**Agenda – Council – January 29, 2013**

**Report – Executive Policy Committee – January 23, 2013**

**Item No. 1 2013 Capital Budget and 2014 to 2018 Five-Year Forecast and the 2013 – 2015 Operating Budget**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 23, 2013, the Executive Policy Committee submitted to Council:

1. The following recommendations on the 2013 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.

**Report – Executive Policy Committee – January 23, 2013**

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.

**Report – Executive Policy Committee – January 23, 2013**

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.

**Report – Executive Policy Committee – January 23, 2013**

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 Operating Budget and the 2014 to 2015 Operating Budget Projections:

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

ii. That the 2014 to 2015 Operating Budget 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.

**Report – Executive Policy Committee – January 23, 2013**

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 (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.

**Report – Executive Policy Committee – January 23, 2013**

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 |

iii. 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.

iv. 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.

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.

**Report – Executive Policy Committee – January 23, 2013**

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, with the 2013 proposed budget being reduced by $142,864 ($50,000 from budget consultations and $92,864 from salaries and benefits).

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 (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.

**Report – Executive Policy Committee – January 23, 2013**

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 the $350,000 added to the 2013 Operating budget for an accelerated Alternate Service Delivery process be reduced by $50,000 and that a corporate savings target of $2,000,000 be included in 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 preliminary operating budget for the Planning, Property and Development Department be reduced by $170,000.

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.

**Report – Executive Policy Committee – January 23, 2013**

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 23, 2013, the Executive Policy Committee submited to Council:

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.

**Report – Executive Policy Committee – January 23, 2013**

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

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.

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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| Manitoba Children's Museum | $108,000 | $114,000 |
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| 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 |

**Report – Executive Policy Committee – January 23, 2013**

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

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.

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,

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.

STANDING COMMITTEE RECOMMENDATIONS:

On January 15, 2013, due to a tie vote, the Standing Policy Committee on Property and Development did not make a recommendation on the 2013 Preliminary Capital Budget and 2014 to 2018 Five-Year Forecast under its purview.

Further on January 15, 2013, due to a tie vote, the Standing Policy Committee on Property and Development did not make a recommendation on the 2013 – 2015 Preliminary Operating Budget under its purview.

**Report – Executive Policy Committee – January 23, 2013**

DECISION MAKING HISTORY (continued):

STANDING COMMITTEE RECOMMENDATIONS (continued):

On January 14, 2013, the Standing Policy Committee on Protection and Community Services recommended to the Executive Policy Committee:

1. That the 2013 Preliminary Capital Budget and 2014 to 2018 Five-Year Forecast under the purview of the Standing Policy Committee on Protection and Community Services be amended as follows:

   A. That the following text be removed from the capital program 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."

   Further, due to a tie vote, the Standing Policy Committee on Protection and Community Services did not make a recommendation on the balance of the 2013 Preliminary Capital Budget and 2014 to 2018 Five-Year Forecast

2. That the 2013 – 2015 Preliminary Operating Budget under the purview of the Standing Policy Committee on Protection and Community Services be amended as follows:

   A. Add the following recommendations and renumber the remaining recommendations accordingly:

      "24. That the Winnipeg Police Service be requested to develop a report regarding a pilot project to be implemented at the University of Winnipeg, possibly expanding on the success of the other areas in the downtown to dedicate cadet officers to the University during mutually agreed upon terms and conditions, with program to be developed as a cost recovery model for the City of Winnipeg, Winnipeg Police Service."

      "25. That the Winnipeg Public Service review and report back on making the School Resource Officer Program a permanent initiative geared towards public safety."

**Report – Executive Policy Committee – January 23, 2013**

DECISION MAKING HISTORY (continued):

STANDING COMMITTEE RECOMMENDATIONS (continued):

B. That the following organizations have their 2013 budgeted grants be increased by the associated amounts below with consideration of finding the money in the overall budget from increases to "councillor representation allowances" or any other means that is viable within the budget:

| | |
|---|---|
| Age and Opportunity Centre: | |
| Older victims services | 2,250 |
| Preventative programming for senior citizens | 8,900 |
| Block Parents | 1,952 |
| Citizens for Crime Awareness | 17,580 |
| Total | 30,682 |

C. That the Winnipeg Public Library materials budget be increased by $135,000.

Further, due to a tie vote, the Standing Policy Committee on Protection and Community Services did not make a recommendation on the balance of the 2013 – 2015 Preliminary Operating Budget under its purview.

On January 11, 2013, the Standing Policy Committee on Infrastructure Renewal and Public Works recommended to the Executive Policy Committee:

1. That the 2013 Preliminary Capital Budget and 2014 to 2018 Five-Year Forecast, under its purview, be approved with the following amendments:
   Public Works Department
   A. That consideration be given to include $1Million dollars in the 2014 Capital Budget for the Crescent Drive Park - Capital Improvement Project.

2. That the 2013 - 2015 Preliminary Operating Budget under its purview, be approved with the following amendments:
   Public Works Department
   A. Amend Recommendation 22. by deleting the words "and that implementation of the strengthened program be subject to a full matching funding commitment from the Province of Manitoba." be removed.

**Report – Executive Policy Committee – January 23, 2013**

DECISION MAKING HISTORY (continued):

STANDING COMMITTEE RECOMMENDATIONS (continued):

Transit Department

B. That the City Operating Budget be increased by eight hundred thousand dollars ($800,000) annually to fund a Transit Safety Strategy to be developed by the Chief Administrative Officer in conjunction with the Transit Department and the Winnipeg Police Service to be implemented no later than September 1, 2013. As the province shares half the cost of transit operating expenses, the net budget would be $400,000.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 |