Minutes – Executive Policy Committee – January 23, 2013

2013 BUDGET REVIEW

Minute No. 142 Executive Policy Committee – Final Recommendation - 2013 Capital Budget and 2014 to 2018 Five-Year Forecast and the 2013 – 2015 Operating Budget

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee submits to Council:

1. The following recommendations on the 2013 Preliminary Capital Budget and 2014 to 2018 Five-Year Forecast:

   A. i. That the 2013 Capital Budget totaling $374,662,000 requiring new borrowing authority of $66,434,000 for utilities and tax-supported operations, be approved.

   ii. That the 2014 to 2018 Five Year Capital Forecast**,** be approved in principle.

   B. i. That a new Local Street Renewal Reserve be established in accordance with Section 289 of the City of Winnipeg Charter,

   ii. That the Director of Public Works be the Fund Manager,

   iii. That the purpose of the reserve be to increase funding for the renewal of local streets, lanes and sidewalks,

   iv. That the funding source be dedicated property tax revenue transferred from the General Revenue Fund, and

   v. That a 2/3 vote of Council is required in order for the use of funds to be other than those stipulated.

   Note: A long term proposal for sustainable funding for the renewal of local streets is included in Appendix 5.

C. That the cash to capital contribution be as follows:

Year	$ Millions
2013	71.478
2014	73.478
2015	75.478
2016	77.478
2017	79.478
2018	81.478

D. That all transfers from prior years' surplus, to/from reserves and other funds outlined in the capital budget be approved.

E. That Council authorize the expenditure of up to $4.5 million for the Assiniboine Park Conservancy - Capital Development Plan in 2013 or prior to the adoption of the 2014 Capital Budget as a first charge against the General Capital Fund, in accordance with Subsection 288(2) of the City of Winnipeg Charter to facilitate timely work on the Capital Development Plan.

F. That approval of the $7 million surplus reallocation from the Recreation and Leisure Facilities capital program outlined in the capital budget be requested from the Manitoba-Winnipeg Recreation Leisure Infrastructure Program Management Committee.

G. i. That 2014 to 2017 capital funding for the full enhanced "Dutch Elm Disease Strategy" capital project be referred to the 2014 capital budget process.

ii. That the City of Winnipeg request the Province of Manitoba to cost-share a Dutch Elm Disease Strategy -- "Scenario 2: Full Enhanced Management Strategy" by providing additional funding in the amount of $1,900,000 for both capital and operating costs of the program.

H. That $330,000 of the equity balance of the Riverbank Management Committee fund be transferred to the Riverbank Stabilization – Physical Asset Protection capital project and that the equity balance of the fund be capped at $500,000 and any amounts over this cap be utilized to finance future Riverbank Stabilization capital projects as approved by Council.

I. That the Public Transit Reserve established in 2006 for eligible costs of public infrastructure projects funded by the Government of Canada through Bill C-66, be closed. The fund has been fully depleted as of December 31, 2010 and the reserve was to be dissolved once eligible projects were complete.

J. That, effective January 1, 2014 the Rapid Transit Infrastructure Reserve be renamed the Southwest Rapid Transit Corridor – Stage 2 Reserve and its purpose be revised to:

   i. accumulate capital funds and subsequently to expend such funds on future costs incurred on account of public transit infrastructure, and more specifically, the construction of the Southwest Rapid Transit Corridor – Stage 2, and the purchase of vehicles associated with Stage 2, contemplated in the future,

   ii. contribute to the proposed Jubilee Rapid Transit Station if net proceeds of disposition of the subject City property are insufficient to cover the City's share, as approved by Council on October 24, 2012,

   iii. pay for any residual land acquisition settlements for the Southwest Rapid Transit Corridor - Stage 1 project, and

   iv. pay for the ongoing replacement of the 10 buses purchased for the Southwest Rapid Transit Corridor – Stage 1 project.

K. That $1.1 million be transferred from the 2009 Transportation Authority Study capital project to the 2012 Rapid Transit Planning and Design capital project, and that expenditure of these funds be subject to new, incremental funding of $1.1 million from the Province of Manitoba to be matched 50/50 with City funds for the planning, design and preparation of future rapid transit corridors, including an Eastern Rapid Transit Corridor.

L. That unutilized borrowing authority authorized by By-Law 150/2009 in the amount of $13.708 million be cancelled as follows:

   i. Tax Supported Fund, Chief Peguis Trail - $11.3 million,

   ii. Solid Waste Utility, Landfill Cell Excavation - $1.408 million, and

   iii. Solid Waste Utility, Brady Landfill Gas Capture Project - $1 million.

M. That $850,000 for Crescent Drive Park – Capital Improvement Project be referred to the 2014 capital budget process.

N. That the following text be removed from the capital project detail sheet "Library Facility Redevelopment – New Infrastructure" on page 3-55:

"- That the Public Service redirect any surplus amalgamation funds not required for the aforementioned towards the upgrade and renovation of the St. Vital Library Branch."

2. The following recommendations on the 2013 – 2015 Preliminary Operating Budget:

A. i. That the 2013 Preliminary Operating Budget, including the budgets for reserves (Appendix 3), be approved.

ii. That the 2014 and 2015 projections be received as information on the preliminary financial plans for those years.

B. That the City's mill rate be increased by 2.87% for the purpose of raising revenue as required for the annual operating estimates, and an additional 1% to be dedicated to the renewal of local streets, lanes and sidewalks, resulting in a 2013 mill rate of 14.600.

C. i. That a new Local Street Renewal Reserve be established in accordance with Section 289 of the City of Winnipeg Charter,

ii. That the Director of Public Works be the Fund Manager,

iii. That the purpose of the reserve be to increase funding for the renewal of local streets, lanes and sidewalks,

iv. That the funding source be dedicated property tax revenue transferred from the General Revenue Fund, and

v. That a 2/3 vote of Council is required in order for the use of funds to be other than those stipulated.

Note: A long term proposal for sustainable funding for the renewal of local streets is included in Appendix 9.

D. i. That the City's business tax rate remain unchanged at 5.9% for 2013; and

ii. That Council enact the attached Small Business Tax Credit by-law under Subsection 219(2) of the City of Winnipeg Charter, which will provide a full rebate of municipal business taxes for businesses with an annual rental value of $22,680 or less in 2013.

E. That the fees (see Appendix 6), levies, and transfers between funds outlined in the 2013 Operating Budget be approved.

F. i. That the Recreation Programming Reserve be renamed the "Wading and Outdoor Pool Extended Season Reserve",

ii. That the original recreation programming subcomponent of the Recreation Programming Reserve be closed, and

iii. That the remaining balance in the original subcomponent of the Recreation Programming Reserve as at December 31, 2012, projected to be $3,100, be used for the wading and outdoor pool extended season.

G. That $8,470,000 in prior years' tax supported capital surplus identified in the recent capital review, due to projects coming under budget, be utilized to reduce the transfer to the General Capital Fund in the 2013 tax supported operating budget.

H. That a transfer from the General Purpose Reserve to the General Revenue Fund be made based on the balance in the General Purpose Reserve after the year end surplus is transferred, to a maximum of $12.5 million in 2013. If the reserve balance is not sufficient to make the $12.5 million transfer, any shortfall will be addressed during 2013.

I. That previous resolutions of Council related to grant amounts for 2013 and forward for organizations on the Listing of Grants in Appendix 2 be rescinded and replaced with the amounts listed in that Appendix, and as amended by the following changes:

i. That in accordance with the recommendation of the Winnipeg Museums Board, the 2013 budget for the Fire Fighter Historical Society be set at $25,406 and that said funding be transferred to the Fire Paramedics Department towards facility charges to operate the building and that Appendix 2 be amended accordingly.

ii. That Appendix 2 be amended by allocating an additional $56,147 to the following museum budgets:

Museum	Proposed 2013 Budget	Amended 2013 Budget
Dalnavert Museum	$18,900	$19,950
Grant's Old Mill Museum	$15,516	$16,378
Historical Museum of St. James-Assiniboia	$75,051	$79,221
Manitoba Children's Museum	$108,000	$114,000
Manitoba Children's Museum – capital program	$82,800	$87,400
Manitoba Museum	$49,500	$52,250
Ross House Museum	$27,969	$29,523
Seven Oaks House Museum	$25,404	$26,815
St. Boniface Museum	$405,000	$427,500
Transcona Museum	$139,500	$147,250
Ukrainian Cultural and Education Centre	$13,500	$14,250
Western Canada Aviation Museum	$49,500	$52,250

J. That $569,138 be added to the Fire Paramedics 2013 expenditure budget to add one more ambulance including 12 new paramedic positions. This adjustment has been made to the budget and will be offset by provincial/Winnipeg Regional Health Authority cost sharing.

K. That $669,500 be added to the Fire Paramedics 2013 expenditure budget to add 10 new communications/dispatch operators. This adjustment has been made to the budget and will be offset by provincial/Winnipeg Regional Health Authority cost sharing.

L. That a new "Office of Policy Development and Communications" be created, with the role of policy development, strategic planning, communications coordination, budget consultation, and general support to the Executive Policy Committee.

M. That $600,000 be added to the Councillors' Representation Allowance at $40,000 per ward. This adjustment has been made to the budget.

N. That the City pay the annual grant to the Winnipeg Convention Centre for debt repayment from the Destination Marketing Fund (see Appendix 10).

O. That the Director of Water and Waste review the feasibility of transferring the tax-supported Garbage Collection program to the Solid Waste Utility on a tax-supported budget neutral basis, and report back to Council.

P. That the Director of Water and Waste review the feasibility of transferring the Land Drainage program to the Sewer Utility on a tax-supported neutral basis, and report back to Council.

Q. i. That the following City-owned properties be declared surplus to the needs of the City:

a. In the Rural Municipality of Springfield, at the North East corner of Plessis Road and St. Joseph Road, shown as "Subject city Property" on Misc. Plan No. 14193 (Appendix 12);

b. The former Shaftesbury Landfill site located on the west side of Shaftesbury Boulevard, north of the Railway Mainline Right-of-Way; and

c. 1710 Grosvenor Avenue, subject to approval of final site plan by the Standing Policy Committee on Property and Development.

ii. That subject to Council approving the necessary street closing by-law, that a portion of the Kenaston Boulevard Right-of-Way commonly referred to as the Kenaston Snow Dump be declared surplus to the needs of the City.

iii. That a transfer from the Land Operating Reserve Fund to the General Revenue Fund be made in 2013 to a maximum of $6.935 million provided the Reserve's unallocated equity balance does not enter into a deficit position. Should the unallocated equity balance be such that the full $6.935 million transfer cannot be made, any shortfall will be addressed during 2013.

R. That the advertising budgets of civic departments be reduced in 2013 as outlined in Appendix 7. These adjustments have been made to the respective budgets.

S. That the consulting budgets of civic departments be reduced in 2013 as outlined in Appendix 8. These adjustments have been made to the respective budgets.

T. That fees for appeals submitted to the Board of Revision in regards to Business and Realty Assessment no longer be refundable.

U. That $350,000 be added to the operating budget for an accelerated Alternate Service Delivery process and that a corporate savings target of $2,000,000 also be added to the budget.

V. That the City of Winnipeg request the Province of Manitoba to cost-share a Dutch Elm Disease Strategy -- "Scenario 2: Full Enhanced Management Strategy" by providing additional funding in the amount of $1,900,000 for both capital and operating costs of the program.

W. That the tree root claims program be discontinued in 2013.

X. That the Chief Financial 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 pursuant to recommendation number V., on a budget neutral basis.

Y. That the 2013 operating grant for the Assiniboine Park Conservancy be increased by $340,000 relating to negotiated cost increases including labour and utilities, and that Appendix 2 be amended accordingly.

Z. That the Mayor's account named Civic Initiatives, Promotional and Protocol grant be reduced by $200,000 on a one-time basis to fund expected repairs at Sherbrook Pool and that Appendix 2 be amended accordingly.

AA. That, recognizing that comprehensive and targeted recruitment for additional positions will result in savings in the first year, that the following proposed investments in the 2013 preliminary operating budget be reduced:

- Planning, Property and Development Department by $170,000;
- Office of Policy Development and Communications by $142,864 ($50,000 from budget consultations and $92,864 from salaries and benefits); and
- Acceleration of the Alternative Service Delivery (ASD) process by $50,000.

3. That the Director of Legal Services and City Solicitor be requested to submit the necessary by-laws to implement the above recommendations.

4. 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.

DECISION MAKING HISTORY:

Moved by Deputy Mayor Wyatt,

1. That the Capital Budget Recommendations on the 2013 Preliminary Capital Budget and 2014 to 2018 Five-Year Forecast as tabled at the Executive Policy Committee meeting on January 9, 2013 be adopted with the following amendments:

    i. That $850,000 for Crescent Drive Park – Capital Improvement Project be referred to the 2014 capital budget process.

    ii. That the following text be removed from the capital project detail sheet "Library Facility Redevelopment – New Infrastructure" on page 3-55:

    "- That the Public Service redirect any surplus amalgamation funds not required for the aforementioned towards the upgrade and renovation of the St. Vital Library Branch."

    iii. That the Recommendation 7.B, with respect to the Dutch Elm Disease Strategy be amended by deleting the words "and that implementation of the strengthened program be subject to a full matching funding commitment from the Province of Manitoba."

2. That the Operating Budget Recommendations on the 2013 – 2015 Preliminary Operating Budget as tabled at the Executive Policy Committee meeting on January 9, 2013 be adopted with the following amendments:

    i. That Recommendation 22 with respect to the Dutch Elm Disease Strategy be amended by deleting the words "and that implementation of the strengthened program be subject to a full matching funding commitment from the Province of Manitoba."

    ii. That the 2013 operating grant for the Assiniboine Park Conservancy be increased by $340,000 relating to negotiated cost increases including labour and utilities, and that Appendix 2 be amended accordingly.

    iii. That the Mayor's account named Civic Initiatives, Promotional and Protocol grant be reduced by $200,000 on a one-time basis to fund expected repairs at Sherbrook Pool and that Appendix 2 be amended accordingly.

DECISION MAKING HISTORY (continued):

iv. That in accordance with the recommendation of the Winnipeg Museums Board, the 2013 budget for the Fire Fighter Historical Society be set at $25,406 and that said funding be transferred to the Fire Paramedics Department towards facility charges to operate the building and that Appendix 2 be amended accordingly.

v. That Appendix 2 be amended by allocating an additional $56,147 to the following museum budgets:

Museum	Proposed 2013 Budget	Amended 2013 Budget
Dalnavert Museum	$18,900	$19,950
Grant's Old Mill Museum	$15,516	$16,378
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Transcona Museum	$139,500	$147,250
Ukrainian Cultural and Education Centre	$13,500	$14,250
Western Canada Aviation Museum	$49,500	$52,250

vi. That, recognizing that comprehensive and targeted recruitment for additional positions will result in savings in the first year, that the following proposed investments in the 2013 preliminary operating budget be reduced:

- Planning, Property and Development Department by $170,000;
- Office of Policy Development and Communications by $142,864 ($50,000 from budget consultations and $92,864 from salaries and benefits); and
- Acceleration of the Alternative Service Delivery (ASD) process by $50,000.

DECISION MAKING HISTORY (continued):

3. That the Director of Legal Services and City Solicitor be requested to submit the necessary by-laws to implement the above recommendations.

4. 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.

Carried

Councillor Havixbeck asked to be recorded as having voted against the above motion, in accordance with Rule 47(7) of The Procedure By-law No. 50/2007.

Moved by Councillor Havixbeck,

WHEREAS the proposed Operating Budget indicates that $200,000 is being budgeted for a review of the Winnipeg Police Service;

AND WHEREAS a new Chief of the Winnipeg Police Service has recently been hired and a Police Board is in the process of being established;

AND WHEREAS in a recent Council Seminar led by the Executive Director of the Peel District Police Board, it was recommended that for these same reasons that an operational review of the Winnipeg Police Service not be undertaken at this time;

THEREFORE BE IT RESOLVED that the operational review of the Winnipeg Police Service be cancelled and these funds be used elsewhere in the 2013 Operating Budget to reduce the proposed tax increase to the citizens of Winnipeg.

Lost

Moved by Councillor Havixbeck,

WHEREAS the proposed Operating Budget indicates that $600,000 is being budgeted for an addition of $40,000 to each City Councillors' Representation Allowance budget;

AND WHEREAS no report by an independent third party has been conducted including the City Auditor who provides ongoing assurance and identifies such in their 2012 Plan;

AND WHEREAS Councillors currently have a budget of approximately $74,000 per ward ($1,110,000 in total among 15 Councillors) and as at this date a total of $35,362.07 was unused, less adjusting entries;

DECISION MAKING HISTORY (continued):

THEREFORE BE IT RESOLVED that the proposed increase to the Councillors' Representation Allowance of $600,000 be cancelled in its entirety and these funds be used elsewhere in the 2013 Operating Budget to reduce the proposed tax increase to the citizens of Winnipeg.

Lost

Moved by Councillor Havixbeck,

WHEREAS the proposed Operating Budget indicates a reduction of approximately $325,853 in grants to Museums, the arts and other not-for-profit organizations;

AND WHEREAS the current funding for many of the groups in this list rely on this funding, some even as heavily as up to 100% of their total funding;

AND WHEREAS there has been no criteria for the establishment of these grants;

AND WHEREAS there is a need to continue to support these groups as many include the arts, museums and other not-for-profit groups that enhance our City;

THEREFORE BE IT RESOLVED that Council approve:

1. That the $325,853 that has been reduced for all groups, be reinstated.

2. That the Winnipeg Public Service be directed to work with Council to develop a standardized set of criteria that will be used to award funding in the future. Some examples of such criteria include but should not be limited to: providing annual financial statements, explaining whether it is one-time funding or an ongoing need, identifying other sources of funding, identifying what other benefits the funding can provide, and developing performance measurements by which Council can gauge the reach of the funding. As well, a special session be held early in the budget process (by May 2013) to hear their input in this process so as to ensure an improved process exists for future budget years.

Lost

DECISION MAKING HISTORY (continued):

Moved by Councillor Havixbeck,

WHEREAS the proposed Operating Budget indicates that $579,136 is being budgeted for the creation of an Office of Policy Development and Communications;

AND WHEREAS there are currently policy development and communications professionals in all departments and/or in a centralized administrative area and in the Mayor's office;

THEREFORE BE IT RESOLVED that the proposed increase to create the Office of Policy Development and Communications of $579,136 be cancelled in its entirety and these funds be used elsewhere in the 2013 Operating Budget to reduce the proposed tax increase to the citizens of Winnipeg.

Lost

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 16, 2013, the Executive Policy Committee received as information the delegations and presentations pertaining to the 2013 Preliminary Capital Budget and 2014 to 2018 Five-Year Forecast, as well as the 2013 – 2015 Preliminary Operating Budget, and referred the matters brought forward to the Budget Review deliberations by the Executive Policy Committee on January 23, 2013.

On January 9, 2013, the Executive Policy Committee referred the 2013 Preliminary Capital Budget and 2014 to 2018 Five-Year Forecast, as well as the 2013 – 2015 Preliminary Operating Budget, to the following budget review process:

January 11, 2013	Standing Policy Committee on Infrastructure Renewal and Public Works
January 14, 2013	Standing Policy Committee on Protection and Community Services
January 15, 2013	Standing Policy Committee on Property and Development
January 16, 2013	Executive Policy Committee – Delegations
January 23, 2013	Executive Policy Committee – Recommendation to Council
January 29, 2013	Council