

January 30, 2009

**LETTER TO THE EDITOR
WINNIPEG FREE PRESS**

**RE: BARTLEY KIVES' JANUARY 28, 2009 ARTICLE TITLED
PROPERTY- FREEZE MAY END – CITY SEEKS WAYS TO
COMBAT EFFECTS OF TOUGH TIMES**

This letter is written to provide some background and clarification to the above reference article authored by Bartley Kives on January 28, 2009 regarding the City of Winnipeg's financial situation. Of particular note is the misleading inference that pension funding shortfalls are the cause of a potential property tax increase.

In reality, the pension fund has been so well managed in the past that surpluses aided the City's general revenue.

While current market events have affected this plan, and others, we trust that those charged with managing it are doing everything they can to address the problem. Further, we will be governing our actions based on information provided by the plan, not other sources.

The reality is that Winnipeg's budget needs a modest tax increase to address a long-standing revenue shortfall. This need existed long before the current economic climate affected the pension fund. To infer otherwise is simply inaccurate.

Yours truly,

Mike Davidson
President
CUPE Local 500

c.c. Central Council

