REPORT OF THE

STANDING COMMITTEE ON FISCAL ISSUES

DATED JANUARY 16, 1998

On motion of Councillor Angus, the Report of the Standing Committee on Fiscal Issues, dated January 16, 1998, was considered.

Moved by Councillor Angus,
That the Consent Agenda, Clause 1, be adopted.

261 - Councillors Golden and Prystanski asked to be recorded as having voted against Clause 1, in accordance with Rule 50.7 of the Procedure By-law.

The motion to adopt the Consent Agenda, Clause 1 was put and declared carried.

Appropriation Transfer Process
File FE-1 (Vol. 29)

262 - 1. The Standing Committee on Fiscal Issues has been advised that prior to "New Directions", Corporate Finance was tasked to review all appropriation transfers for compliance to policy. Following "New Directions", Corporate Finance has continued the review of transfers to ensure funds availability and also that Corporate Policy is being adhered to. These steps involving Corporate Finance add no value to the process as they are also being completed at the departmental level.

With the elimination of the Board of Commissioners, the Chief Administrative Officer must continue to be responsible for authorizing all appropriation transfers.

Departmental Controllers presently review funds availability before submitting appropriation transfer forms to Corporate Finance. To become more consistent with "New Directions", the responsibility for ensuring adherence to policy would be delegated to the Departmental Controllers. Each Controller will sign off the respective financial review section on the appropriation transfer form, evidencing their review and approval. It is important to note that Corporate Finance has not rejected one form over the past few years.

Currently, the Chief Administrative Officer approves all transfers, no matter how significant. Delegated approval to the Chief Financial Officer from the Chief Administrative Officer is appropriate considering these transfers are financial in nature. By setting a dollar threshold for approval, the Chief Financial Officer will only receive significant appropriation transfer requests.

Formal guidelines have been prepared that would require the Chief Financial Officer to approve all transfers from permanent salaries (current requirement of process), as well as all transfers between programs with a value greater than, or equal to, $100,000.00. Department Heads would be delegated authority for all other transfers. Any transfers within a program would not require authorization from the Chief Financial Officer.

Corporate Finance would maintain an active role by providing guidelines for the appropriation transfer process and monitoring the amount and dollar value of appropriation transfers at the departmental level.

There is no Financial Impact since the recommendation only requires changes to current policies and procedures.

The Standing Committee on Fiscal Issues recommends:

I. That approval of appropriation transfers within programs be delegated from the Chief Administrative Officer to the Department Heads.

II. That approval of appropriation transfers between departmental programs, valued at less than $100,000.00, be delegated from the Chief Administrative Officer to the Department Heads.

III. That approval of appropriation transfers greater than, or equal to, $100,000.00, be delegated from the Chief Administrative Officer to the Chief Financial Officer.

Report of the Standing Committee on Fiscal Issues dated January 16, 1998

IV. That any appropriation transfer involving currently defined policies, such as transfer of surplus funds from permanent salaries, be approved by the Chief Financial Officer.

V. That the financial review of appropriation transfers to ensure compliance with policy be delegated from the Corporate Controller to the Departmental Controllers.

VI. That this appropriation transfer process be formally included in the new Policy and Procedure Manual once developed and approved by Council.

VII. 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 hereto.

Adopted by consent.

(See Minute No. 261 for opposition recorded by Councillors Golden and Prystanski)

REPORT "A" OF THE

STANDING COMMITTEE ON FISCAL ISSUES

DATED JANUARY 16, 1998

On motion of Councillor Angus, Report "A" of the Standing Committee on Fiscal Issues, dated January 16, 1998, was considered clause by clause.

Moved by Councillor Angus,
That the Consent Agenda, Clause 1, be adopted.

263 - Councillors Golden, Lazarenko and O'Shaughnessy asked to be recorded as having voted against Clause 1, in accordance with Rule 50.7 of the Procedure By-law.

The motion to adopt the Consent Agenda, Clause 1, was put and declared carried.

Commitment Reserve Fund
File FE-5 (Vol. 1)

264 - 1. The Standing Committee on Fiscal Issues has been advised that each year Council approves the current operating budget thereby giving departments the authority to incur expenses. However, according to generally accepted accounting principles, expenses are recognized as they are incurred and measurable based upon receipt of goods or services and the creation of a legal obligation to pay. As a result, the actual expense may not be realized in the same fiscal year as the adopted budget. The establishment of the Commitment Reserve Fund will allow departments to carry forward committed budget dollars to the succeeding fiscal year thereby eliminating the need to re-budget.

The Corporate Finance Department, under the direction of the Director of Corporate Finance as the Fund Manager, will be responsible for the administration and operation of the reserve. The Corporate Finance Department will also ensure statements, reports and operating criteria are accurately compiled and complied with.

Contributions to the reserve must be spent in the year following the transfer. Commitments can be retained in the reserve beyond the following year only if approved by the Fund Manager, otherwise the unspent amount must be transferred to the Mill Rate Stabilization Reserve.

Contributions to the reserve will not earn interest and disbursements from the reserve are limited to the amount contributed.

Under Section 338(1) of The City of Winnipeg Act, the establishment of a reserve fund must be approved by Council. There is no financial impact since the recommendation only requires changes to current policies and procedures.

The Standing Committee on Fiscal Issues recommends:

I. That Council establish a Commitment Reserve Fund in accordance with Section 338(1) of The City of Winnipeg Act, which would allow committed appropriations to be carried forward to the succeeding fiscal year.

II. That the Commitment Reserve Fund be funded from the departments' current year budget.

III. That contributions to the Commitment Reserve Fund be approved by the Chief Financial Officer and reported to the Standing Committee on Fiscal Issues on a quarterly basis.

IV. That the Director of Corporate Finance be appointed as Fund Manager of the Commitment Reserve Fund.

V. That the establishment and operation of the Commitment Reserve Fund be formally included in the new Policy and Procedure Manual once developed and approved by Council.

Report "A" of the Standing Committee on Fiscal Issues dated January 16, 1998

VI. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the above recommendations.

Adopted by consent.

(See Minute No. 263 for opposition recorded by Councillors Golden, Lazarenko and O'Shaughnessy)

STANDING COMMITTEE ON FISCAL ISSUES

QUESTION PERIOD

265 - Councillor Vandal requested an update on the 1998 operating budget, when it would come to Council and a review of the process.

Councillor Angus took the question under advisement noting that he would try to provide all Members of Council with a schedule within the next 10 days. He further advised that the budget did not have to be approved until the end of March.

Councillor Murray briefly referred to the matter of phase-in and then went on to note that the commercial property assessments in his ward were extremely inaccurate and that it had been discovered that there had been no assessment inspections in over 35 years. Councillor Murray questioned when a comprehensive inspection of commercial property would be undertaken so that the assessment roll could be updated.

Councillor Angus noted that the matter of phase-in would be on the February agenda of the Standing Committee on Fiscal Issues and that the administration would be making a presentation on the opportunities for a phase-in, and the Committee would be making a recommendation for Council's consideration. Councillor Angus suggested that he would take the question regarding the inspection of commercial property under advisement pending discussion with the City Assessor.

Councillor Steek noted the retirement of the Elmwood Cemetery workers and questioned if arrangements had been made to meet with the Province regarding the status of the Elmwood Cemetery or if Councillor Angus had been in contact with Minister Radcliffe. He advised that people who have pre-purchased graveyard sites in the cemetery were asking if there would be any kind of provision to ensure the burials take place. Councillor Steek further noted that the City had already stepped in and acted when graves had to be moved in the Spring of 1997.

Councillor Angus advised that no arrangements had been made at this time. He noted that the cemetery was privately owned and if the owner did not replace the retired persons and the property falls into closure, that the matter would fall under the jurisdiction of the province and provincial rules. He noted that the relocation of graves had been undertaken in accordance with riverbank stabilization, and further advised that he had been in contact with Minister Radcliffe and that the matter was with the Provincial Government.

Councillor Lazarenko questioned what the City had paid in assessment challenges in 1997.

Councillor Angus advised that he would get the information for Councillor Lazarenko.

Councillor Lazarenko, as Chairperson of the Riverbank Management Committee, asked to be provided with the status of the cemetery, particularly about riverbank stabilization, upon any Provincial decision.

Councillor Angus advised that if there was anything affecting the riverbank aspect of the property and/or in relation to the moving of the graves, he would consult with the ward Councillor and the Chairperson of the Riverbank Management Committee.

Councillor Thomas noted her concern for the constituents of the cemetery and questioned if Councillor Angus would be writing to the Minister to request the Provincial Government take action under the Cemeteries Act.

Standing Committee on Fiscal Issues - Question Period (continued)

Councillor Angus agreed that there was a moral obligation to try and assist and also agreed that the Cemeteries Act and the Legislature and the Minister should be taking a stronger role. He advised that the Minister had been assured that the City would do everything it could to cooperate in terms of helping to move the graves if necessary and shore up the riverbank, but that the City was not interested in owning the cemetery. Councillor Angus further stated that the City would also cooperate with the Province if the Minister worked out some form of foundation to address the problem.