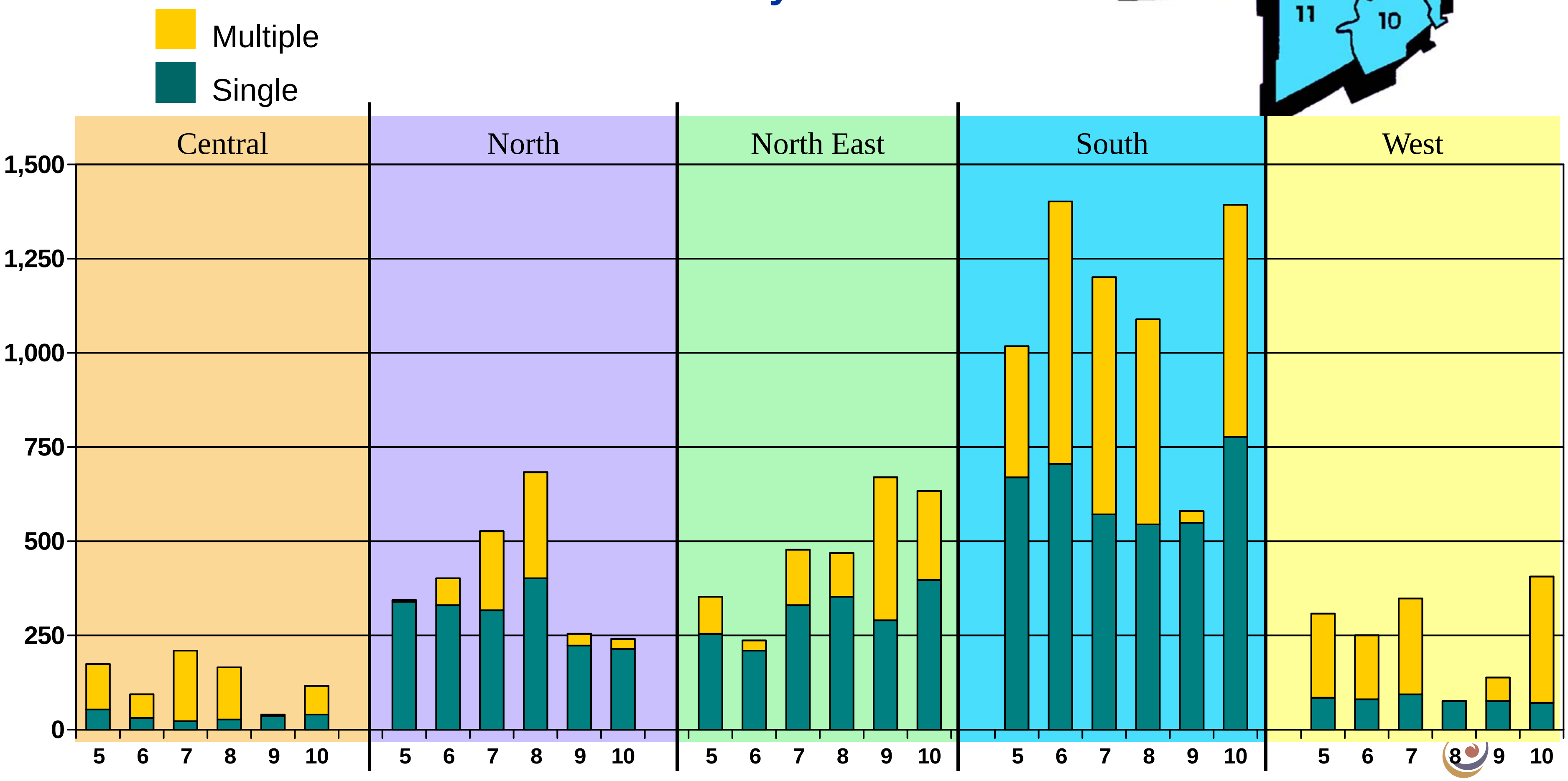
Winnipeg Housing Starts by Area, 2000 - 2010

The majority of both single and multi housing starts are in the south end of the City





Source: CMHC – Residential Construction Digest, December 2010

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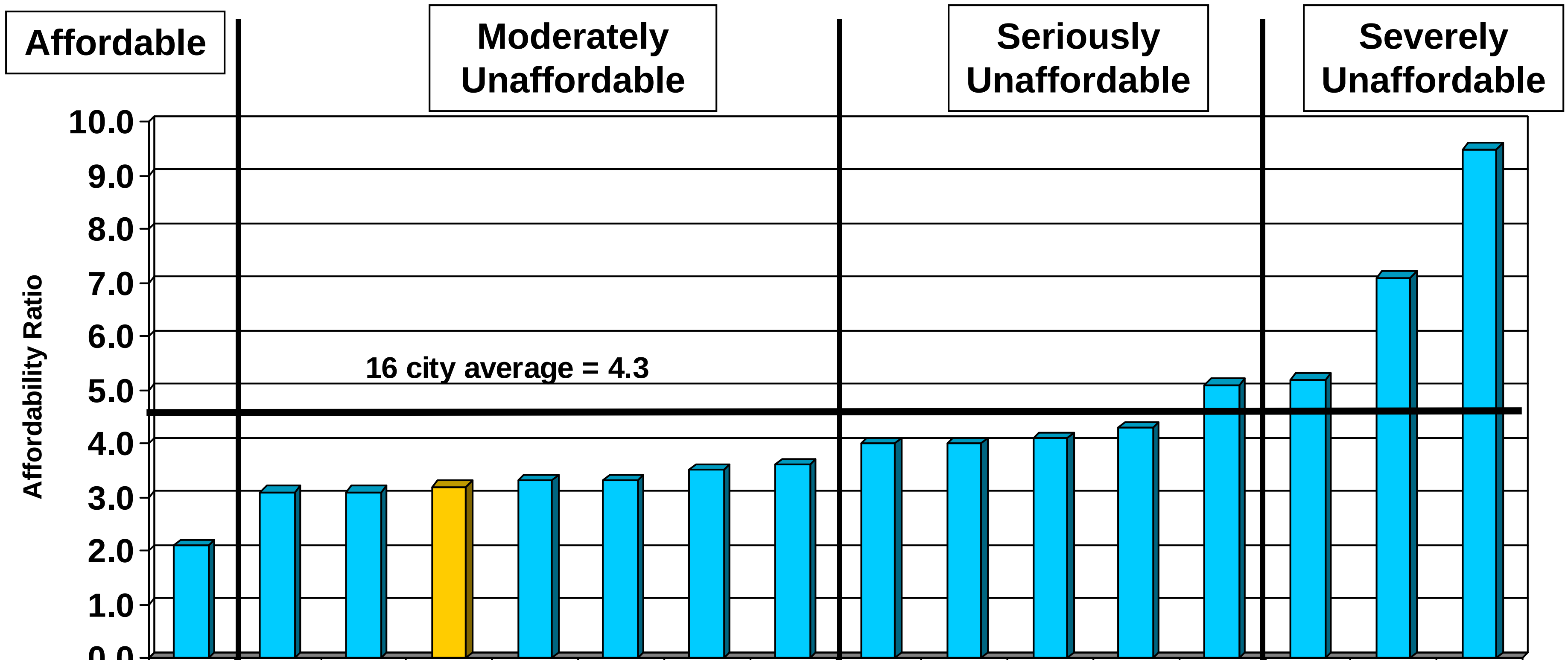
Housing Affordability

Median House Price / Median Household Income

Even with significant house price increases over the last several years, Winnipeg continues to have affordable house prices relative to other Canadian cities.



	Wind	Lon	Reg	Wpg	Hal	Kit	Edm	Ott	Cal	Ham	Que	Sask	Tor	Mont	Vic	Van
■	2.1	3.1	3.1	3.2	3.3	3.3	3.5	3.6	4.0	4.0	4.1	4.3	5.1	5.2	7.1	9.5

Source: Demographia, 7th International Housing Affordability Survey: 2010 (data for 3rd quarter 2010).
Used 16 largest Canadian CMA cities (Regina and larger, 200,000 plus population).
Affordability categories established by Demographia, http://www.demographia.com/

Key Economic Indicators

Real Gross Domestic Product (GDP)

	2008	2009	2010	2011F	2012F
Winnipeg	1.6%	-0.1%	2.2%	2.0%	2.1%
Canada	0.6%	-2.6%	3.3%	2.5%	2.5%

Consumer Price Index (CPI) Annual Averages

	2008	2009	2010	2011F	2012F
Winnipeg	2.3%	0.6%	0.8%	3.1%	2.0%
Canada	2.4%	0.3%	1.8%	2.8%	2.2%

Employment Growth, annual % change

	2008	2009	2010	2011F	2012F
Winnipeg	1.5%	0.0%	1.9%	0.2%	1.8%
Canada	1.7%	-1.6%	1.4%	1.8%	2.1%

Unemployment Rate

	2008	2009	2010	2011F	2012F
Winnipeg	4.3%	5.5%	5.7%	5.6%	5.6%
Canada	6.1%	8.3%	8.0%	7.4%	6.8%

Source: Conference Board of Canada,
Metropolitan Outlook data, released August 2011

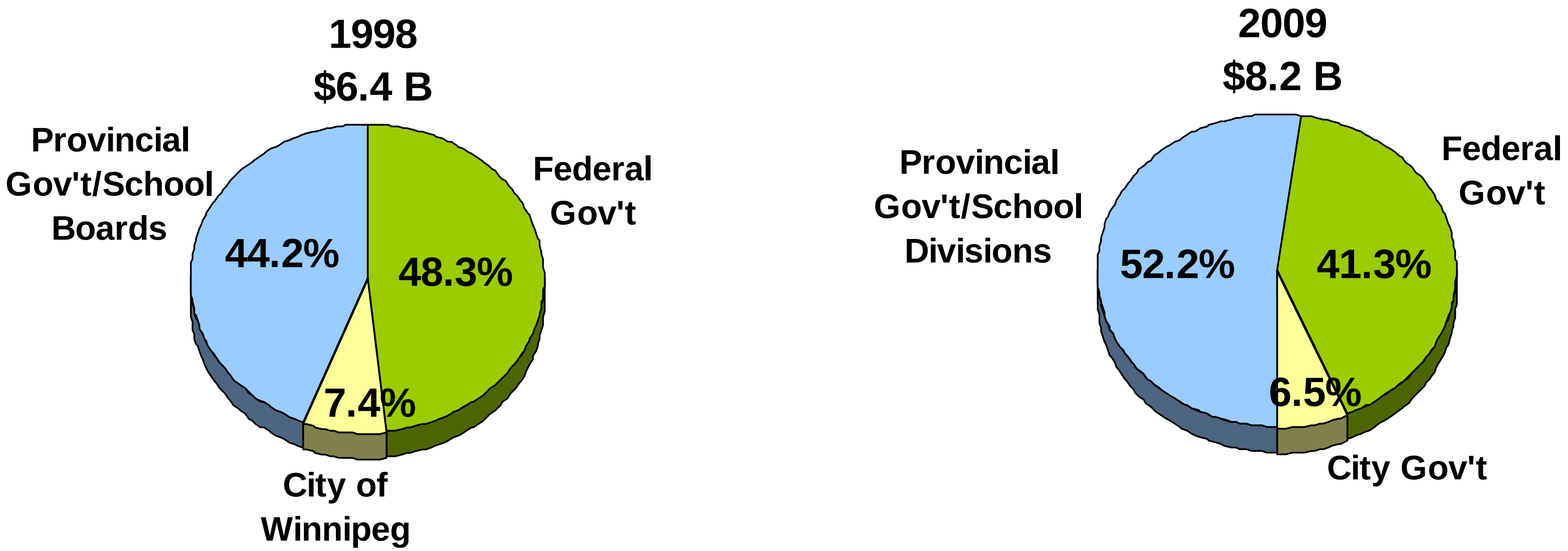
Even though Canada was in a recession in 2009, Winnipeg's economy was relatively doing well.

Overall, for 2011, Winnipeg's economic indicators are positive.

Winnipeg's economy is expected to create 26,000 jobs over the next 5 years.

Total Estimated Taxes Paid By Winnipeggers

There has been a shift – the Provincial Government collects an increasing share of the taxation pie.



Source: Revenue Canada Agency and annual financial reports of the governments of Canada, Manitoba, and Winnipeg.

Property Tax Changes in Cities

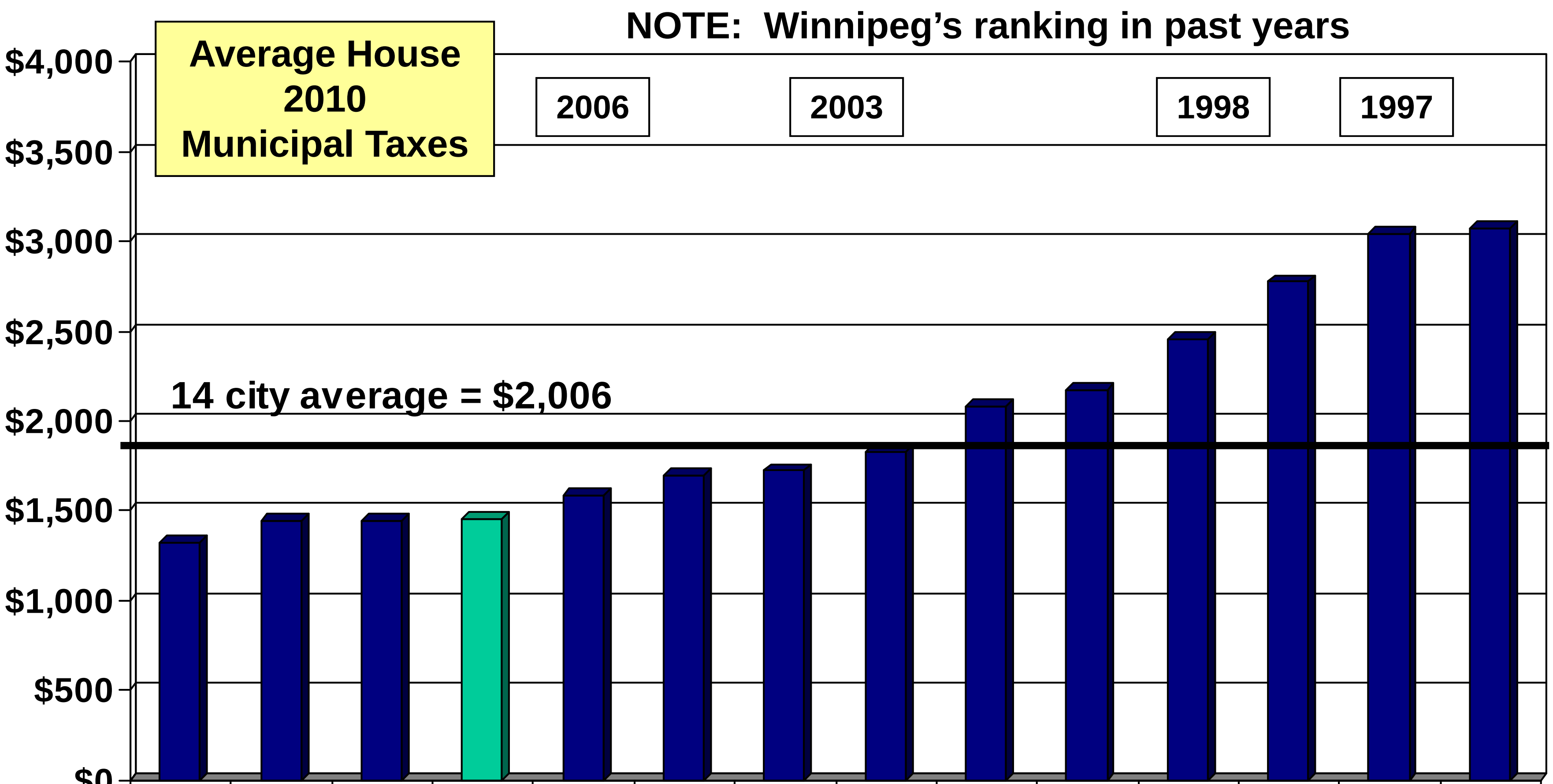
Winnipeg's ranking in the Edmonton Property Tax Survey has changed due to the property tax freezes and reductions that have occurred over the last 14 years. During this same period, other cities have been increasing property taxes.

	Cumulative 1999 to 2006	2007	2008	2009	2010	2011	Cumulative 1999 to 2011
Western Cities							
Vancouver	28.7%	8.0%	1.2%	5.9%	4.1%		47.9%
Edmonton	30.3%	5.0%	7.5%	7.3%	5.0%	3.9%	59.0%
Calgary	30.0%	2.6%	4.5%	5.3%	4.8%	5.0%	52.2%
Saskatoon	24.0%	4.8%	5.4%	3.4%	3.9%	4.0%	45.5%
Regina	16.9%	3.9%	2.8%	0.0%	4.0%	4.0%	31.6%
Winnipeg	-6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-6.0%
Eastern Cities	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2006 to 2011**
Toronto	3.0%	3.8%	3.8%	4.0%	2.9%	0.0%	17.5%
Ottawa	3.9%	0.3%	4.9%	4.9%	3.8%	2.5%	20.3%
Hamilton	2.2%	3.4%	4.6%	6.1%	2.0%	0.8%	19.1%
Montreal	0.0%	0.0%	0.0%	0.0%	5.3%	2.5%	7.8%

Source: Cities' websites

Winnipeg's Change in Ranking

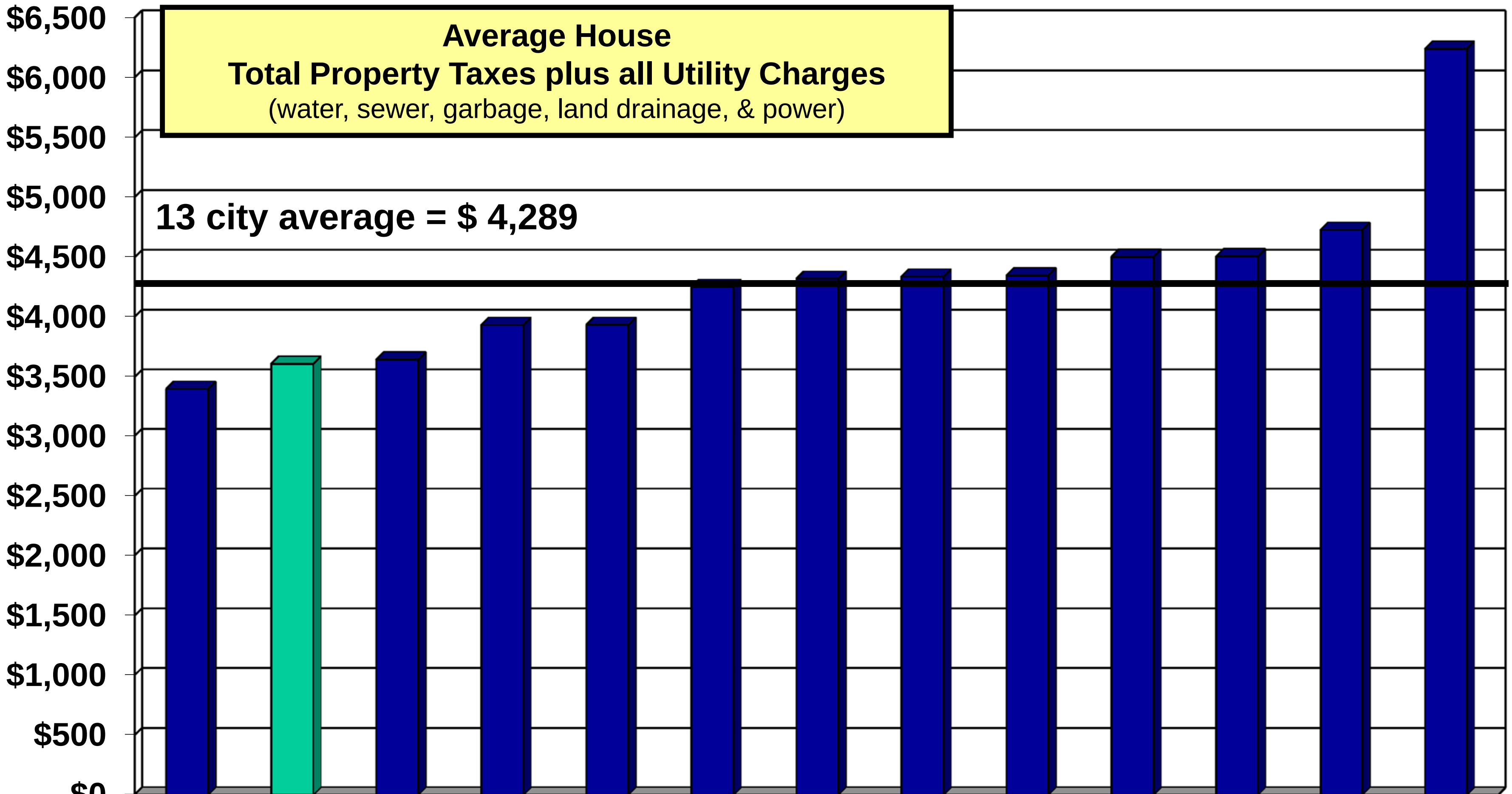
2010 Edmonton Property Tax Survey



	Cal	Sask	Reg	Wpg	Sur	Hal	Edm	Laval	Van	Burn	Vic	Lon	Tor	Mont
2010	$1,318	$1,440	$1,444	$1,452	$1,582	$1,696	$1,721	$1,831	$2,080	$2,174	$2,459	$2,775	$3,039	$3,072

Source: City of Edmonton 2010 Residential Property Taxes & Utility Charges Survey.
Out of 21 cities in survey, used 14 largest cities (Regina and larger approx 200,000 plus population) that provided average data.

Home Ownership Cost / Burden
2010 Edmonton Residential Property Tax Survey



	Laval	Wpg	Sur	Vic	Hal	Van	Mont	Reg	Cal	Sask	Burn	Edm	Tor
2009	$3,399	$3,609	$3,644	$3,933	$3,934	$4,251	$4,319	$4,337	$4,348	$4,503	$4,507	$4,728	$6,240

Source: City of Edmonton 2010 Residential Property Taxes & Utility Charges Survey, .
Out of 21 cities in survey, used 13 largest cities (Regina and larger approx 200,000 plus population) that provided average data.

Winnipeg

Public Opinion Surveys

Citizen's Perspective

Most Important Issue or Concern Facing Winnipeg
Consistent Top Issues – Latest Results

Multiple Response

I would like you to tell me what you consider to be the most important issue or concern facing our city today?
And what other issues or concerns do you think are important for Winnipeg today?

	Sep/10	Dec/10	Mar/11	Jun/11	Sep/11
Crime	54%	51%	41%	42%	60%
Infrastructure (mostly roads)	16%	16%	20%	22%	18%
Health Care	8%	10%	10%	9%	18%
Jobs/ Economy	9%	13%	17%	10%	15%
Poverty	9%	11%	9%	9%	9%
Education	4%	6%	6%	7%	6%
Environment	3%	5%	6%	5%	4%
Public Transit / Bike Lanes	4%	3%	1%	1%	4%
Taxes/Tax Reform/Municipal Tax	4%	5%	10%	4%	3%

The most recent survey was conducted between September 21 and September 28, 2011

Issues shown have results of 3% and over

Source: Probe Research, Quarterly Omnibus Poll, Winnipeggers
Multiple Responses, Sample size = 600, Error 4.0% 19 times out of 20

Winnipeg

Quality of Life

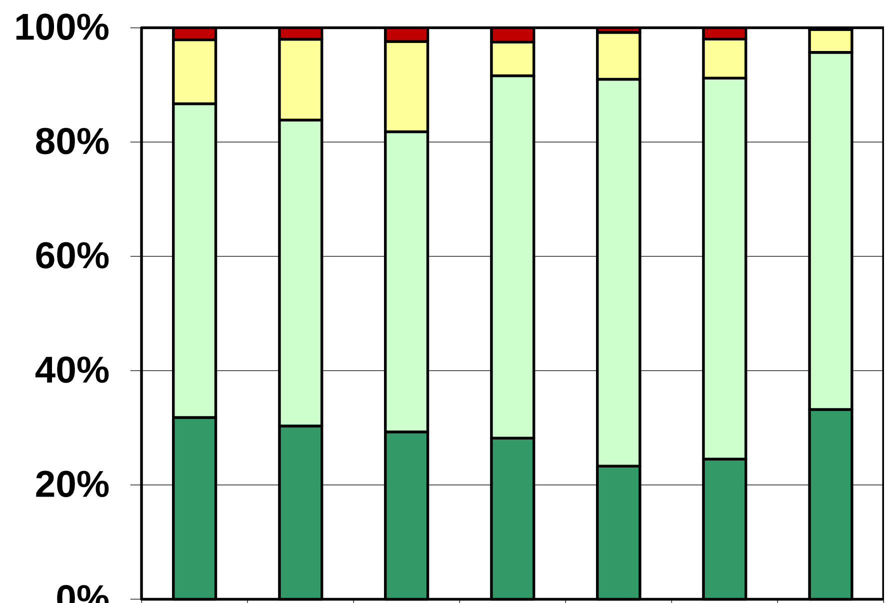
Winnipeggers are very positive about their city.

In 2011,

96% of Winnipeggers believe that the quality of life in Winnipeg is very good or good.

Highest showing since we have been polling (2000 to 2011).

How would you rate the quality of life in Winnipeg?



	2002	2003	2004	2007	2009	2010	2011
poor	2%	2%	2%	3%	1%	2%	0%
only fair	11%	14%	16%	6%	8%	7%	4%
good	55%	53%	53%	63%	68%	68%	63%
very good	32%	30%	29%	28%	23%	25%	33%

Source: City of Winnipeg – Financial Planning & Review, Corporate Finance
2011 Survey conducted by Market Dimensions. Margin of Error +/- 4%, 19 times out of 20

City Government Actions to Improve Quality of Life 2009-2011

Groupings	2009	2010	2011
Crime/Policing	18.1%	30.2%	47.2%
Roads / Infrastructure	32.7%	11.5%	21.8%
Transit	8.1%	11.3%	7.1%
Downtown Renewal	3.5%	6.7%	5.2%
Bicycle & Walking Trails	3.2%	5.7%	3.4%
Poverty	2.2%	1.0%	3.2%
Cleaner City	0.4%	0.6%	1.5%
More things to do	4.8%	0.5%	1.5%
City Beautification	1.2%	0.5%	1.5%
Housing	1.5%	1.0%	1.0%
Taxation	2.8%	2.2%	1.0%
City Planning	1.3%	0.8%	1.0%
Recycling/Environment	0.8%	1.7%	0.7%
Insect Control	0.7%	1.2%	0.5%
Economy	2.5%	2.0%	0.2%
Healthcare	1.2%	0.7%	0%
Other	4.8%	4.8%	3.9%

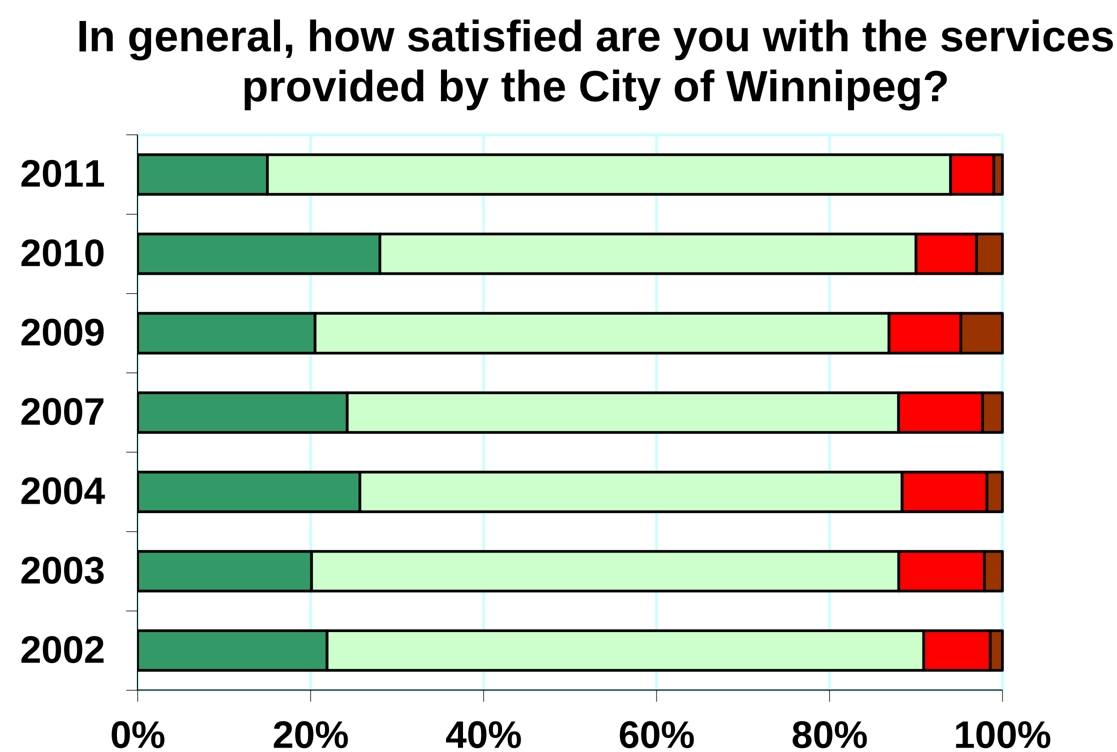
Source: City of Winnipeg – Financial Planning & Review, Corporate Finance
2011 Survey conducted by Market Dimensions. Margin of Error +/- 4%, 19 times out of 20

Winnipeg

Citizen overall satisfaction with City services:

Overall satisfaction has increased to 94% in 2011.

Highest overall satisfaction since we have been polling (2000 to 2011).



	2002	2003	2004	2007	2009	2010	2011
very sat	22%	20%	26%	24%	21%	28%	15%
smwt sat	69%	68%	63%	64%	66%	62%	79%
smwt dissat	8%	10%	10%	10%	8%	7%	5%
very dissat	1%	2%	2%	2%	5%	3%	1%

Source: City of Winnipeg – Financial Planning & Review, Corporate Finance
2011 Survey conducted by Market Dimensions. Margin of Error +/- 4%, 19 times out of 20

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Citizen's View on City's Infrastructure

Condition of City's Infrastructure:	
Is in good condition	**8%**
Is in fair condtion, no major improvements needed	**18%**
Should be improved/repaired	**74%**
Level of Infrastructure Spending:	
spend more on infrastructure	**63%**
spend more on infrastructure even if it means a reduction in other city services	**6%**
about the same	**29%**
spend less	**2%**
Fix Existing or Build New Infrastructure:	
fix existing infrastructure	**26%**
build new infrastructure	**8%**
both are equally important	**67%**

Source: City of Winnipeg – Financial Planning & Review, Corporate Finance
2011 Survey conducted by Market Dimensions. Margin of Error +/- 4%, 19 times out of 20

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Capital Budget Development Process

- Capital budget public consultations
- Starting point is the 5-year Council approved forecast from the 2011 capital budget process
- Review of existing infrastructure needs and new requests/initiatives
- Projects prioritized within available funding/financing
- Executive Policy Committee tables a balanced 6-year plan
- Standing Policy Committees hear public delegations and review budget
- Executive Policy Committee hears public delegations and makes final decisions to Council
- Council adopts 2012 capital budget and approves in principle the 5-year capital forecast

Winnipeg

What is the difference between the capital and operating budgets?

- **Capital**
  - Capital improvements and other works are generally considered to be projects of a fixed nature and long life which provide new, additional or replacement of public facilities.
- **Operating**
  - The operating budget is for a single fiscal year and consequently is oriented towards providing for the day-to-day operations of the City. Some minor capital expenditures are also included in the operating budget, mainly equipment purchases or facility improvements with a shorter life cycle and a smaller dollar threshold.

Types of Assets

- Roads, bridges, pathways, sidewalks, back lanes, traffic signals
- Public buildings (community centres, libraries, arenas, pools)
- Downtown renewal
- Waterworks System, including water treatment plants, water main renewal
- Sewage disposal system, including sewer main renewal, water pollution control centres
- Solid waste disposal system, including landfill, recycling

Types of Assets - (Continued)

- Transit garage, buses, bus shelters
- Police, fire and paramedic stations
- Riverbanks, parks, playgrounds, golf courses, athletic fields, reforestation
- Land
- Land drainage and flood control, including retention ponds, flood pumping stations
- Technology infrastructure
- Cemeteries

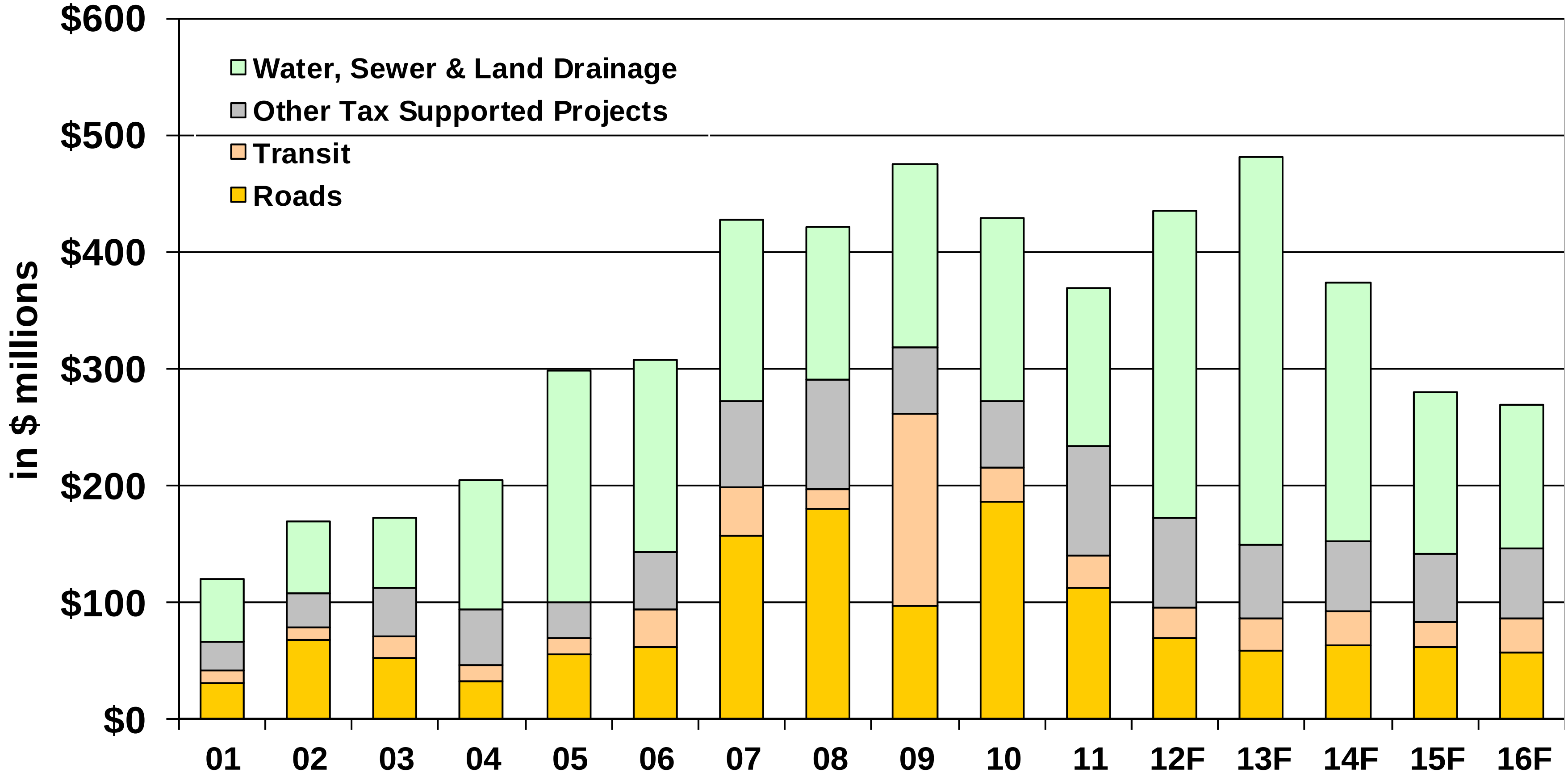
Capital Budget Challenges

- Aging infrastructure
- Need for new infrastructure to address growth
- Large infrastructure deficit
- Debt forecasted to increase
- Limited amount of funding available for capital

Capital Budget Context

- Continued global economic uncertainty
- Federal and provincial government funding partners facing deficits
- Capital construction inflation not as high as in the recent past
- Low interest rate environment
- Need to coordinate plans with construction industry

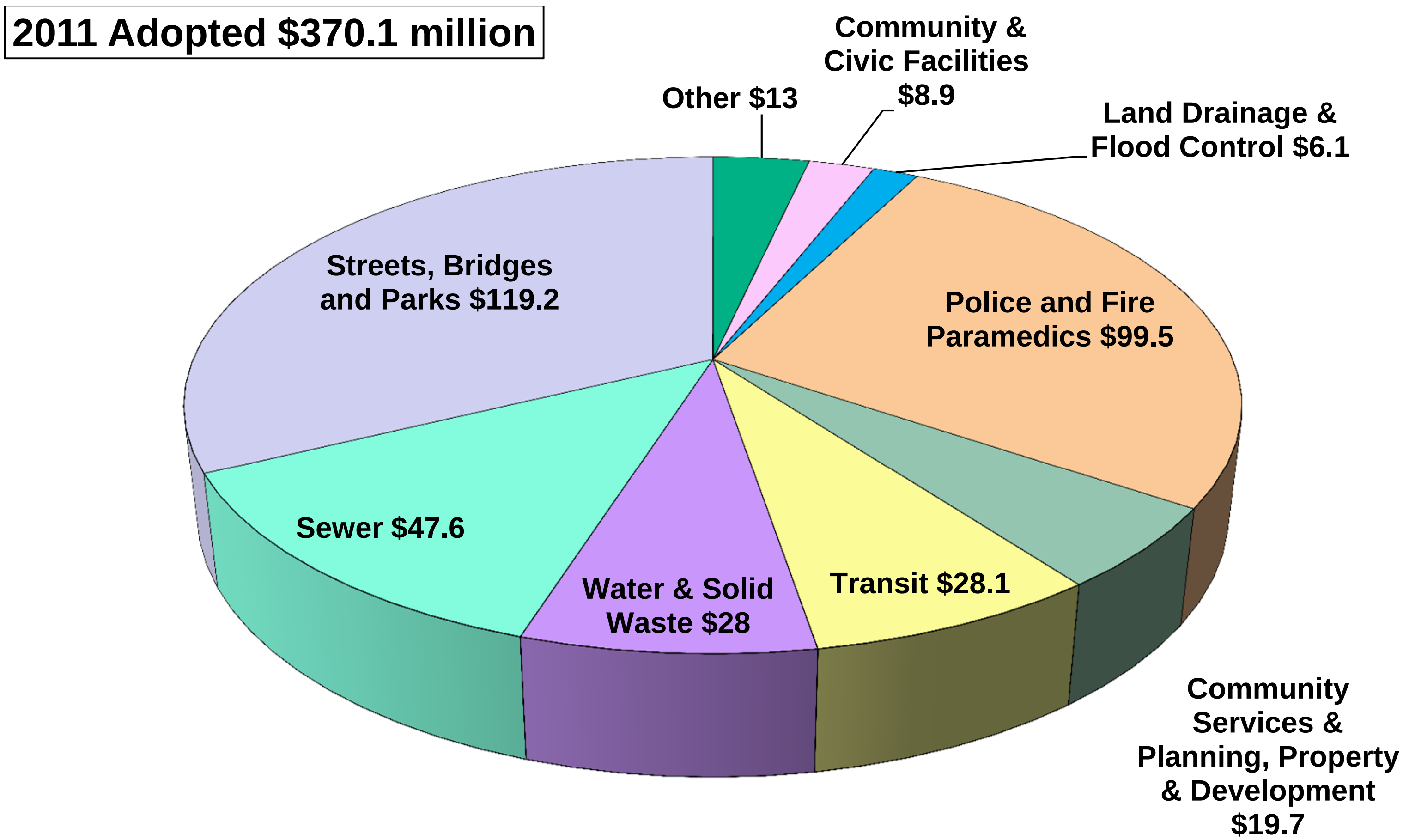
City's Capital Budgets, 2001 to 2011 with 5 Year Forecast



Source: Annual Capital Budget documents

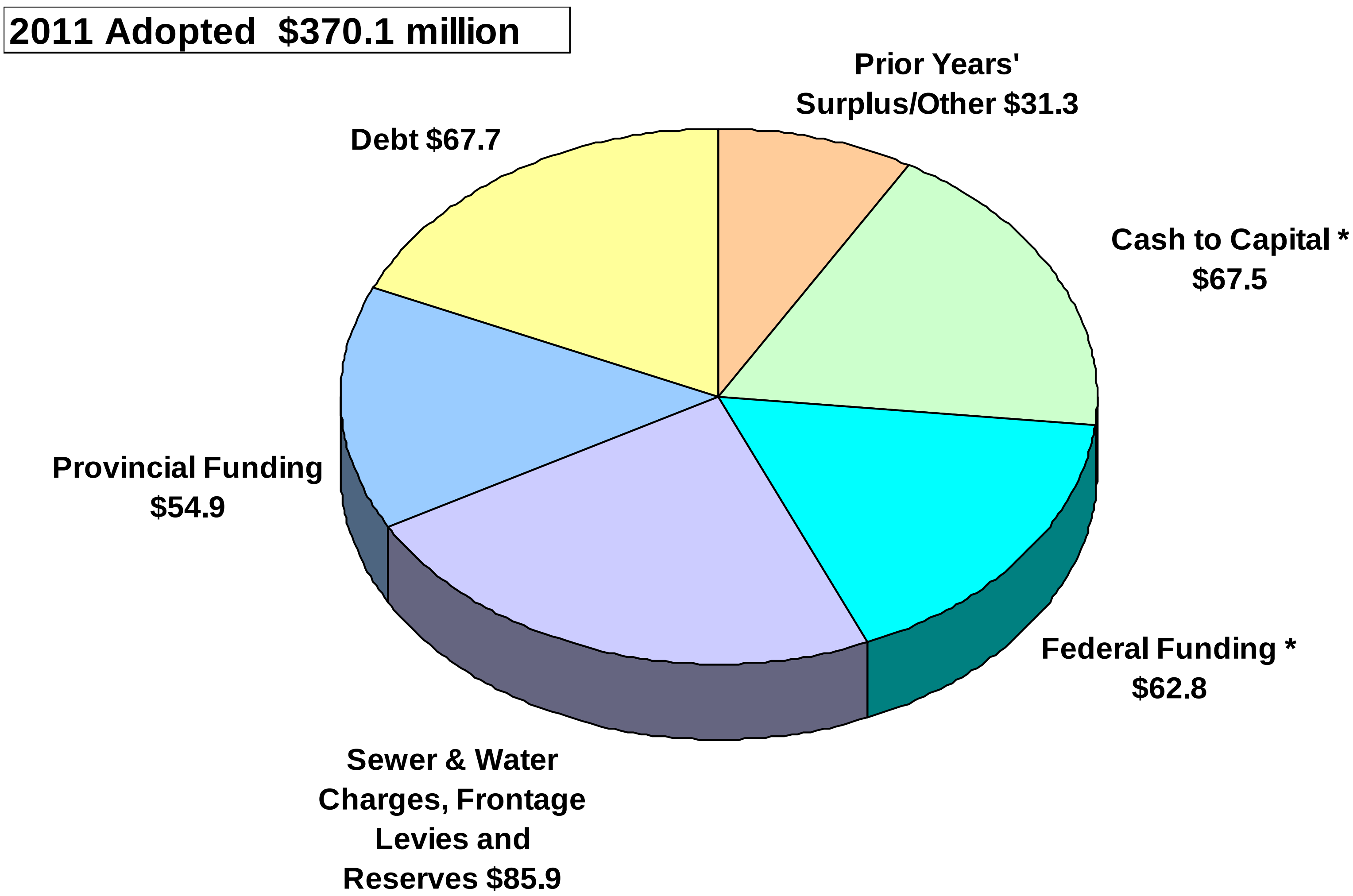
Winnipeg

2011 Capital Projects
(Authorizations)
(in millions of dollars)



2011 Capital Financing

(in millions of dollars)



* Includes funding for P3 payments.

Major Capital Projects Included in the 5-Year Forecast (2012 to 2016)

- Disraeli Bridge and Overpass facility
- Chief Peguis Trail
- Water, wastewater and waste management projects
- Osborne Street Bridge (Assiniboine River)
- Sturgeon Road Bridge (Sturgeon Creek)
- Pembina Highway Underpass
- Ness Avenue Culvert (Sturgeon Creek)
- Tuxedo Yards Development
- Recreation facility replacement
- Assiniboine Park Conservancy
- Police headquarters/district stations
- Transit buses and building replacement

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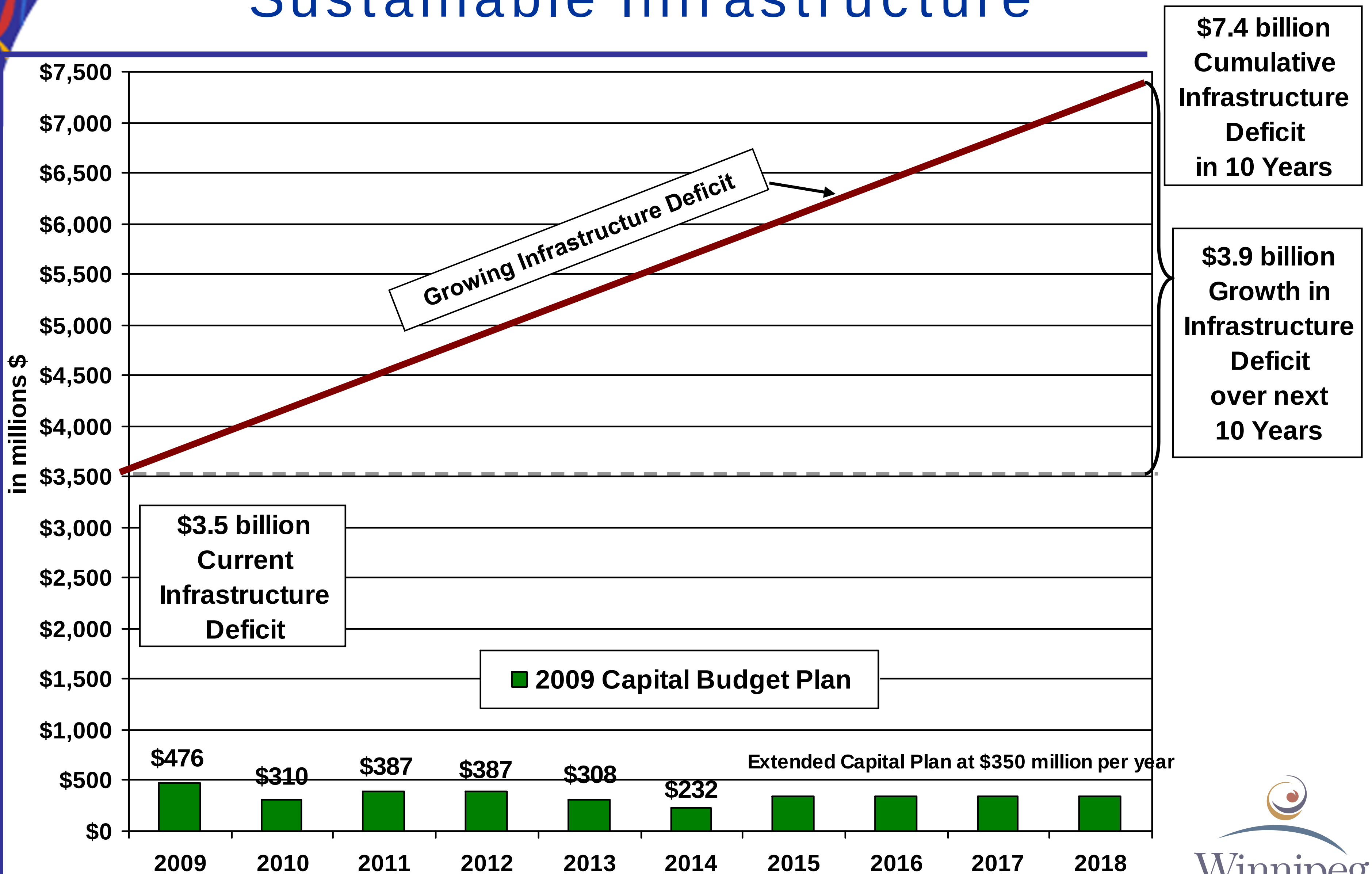
Funding Inadequate for Sustainable Infrastructure



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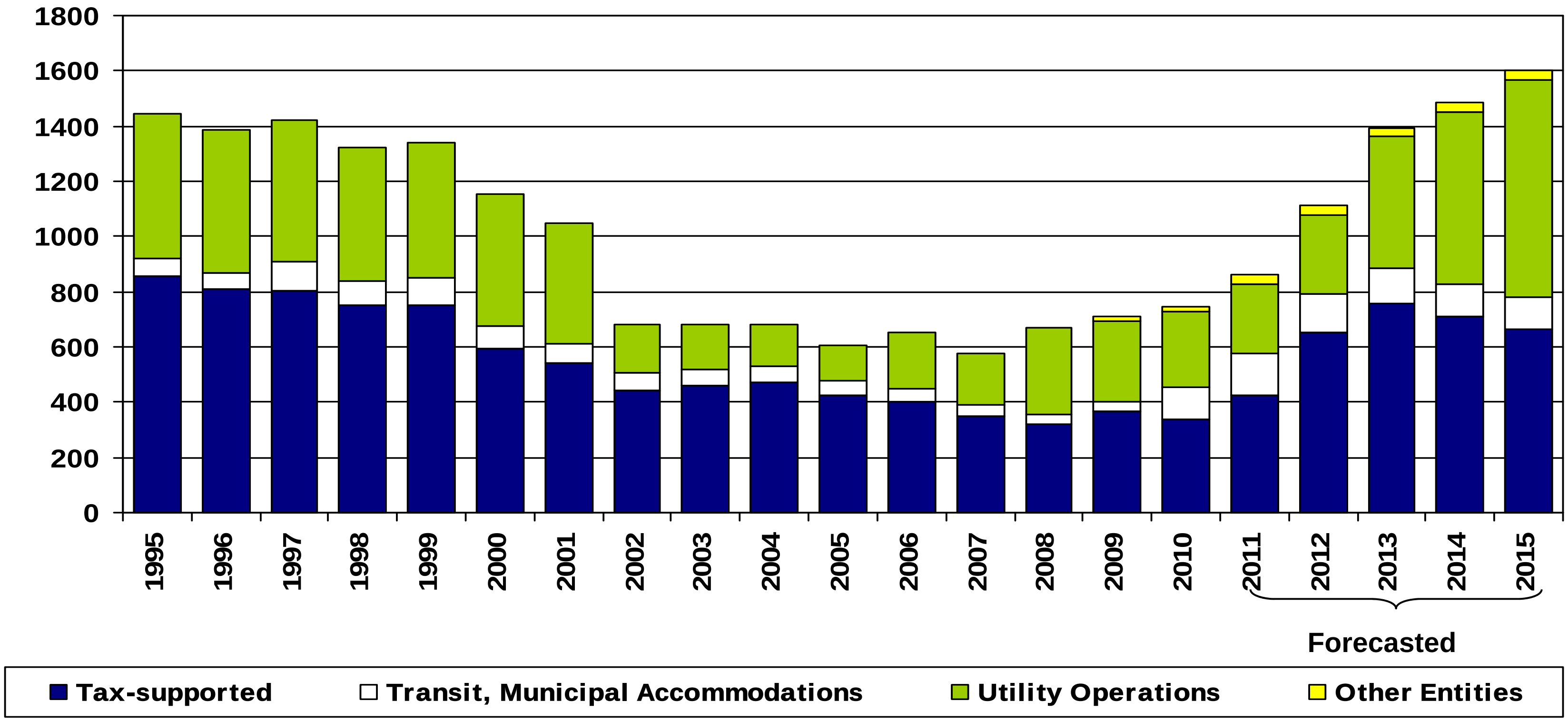
CITY OF WINNIPEG NET DEBT PER CAPITA at December 31st



- Debenture debt and P3 obligations included
- Other Entities included in 2009 and subsequent years

And now we want to hear from you…