Agenda – Council – March 21, 2006

Report – Executive Policy Committee – March 15, 2006

Item No. 1 2006 Operating Budget
File FE(2006)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 15, 2006, the Executive Policy Committee concurred in the Preliminary 2006 Operating Budget, as amended, and submitted the following to Council:

1. That the 2006 Operating Budget, as tabled at the Executive Policy Committee meeting of March 1, 2006, and amended by Recommendation 2, be approved as outlined in the following financial summary.

2. That the following additions to the 2006 Tax-Supported Operating Budget be made, namely:

   A. That the budget for the Graffiti Control program be increased by $200,000;

   B. That the budget for the Fire Investigation Unit be reinstated at $430,197;

   C. That the budget for library materials be increased by $50,000;

   D. That the budget for tree pruning be increased by $200,000;

   E. That the budget for Local Per Capita Grants be increased by $45,000, representing an increase of $3,000 per ward;

   F. That the budget for the Integrated Neighbourhood Support Services program be partially reinstated by $172,000;

   G. That the budget for the cash to capital contribution be increased by $500,000, for a total cash to capital funding level in 2006 of $56.5 million;

   with offsetting reductions in corporate costs to reflect announced 2006 provincial transfers.

3. That, pursuant to the tabling of the Provincial Budget, a further $1 million in capital expenditures be authorized for Regional and Local Streets, to be financed through the Provincial Building Manitoba Fund with specific projects to be included as part of the supplemental program to be developed by the Public Works Department in 2006.

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4. That the City's mill rate be reduced from 29.686 to 25.448 for 2006 to reflect the general assessment. (Note: 2006 property tax revenue will remain at 2005 levels, adjusted for new assessable properties).

5. A. That the City's business tax rates for 2006 remain frozen at the 2005 level of 7.75% for the downtown geographic area, as defined in the Downtown Winnipeg By-law No. 100/2004, and at the 1996 level of 9.75% for areas outside the downtown; and

   B. That Council make a determination in accordance with section 68 of The Municipal Assessment Act that any increase in business tax resulting from the 2006 general assessment in excess of 15% is unreasonable in the circumstances, and limit all such increases to 15%. (Note: This will result in 2006 business tax revenues remaining at 2005 levels).

6. That the emergency medical service fees outlined below be approved effective April 1, 2006:

Proposed Emergency Medical Service Rates (Per Call)		
(in dollars)	**Present Rate**	**April 1, 2006**
Emergency Medical Service		
Basic Rate (not subsidized)	540	550
Regional Rate (provincial subsidized)	405	413
City Rate (city and provincial subsidized)	270	275
Interfacility Transfer Service		
Basic Rate (not subsidized)	390	398
Regional Rate (provincial subsidized)	293	299
City Rate (city and provincial subsidized)	195	199
Treatment No Transport Service - Basic Rate		
Basic Rate (not subsidized)	222	234
Regional Rate (provincial subsidized)	173	176
City Rate (city and provincial subsidized)	115	117
Treatment No Transport Service - Advanced Care		
Basic Rate (not subsidized)	393	418
Regional Rate (provincial subsidized)	308	314
City Rate (city and provincial subsidized)	205	209

7. A. That the annual extension of the wading pool and outdoor pool season to ensure that regular operating schedules remain in effect until August 31, subject to the weather meeting pool operating criteria, be approved;

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B. That the existing Recreation Programming Reserve, created by Council on October 6, 1976, be amended to include;

i. The establishment of two sub components within the Reserve: [A] Recreation Programming and [B] Wading Pool and Outdoor Pool Operating Extension;

ii. That the existing balance from the Recreation Programming Reserve shall be placed in the sub component Recreation Programming and shall remain for use under its existing criteria;

iii. The establishment of an operating budget line item in the amount of $490,000 in 2006 for transfer to the Recreation Programming Reserve, Wading Pool and Outdoor Pool Operating Extension sub component;

iv. That subject to clause v. and annual budget approval, annual contributions of this amount ($490,000) with annual inflationary increases, be made to the Recreation Programming Reserve, Wading Pool and Outdoor Pool Operating Extension sub component as required;

v. That any unused balance of the Wading Pool and Outdoor Pool Operating Extension sub component at the end of the year shall remain in the Wading Pool and Outdoor Pool Operating sub component thus reducing the transfer of funds in the following year;

C. That the Director of Community Services, being the Fund Manager of the Reserve, be authorized to draw on the Reserve when the annual extension of the season is warranted.

8. That the transfers to/from utility operations and reserves, as well as the fees and charges outlined in the tax-supported budget submission be approved.

9. That the Chief Administrative Officer be delegated the authority to allocate the following budgeted savings (cost reduction measures of $4,689,566):

A. $2,890,000 - WAPSO, WAPSO Exempt, Senior Management, other management and professional staff salaries and benefits, and other restructuring initiatives as necessary;
B. $452,566 - consulting budgets;
C. $100,000 - conference and travel budgets;

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D. $247,000 - extending replacement cycles for computer equipment; and
E. $1,000,000 - alternative service delivery initiatives.

10. That, in accordance with subsection 215(4) of The City of Winnipeg Charter with respect to Special Service Units, authorization be given to the Fleet Management Agency to transfer a portion of the cash and/or accounts under its control to the general revenue fund, and to finance a portion of its operations by borrowing from the City's bank, or from any other persons or corporations, including The City of Winnipeg Sinking Fund Trustees, amounts of up to $5.8 million, and that the Fleet Management Agency report back on any further future financing requirements.

11. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary by-laws to implement the above recommendations.

12. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 15, 2006, the Executive Policy Committee recommended that the 2006 Operating Budget be approved with the following amendments, namely:

- Delete Recommendation No. 1 in its entirety and replace with the following:

    1. That the 2006 Operating Budget, as tabled at the Executive Policy Committee meeting of March 1, 2006, and amended by Recommendation 2, be approved as outlined in the following financial summary.

- Insert the following as Recommendation Nos. 2 and 3:

    2. That the following additions to the 2006 Tax-Supported Operating Budget be made, namely:
        A. That the budget for the Graffiti Control program be increased by $200,000;
        B. That the budget for the Fire Investigation Unit be reinstated at $430,197;
        C. That the budget for library materials be increased by $50,000;
        D. That the budget for tree pruning be increased by $200,000;
        E. That the budget for Local Per Capita Grants be increased by $45,000, representing an increase of $3,000 per ward;
        F. That the budget for the Integrated Neighbourhood Support Services program be partially reinstated by $172,000;
        G. That the budget for the cash to capital contribution be increased by $500,000, for a total cash to capital funding level in 2006 of $56.5 million;

        with offsetting reductions in corporate costs to reflect announced 2006 provincial transfers.

    3. That, pursuant to the tabling of the Provincial Budget, a further $1 million in capital expenditures be authorized for Regional and Local Streets, to be financed through the Provincial Building Manitoba Fund with specific projects to be included as part of the supplemental program to be developed by the Department of Public Works in 2006,

    and renumber the balance of the recommendations accordingly,

and submitted the matter to Council.

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DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

On March 1, 2006, the Executive Policy Committee referred the Preliminary 2006 Operating Budget to the Standing Policy Committees for review in accordance with the following timetable, namely:

March 6 to March 10, 2006	Standing Policy Committees - Review
March 13, 2006	Executive Policy Committee - Delegations
March 15, 2006	Executive Policy Committee - Recommendation to Council
March 21, 2006	Council Meeting

Further, on March 1, 2006, the Executive Policy Committee tabled the Preliminary 2006 Operating Budget, which outlined the following recommendations:

1. That the 2006 Operating Budget as outlined in the following financial summary be approved and forwarded to all Members of Council for their review.

2. That the City's mill rate be reduced from 29.686 to 25.448 for 2006 to reflect the general assessment. (Note: 2006 property tax revenue will remain at 2005 levels, adjusted for new assessable properties).

3. A. That the City's business tax rates for 2006 remain frozen at the 2005 level of 7.75% for the downtown geographic area, as defined in the Downtown Winnipeg By-law No. 100/2004, and at the 1996 level of 9.75% for areas outside the downtown; and

   B. That Council make a determination that any increase in business tax resulting from the 2006 general assessment in excess of 15% is unreasonable in the circumstances, and that for the year 2006, all increases in business taxes resulting from the 2006 general assessment be limited to 15%, in accordance with section 68 of The Municipal Assessment Act. (Note: This will result in 2006 business tax revenues remaining at 2005 levels).

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DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

4. That the emergency medical service fees outlined below be approved effective April 1, 2006:

Proposed Emergency Medical Service Rates (Per Call)		
(in dollars)	**Present Rate**	**April 1, 2006**
Emergency Medical Service		
Basic Rate (not subsidized)	540	550
Regional Rate (provincial subsidized)	405	413
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Treatment No Transport Service - Advanced Care		
Basic Rate (not subsidized)	393	418
Regional Rate (provincial subsidized)	308	314
City Rate (city and provincial subsidized)	205	209

5. A. That Council approve the annual extension of the wading pool and outdoor pool season to ensure that regular operating schedules remain in effect until August 31, subject to the weather meeting pool operating criteria;

   B That the City amend the existing Recreation Programming Reserve, created by Council on October 6, 1976, to include:

      i. The establishment of two sub components within the Reserve:
         a. Recreation Programming and
         b. Wading Pool and Outdoor Pool Operating Extension;

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DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

ii. That the existing balance from the Recreation Programming Reserve shall be placed in the sub component Recreation Programming and shall remain for use under its existing criteria;

iii. The establishment of an operating budget line item in the amount of $490,000 in 2006 for transfer to the Recreation Programming Reserve, Wading Pool and Outdoor Pool Operating Extension sub component;

iv. That subject to clause (v) and annual budget approval, annual contributions of this amount ($490,000) with annual inflationary increases, be made to the Recreation Programming Reserve, Wading Pool and Outdoor Pool Operating Extension sub component as required;

v. That any unused balance of the Wading Pool and Outdoor Pool Operating Extension sub component at the end of the year shall remain in the Wading Pool and Outdoor Pool Operating sub component thus reducing the transfer of funds in the following year.

C. That the Director of Community Services, being the Fund Manager of the Reserve, be authorized to draw on the Reserve when the annual extension of the season is warranted.

6. That the transfers to/from utility operations and reserves, as well as the fees and charges outlined in the tax-supported budget submission be approved.

7. That the Chief Administrative Officer be delegated the authority to allocate the following budgeted savings (cost reduction measures of $4,689,566):

- $2,890,000 - WAPSO, WAPSO Exempt, Senior Management, other management and professional staff salaries and benefits, and other restructuring initiatives as necessary;
- $452,566 - consulting budgets;
- $100,000 - conference and travel budgets;
- $247,000 - extending replacement cycles for computer equipment; and
- $1,000,000 - alternative service delivery initiatives.

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DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

8. That, in accordance with subsection 215(4) of The City of Winnipeg Charter with respect to Special Service Units, authorization be given to the Fleet Management Agency to transfer a portion of the cash and/or accounts under its control to the General Revenue Fund, and to finance a portion of its operations by borrowing from the City's bank, or from any other persons or corporations, including The City of Winnipeg Sinking Fund Trustees, amounts of up to $5.8 million, and that the Fleet Management Agency report back on any further future financing requirements.

9. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary by-laws to implement the above recommendations.

10. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.