Agenda – Council – March 26, 2008

Report - Executive Policy Committee – March 20, 2008

Item No. 1 2008 Operating Budget – 2009 and 2010 Preliminary Financial Plans File FE(2008)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 20, 2008, the Executive Policy Committee submitted the following to Council:

1. That the 2008 Operating Budget as outlined in the following financial summary and as reflected in the Service Based View tabled at the Executive Policy Committee on March 20, 2008, and as amended by Recommendation 2, be approved.

2. That the following adjustments to the 2008 Operating Budget, as tabled at the Executive Policy Committee on March 6, 2008, be made:

   A. That the management fee paid to the Performing Arts Consortium of Winnipeg for managing the Pantages Playhouse Theatre be increased by $5,000.00 to $115,000.00 per annum;

   B. That a grant of $25,000.00 for 2008 be approved for Swim Manitoba;

   C. That the December 11, 2007 recommendation from the City of Winnipeg Museums Board regarding 2008 funding for museums be adopted and that the preliminary budget be adjusted accordingly;

   D. That an amount of up to $500,000.00 be earmarked for the Graffiti Art Programming Inc. in 2008, and be utilized as a base for an endowment fund under the stewardship of The Winnipeg Foundation;

   E. That the budget expenditures be increased by $50,000.00 for the City's collection costs for hotel tax and that an offsetting increase be included in the hotel tax revenue budget;

   F. That the annual grant for the Boys and Girls Clubs of Winnipeg Inc. be increased by a further $20,000.00 for 2008;

   G. That the grant for Heritage Winnipeg be increased to $20,000.00 (from $12,000.00);

   with corresponding offsets to corporate accounts.

Report - Executive Policy Committee – March 20, 2008

3. That the 2009 and 2010 Projections on the Preliminary Financial Plans for those years, as tabled at the Executive Policy Committee on March 6, 2008, and as reflected in the Service Based View tabled at the Executive Policy Committee on March 20, 2008, and as amended by Recommendation 2, be adopted in principle.

4. That the City's mill rate remain fixed at the 2007 level of 25.448.

5. A. That the City's business tax rate remain unchanged at 7.75% for 2008; and
   B. That the 15% limit on business tax increases resulting from the 2006 General Assessment be extended to 2008.

6. A. That a by-law establishing a 5% hotel tax effective June 1, 2008 be enacted.
   B. That once enacted by Council the bylaw be forwarded to the Lieutenant Governor in Council for approval as required by The Municipal Revenue (Grants and Taxation) Act.

7. That the transfers to/from utility operations, reserves, and other funds as well as the fees and charges outlined in the 2008 Preliminary Operating Budget be approved, including:

   A. Emergency medical service fees effective April 1, 2008 as follows:

Proposed Emergency Medical Service Rates (Per Call)		
(in dollars)	Present Rate	April 1, 2008
Emergency Medical Service		
Basic Rate (not subsidized)	550	560
Regional Rate (provincial subsidized)	413	420
City Rate (city and provincial subsidized)	275	280
Interfacility Transfer Service		
Basic Rate (not subsidized)	398	406
Regional Rate (provincial subsidized)	299	305
City Rate (city and provincial subsidized)	199	203
Treatment No Transport Service - Basic Rate		
Basic Rate (not subsidized)	234	238
Regional Rate (provincial subsidized)	176	179
City Rate (city and provincial subsidized)	117	119
Treatment No Transport Service - Advanced Care	418	426
Basic Rate (not subsidized)	214	320
Regional Rate (provincial subsidized)	209	213
City Rate (city and provincial subsidized)		

Report - Executive Policy Committee – March 20, 2008

B. A surcharge of $150.00 on calls requiring Advanced Life Support (ALS) procedures be approved effective April 1, 2008.

8. That the $500,000.00 for Public Art previously approved in the 2008 Adopted Capital Budget be reduced to $100,000.00 on a one-time basis to reduce debt and finance charges in the tax-supported operating budget.

9. That the former restrictions on charges to the Snow Clearing Reserve in any one year be rescinded, and that no minimum balance be required (previously set at $5 million) before any charges can be made to the Reserve.

10. A. That a "Rapid Transit Infrastructure Reserve" be established in accordance with Section 289 of The City of Winnipeg Charter;

B. That the Director of Transit be designated as the Fund Manager;

C. That the purpose of the reserve be to accumulate funds and subsequently to expend on future costs incurred on account of public transit infrastructure, including the construction of rapid transit corridors contemplated in the future; and

D. That a transfer to the Transit Infrastructure Reserve of $2,750,000.00 be approved in 2008 as an initial City contribution to this new reserve.

11. That the Public Service be directed to include budgets for reserves in the budget documents commencing with the 2009 budget process.

12. That the Public Service consider alternative operating arrangements for Building Services, Civic Accommodations and Real Estate including a special operating agency and recommend the preferred approach.

13. That the Public Service be instructed to move to a full-cost recovery model through amendments to the Planning, Development, and Building Fees By-law.

Report - Executive Policy Committee – March 20, 2008

14. A. That a new proposed Planning, Development and Building Fees By-law, which moves towards a full cost recovery methodology, incorporating the following changes be adopted:

    i. The second paragraph in page two of Attachment "F" to the report of the Acting Director of Planning, Property and Development dated March 6, 2008 be amended by deleting Category B (Major – standard conditions some issues and time required) and Category C (Complex - extensive staff time reviews – public meetings, etc.) and all the proposed corresponding fees.

    B. That the planning, development and building fees and charges contained within this by-law continue to be increased at a rate equivalent to the increase in Consumer Price Index (CPI), unless a review indicates otherwise.

    C. That the new Planning, Development and Building Fees By-law come into effect May 1, 2008 in order to provide notice to the industry to adjust for the 2008 construction season.

    D. That the Winnipeg Public Service report back by December 2008 with a detailed review of the impact of the fee increases and a comprehensive review of the cost of services for Building Permits and Land Development Applications.

    E. That all fees and charges contained within this by-law be reviewed at least once every three (3) years.

15. That the Chief Administrative Officer be delegated the authority to restate the budget subsequent to adoption to allocate amounts to departments to reflect Council's ratification of collective agreements as well as cost reduction measures, on a budget neutral basis.

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

17. 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.

Agenda – Council – March 26, 2008

Report - Executive Policy Committee – March 20, 2008

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 20, 2008, the Executive Policy Committee concurred in the preliminary 2008 to 2010 Operating Budget with the following amendments, namely:

- Delete Recommendation No. 1 in its entirety, replace with the following and renumber the balance of the recommendations accordingly:

    1. That the 2008 Operating Budget as outlined in the following financial summary and as reflected in the Service Based View tabled at the Executive Policy Committee on March 20, 2008, and as amended by Recommendation 2, be approved.

    2. That the following adjustments to the 2008 Operating Budget, as tabled at the Executive Policy Committee on March 6, 2008, be made:
        A. That the management fee paid to the Performing Arts Consortium of Winnipeg for managing the Pantages Playhouse Theatre be increased by $5,000.00 to $115,000.00 per annum;

        B. That a one time only grant of $25,000.00 be approved for Swim Manitoba;

        C. That the December 11, 2007 recommendation from the City of Winnipeg Museums Board regarding 2008 funding for museums be adopted and that the preliminary budget be adjusted accordingly;

        D. That an amount of up to $500,000.00 be earmarked for the Graffiti Art Programming Inc. in 2008, and be utilized as a base for an endowment fund under the stewardship of The Winnipeg Foundation;

        E. That the budget expenditures be increased by $50,000.00 for the City's collection costs for hotel tax and that an offsetting increase be included in the hotel tax revenue budget;

        F. That the annual grant for the Boys and Girls Clubs of Winnipeg Inc. be increased by a further $20,000.00 for 2008;

        G. That the grant for Heritage Winnipeg be increased to $20,000.00 (from $12,000.00);

        with corresponding offsets to corporate accounts.

Report - Executive Policy Committee – March 20, 2008

DECISION MAKING HISTORY (continued):

3. That the 2009 and 2010 Projections on the Preliminary Financial Plans for those years, as tabled at the Executive Policy Committee on March 6, 2008, and as reflected in the Service Based View tabled at the Executive Policy Committee on March 20, 2008, and as amended by Recommendation 2, be adopted in principle.

- Delete Recommendation No. 6 (formerly No. 4) in its entirety and replace with the following:

6. A. That a by-law establishing a 5% hotel tax effective June 1, 2008 be enacted.

B. That once enacted by Council the bylaw be forwarded to the Lieutenant Governor in Council for approval as required by The Municipal Revenue (Grants and Taxation) Act.

- Insert the following as Recommendation No. 14 and renumber the balance of the recommendations accordingly

14. A. That a new proposed Planning, Development and Building Fees By-law, which moves towards a full cost recovery methodology, incorporating the following changes be adopted:

i. The second paragraph in page two of Attachment "F" to the report of the Acting Director of Planning, Property and Development dated March 6, 2008 be amended by deleting Category B (Major – standard conditions some issues and time required) and Category C (Complex - extensive staff time reviews – public meetings, etc.) and all the proposed corresponding fees.

B. That the planning, development and building fees and charges contained within this by-law continue to be increased at a rate equivalent to the increase in Consumer Price Index (CPI), unless a review indicates otherwise.

C. That the new Planning, Development and Building Fees By-law come into effect May 1, 2008 in order to provide notice to the industry to adjust for the 2008 construction season.

Report - Executive Policy Committee – March 20, 2008

DECISION MAKING HISTORY (continued):

D. That the Winnipeg Public Service report back by December 2008 with a detailed review of the impact of the fee increases and a comprehensive review of the cost of services for Building Permits and Land Development Applications.

E. That all fees and charges contained within this by-law be reviewed at least once every three (3) years,

and submitted the matter to Council.

EXECUTIVE POLICY COMMITTEE:

On March 6, 2008, the Executive Policy Committee tabled the Preliminary 2008 Operating Budget, which outlined the following recommendations:

1. A. That the 2008 Preliminary Operating Budget be approved and forwarded to all Members of Council for their review; and

   B. That the 2009 and 2010 projections be received as information on the preliminary financial plans for those years.

2. That the City's mill rate remain fixed at the 2007 level of 25.448.

3. A. That the City's business tax rate remain unchanged at 7.75% for 2008; and

   B. That Council extend to 2008 the 15% limit on business tax increases resulting from the 2006 General Assessment.

4. That Council enact a by-law establishing a 5% hotel tax effective June 1, 2008, and that the by-law be forwarded to the Lieutenant Governor in Council for approval as required by the Municipal Revenue (Grants and Taxation) Act, and that the Chief Administrative Officer be directed to finalize negotiations with the Province to collect the tax on the City's behalf.

Report - Executive Policy Committee – March 20, 2008

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE (continued):

5. That the transfers to/from utility operations, reserves, and other funds as well as the fees and charges outlined in the 2008 Preliminary Operating Budget be approved, including:

   A. Emergency medical service fees effective April 1, 2008 as follows:

Proposed Emergency Medical Service Rates (Per Call)		
(in dollars)	Present Rate	**April 1, 2008**
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Treatment No Transport Service - Basic Rate		
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City Rate (city and provincial subsidized)	117	119
Treatment No Transport Service - Advanced Care		
Basic Rate (not subsidized)	418	426
Regional Rate (provincial subsidized)	214	320
City Rate (city and provincial subsidized)	209	213

   B. A surcharge of $150.00 on calls requiring Advanced Life Support (ALS) procedures be approved effective April 1, 2008.

6. That the $500,000 for Public Art previously approved in the 2008 Adopted Capital Budget be reduced to $100,000 on a one-time basis to reduce debt and finance charges in the tax-supported operating budget.

7. That the former restrictions on charges to the Snow Clearing Reserve in any one year be rescinded, and that no minimum balance be required (previously set at $5 million) before any charges can be made to the reserve.

Report - Executive Policy Committee – March 20, 2008

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE (continued):

8. A. That Council establish a "Rapid Transit Infrastructure Reserve" in accordance with Section 289 of the City of Winnipeg Charter;

   B. That the Director of Transit be designated as the Fund Manager;

   C. That the purpose of the reserve be to accumulate funds and subsequently to expend on future costs incurred on account of public transit infrastructure, including the construction of rapid transit corridors contemplated in the future; and

   D. That a Transfer to the Transit Infrastructure Reserve of $2,750,000 be approved in 2008 as an initial City contribution to this new reserve.

9. That the Public Service be directed to include budgets for reserves in the budget documents commencing with the 2009 budget process.

10. That the Public Service consider alternative operating arrangements for Building Services, Civic Accommodations and Real Estate including a special operating agency and recommend the preferred approach.

11. That the Public Service be instructed to move to a full-cost recovery model through amendments to the Planning, Development, and Building Fees By-law.

12. That the Chief Administrative Officer be delegated the authority to restate the budget subsequent to adoption to allocate amounts to departments to reflect Council's ratification of collective agreements as well as cost reduction measures, on a budget neutral basis.

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

14. 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.

Report - Executive Policy Committee – March 20, 2008

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE (continued):

Further on March 6, 2008, the Executive Policy Committee referred the Preliminary 2008 Operating Budget and Financial Plan for 2009 and 2010 to the following budget process timetable, namely:

March 10 to 14, 2008	Standing Policy Committees - Review
March 17, 2008	Executive Policy Committee - Delegations
March 20, 2008	Executive Policy Committee - Recommendation to Council
March 26, 2008	Council