Agenda - Council - March 20, 2007

Report – Executive Policy Committee – March 14, 2007

Item No. 1 2007 Operating Budget
File FE(2007)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 14, 2007, the Executive Policy Committee submitted the following to Council:

1. That the 2007 Operating Budget as outlined in the following financial summary, and amended by Recommendation No. 2, be approved.

2. That the following additions to the 2007 Tax-Supported Operating Budget, tabled on February 22, 2007, be made:

   A. That the budget for Environmental Services, Wastewater (Sewage Disposal Fund) be updated to reflect Council's Decision of February 21, 2007 with respect to the 2007 Sewer Utility Rates.

   B. That the budget for Planning and Development Services, City Planning be increased by $100,000.00 (one-time basis) to assist with the provision of services for long range planning, said funds to be utilized at the discretion of the Director of Planning, Property and Development.

   C. That the budget for Corporate Administration, Property Asset Management – Land and Property be increased by $10,000.00 to assist with operational costs of the Prendergast Centre.

   D. That the grant for Heritage Winnipeg be increased to $12,000.00 (from $9,000.00).

   E. That the grant for Take Pride Winnipeg! be increased by $25,000.00 on a one-time basis.

   F. That the General Council of Winnipeg Community Centres be allocated $35,000.00 on a one-time basis as a contingency fund to assist with costs incurred by Community Centres related to union certification, collective bargaining and labour management issues.

   G. That a one-time grant of $15,000.00 be approved to the Boys and Girls Clubs of Winnipeg. Inc.

Report – Executive Policy Committee – March 14, 2007

3. That the City's mill rate remain fixed at the 2006 level of 25.448.

4. A. That the City's business tax rate be set at 7.75% for 2007; and

   B. That Council extend to 2007 the 15% limit on business tax increases resulting from the 2006 General Assessment.

5. That a transfer from the Fiscal Stabilization Reserve to the General Revenue Fund in the amount of $9 million be approved for one time expenditures, as this amount is in excess of the target for stabilization reserves (10% of tax supported expenditures).

6. That a transfer of $2.936 million from the Workers Compensation Reserve Fund (the fund) to the General Revenue Fund be approved given that, under the authority provided in section 289(4)(a) of the City of Winnipeg Charter, the Chief Financial Officer has certified that the amount in the fund is greater than the amount required for the purpose for which the fund was established.

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

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 in the amount of $4.5 million, and that the Fleet Management Agency report back on any financing requirements.

9. A. That under Section 289(1) of The City of Winnipeg Charter, a Permit Reserve Fund be established in order to:

      i. Mitigate revenue shortfalls in boom/bust cycles.
      ii. Fund temporary staffing needs during busy periods during the boom/bust cycle.
      iii. Provide a source of funds for service and system improvements.

   B. That the Director of Planning, Property and Development be designated as the Reserve Fund Manager and thereby authorized to draw on the Reserve when the approved annual operating budget is insufficient to cover the costs of responding to the needs described above.

Report – Executive Policy Committee – March 14, 2007

C. That funds be transferred from the Permit Reserve Fund to the Planning, Property and Development Department to finance:

i. Shortfalls in actual permit revenue in the Development and Inspections Division compared to budget in any given year.
ii. The cost of additional temporary staff resources, beyond that already identified in the Department's budget, required to respond to annual fluctuations in construction activity in order to provide a consistent level of service.
iii. The cost of additional resources, outside the normal budget process, required in order to respond quickly to unanticipated opportunities for service improvements (e.g. Permits X-Press, Implementation of new Zoning By-law, Red Tape Report).

D. That the source of funds for the Permit Reserve Fund be the excess of actual permit revenue in the Development and Inspections Division compared to budget in any given year and that the transfer of any such excess to the Permit Reserve Fund be effective beginning with the 2007 fiscal year.

Note: Attachment "B" to the report dated February 21, 2007 from the Director of Planning Property and Development describes the source of revenues as described in the Planning, Development and Building Fees By-law

E. That the balance in the Permit Reserve Fund be capped at $3 million and any surplus funds over and above the $3 million cap transferred to the General Revenue Fund.

F. That the Director of Planning, Property and Development provide an annual report on expenditures from and the status of the Permit Reserve Fund.

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

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

Report – Executive Policy Committee – March 14, 2007

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 14, 2007, the Executive Policy Committee recommended to Council that the 2007 Preliminary Operating Budget be approved with the following amendments, namely:

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

    1. That the 2007 Operating Budget as outlined in the financial summary, and amended by Recommendation No. 2, be approved.

- Insert the following as Recommendation No. 2

    2. That the following additions to the 2007 Tax-Supported Operating Budget, tabled on February 22, 2007, be made:

        A. That the budget for Environmental Services, Wastewater (Sewage Disposal Fund) be updated to reflect Council's Decision of February 21, 2007 with respect to the 2007 Sewer Utility Rates.

        B. That the budget for Planning and Development Services, City Planning be increased by $100,000.00 (one-time basis) to assist with the provision of services for long range planning, said funds to be utilized at the discretion of the Director of Planning, Property and Development.

        C. That the budget for Corporate Administration, Property Asset Management – Land and Property be increased by $10,000.00 to assist with operational costs of the Prendergast Centre.

        D. That the grant for Heritage Winnipeg be increased to $12,000.00 (from $9,000.00).

        E. That the grant for Take Pride Winnipeg! be increased by $25,000.00 on a one-time basis.

Report – Executive Policy Committee – March 14, 2007

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

F. That the General Council of Winnipeg Community Centres be allocated $35,000 on a one-time basis as a contingency fund to assist with costs incurred by Community Centres related to union certification, collective bargaining and labour management issues.

G. That a one-time grant of $15,000.00 be approved to the Boys and Girls Clubs of Winnipeg. Inc.,

and renumber the balance of the recommendations accordingly.

- Amend Recommendation No. 6 (formerly No. 5) by deleting the figure "$2.748 million" and replace with "$2.936 million"

- Insert the following as Recommendation No. 9

9. A. That under Section 289(1) of The City of Winnipeg Charter, a Permit Reserve Fund be established in order to:

i. Mitigate revenue shortfalls in boom/bust cycles.
ii. Fund temporary staffing needs during busy periods during the boom/bust cycle.
iii. Provide a source of funds for service and system improvements.

B. That the Director of Planning, Property and Development be designated as the Reserve Fund Manager and thereby authorized to draw on the Reserve when the approved annual operating budget is insufficient to cover the costs of responding to the needs described above.

C. That funds be transferred from the Permit Reserve Fund to the Planning, Property and Development Department to finance:

i. Shortfalls in actual permit revenue in the Development and Inspections Division compared to budget in any given year.

Report – Executive Policy Committee – March 14, 2007

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

ii. The cost of additional temporary staff resources, beyond that already identified in the Department's budget, required to respond to annual fluctuations in construction activity in order to provide a consistent level of service.

iii. The cost of additional resources, outside the normal budget process, required in order to respond quickly to unanticipated opportunities for service improvements (e.g. Permits X-Press, Implementation of new Zoning By-law, Red Tape Report).

D. That the source of funds for the Permit Reserve Fund be the excess of actual permit revenue in the Development and Inspections Division compared to budget in any given year and that the transfer of any such excess to the Permit Reserve Fund be effective beginning with the 2007 fiscal year.

Note: Attachment "B" to the report dated February 21, 2007 from the Director of Planning Property and Development describes the source of revenues as described in the Planning, Development and Building Fees By-law

E. That the balance in the Reserve be capped at $3 million and any surplus funds over and above the $3 million cap transferred to the General Revenue Fund.

F. That the Director of Planning, Property and Development provide an annual report on expenditures from and the status of the Permit Reserve Fund.

and renumber the balance of the recommendations accordingly,

On February 22, 2007, the Executive Policy Committee tabled the Preliminary 2007 Operating Budget, which outlined the following recommendations:

1. That the 2007 Operating Budget as outlined in the following financial summary be approved and forwarded to all Members of Council for their review.

Report – Executive Policy Committee – March 14, 2007

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE (continued):

2. That the City's mill rate remain fixed at the 2006 level of 25.448.

3. A. That the City's business tax rate be set at 7.75% for 2007; and

   B. That Council extend to 2007 the 15% limit on business tax increases resulting from the 2006 General Assessment.

4. That a transfer from the Fiscal Stabilization Reserve to the General Revenue Fund in the amount of $9 million be approved for one time expenditures, as this amount is in excess of the target for stabilization reserves (10% of tax supported expenditures).

5. That a transfer of $2.748 million from the Workers Compensation Reserve Fund (the fund) to the General Revenue Fund be approved given that, under the authority provided in section 289(4)(a) of the City of Winnipeg Charter, the Chief Financial Officer has certified that the amount in the fund is greater than the amount required for the purpose for which the fund was established.

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

7. 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 in the amount of $4.5 million, and that the Fleet Management Agency report back on any financing requirements.

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

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

Report – Executive Policy Committee – March 14, 2007

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

Further on February 22, 2007, the Executive Policy Committee referred the Preliminary 2007 Operating Budget to the Standing Policy Committees for review in accordance with the following timetable, namely:

February 26 to March 9, 2007	Standing Policy Committees – Review
March 13, 2007	Executive Policy Committee – Delegations
March 14, 2007	Executive Policy Committee – Recommendation to Council
March 20, 2007	Council