Minutes – Executive Policy Committee – December 13, 2013

2014 BUDGET REVIEW

Minute No. 85 Executive Policy Committee Recommendation - 2014 Capital Budget and 2015 to 2019 Five-Year Forecast and the 2014 – 2016 Operating Budget

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee recommended to Council:

1. That the following recommendations with respect to the 2014-2016 Preliminary Operating Budget be approved:

    A. i. That the 2014 Operating Budget, including the budgets for reserves (Appendix 3), tabled at the Executive Policy Committee on November 29, 2013, be approved with the following amendments:

        a. That the two filled Community Crisis Workers positions working in the Community Services Department be reinstated in the 2014 Operating Budget, and funds required for reinstatement be accommodated by the Community Services Department increasing the departmental vacancy management budget.

        b. That the annual grant to the Heritage Winnipeg Corporation be increased by $5,000.

        c. That a 2014 grant in the amount of $75,000 be approved to the Winnipeg Art Gallery for the Inuit Art Centre capital campaign, with the balance of the funding request by the Winnipeg Art Gallery being referred to the 2015 and 2016 Budget processes.

        d. That a 2014 grant in the amount of $75,000 be approved to the Western Canada Aviation Museum, with the balance of the funding request by the Western Canada Aviation Museum being referred to the 2015 and 2016 Budget processes.

        e. That a 2014 grant in the amount of $39,000 be approved to the African Canadian Foundation to assist with the cost of the creation of a business plan.

f. That Recommendation M. i be amended as follows:
- Delete "1 million" and replace with $750,000
- Delete "$333,333" and replace with $250,000
- Delete the words "doubling the funding for this area"

g. That Recommendation M. ii be amended by deleting "$333,333" and replacing it with $250,000:

h. That further to the Winnipeg Police Board recommendations of December 6, 2013, the total 2014 operating budget of the Winnipeg Police Service be approved as follows:

Revenue estimate	$43,807,967
Mill rate support	$215,304,661
Total estimate	$259,112,628

ii. That the 2015 and 2016 projections tabled at the Executive Policy Committee on November 29, 2013, with the above amendments, be received as information on the preliminary financial plans for those years.

B. That the City's mill rate be decreased from 14.600 to 13.372 in 2014, to reflect the general assessment, adjusted for new assessable properties, and for the purpose of raising revenue as required for the annual operating estimates.

Note: This mill rate of 13.372 includes a 1% property tax increase in 2014 dedicated to the renewal of local streets, lanes and sidewalks, an additional 1% property tax increase dedicated to the renewal of regional streets and sidewalks and a .95% property tax increase for general operations, for a total property tax increase of 2.95%.

C. i. That the City's business tax rate be decreased from 5.9% to 5.7%, a decrease of 3.4% for 2014; 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 $23,880 or less in 2014.

D. That the fees (see Appendix 10), levies, and transfers between funds outlined in the 2014 Operating Budget be approved, with the following amendments:

i. That further to the Winnipeg Police Board recommendations of December 6, 2013, the following fee increases be approved effective January 1, 2014.

	Current Fee	Proposed Fee
Accident Report Copy	$16.33	$18.65
Criminal record search (GST not applicable)	$33.75	$38.55
Criminal record search - online (GST not applicable)	$33.75	$38.55
Criminal record search - online Service Fee	$5.00	$5.00
Criminal record transcript (GST not applicable)	$36.50	$41.64
Incident confirmations (1)	$16.33	$18.65
Incident confirmations (2)	$21.29	$24.32
Incident confirmations (3 - 4)	$32.19	$36.77
Incident confirmations (5 - 10)	$52.86	$60.38
Incident confirmations (11 - 15)	$73.81	$84.32
Incident confirmations (16 - 30)	$95.24	$108.80
Insurance confirmation	$16.33	$18.65

E. That $750,000 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 2014 tax supported operating budget.

F. That the City of Winnipeg request the Province of Manitoba to amend the City of Winnipeg Charter so that the City of Winnipeg's authority to collect electricity and gas tax pursuant to the City of Winnipeg Charter be replaced by the authority to collect electricity and gas tax on the same basis (except for rates) as electricity and gas tax is collected under The Retail Sales Tax Act.

i. That, once the City of Winnipeg Charter has been amended pursuant to this request, the Electricity and Gas Tax By-Law No. 479/73 be amended to reflect amendments to the City of Winnipeg Charter; and

ii. That the City of Winnipeg's existing rates of taxation on the consumption of electricity or gas be maintained.

G. 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 $3 million in 2014. If the reserve balance is not sufficient to make the $3 million transfer, any shortfall will be addressed during 2014.

H. That a transfer from the Land Operating Reserve to the General Revenue Fund be made in 2014 to a maximum of $11.935 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 $11.935 million transfer cannot be made, any shortfall will be addressed during 2014.

I. That a transfer from the Financial Stabilization Reserve to the General Revenue Fund be made based on the balance in the Financial Stabilization Reserve after year-end adjustments to address any 2013 General Revenue Fund deficit, to a maximum of $11.74 million in 2014. If the reserve balance is not sufficient to make the $11.74 million transfer, any shortfall will be addressed during 2014.

J. That water for City pools and arenas be provided by the Water and Waste utilities at no charge to the tax-supported budget effective January 1, 2014.

K. i. That a new Regional 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 regional streets 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 regional streets is included in Appendix 7.

L. That the City of Winnipeg request the Province of Manitoba to annually cost share a $3.7 million Dutch Elm Disease Enhanced Management Strategy by providing additional funding in the amount of $1.85 million for both capital and operating costs of the program ($1.3 million for capital and $550,000 for operating) and that Council approve City funding for such enhanced program in the amount of $1.85 million subject to confirmation of provincial cost sharing.

M. i. That the City of Winnipeg request the Province of Manitoba to fund 1/3 of the cost of a new Aboriginal youth infrastructure training/apprenticeship program in the amount of up to ~~***1 million***~~ ***$750,000*** and that 1/3 of the cost of the program be raised by the private sector (up to ~~***$333,333***~~ ***$250,000*** each). The City of Winnipeg's 1/3 share is subject to the 2/3 share funded by the other partners. This program complements and enhances the existing Aboriginal Youth Strategy program. ~~***doubling the funding for this area.***~~

ii. That the City approve this new Aboriginal youth infrastructure training/ apprenticeship program subject to the proposed cost sharing in i. above, and include ~~***$333,333***~~ ***$250,000*** in the 2014 operating budget and in the 2015 and 2016 financial projections, and that the public service report back to Council with recommendations for program parameters and goals, criteria for participation, approval authority, etc. prior to program commencement.

N. i. That Council approve a grant to the YMCA-YWCA of Winnipeg in 2014 of $1.75 million, contingent on the City, the Province of Manitoba and the YMCA-YWCA of Winnipeg agreeing to cost share, one-third each, three new recreational facilities over the next 11 years, with planning for the first facility in the South West part of the City of Winnipeg to commence in 2014 with estimated costs and timing of this full initiative as follows:

a. First facility in the South West part of the City of Winnipeg - $35 million or$11.667 million each between 2014 and 2016;
b. Second facility in the North East part of the City of Winnipeg - $45 million or$15 million each between 2018 and 2020; and
c. Third facility in the North West part of the City of Winnipeg - $60 million or $20 million each between 2022 and 2024.

ii. That the City include in its 2015 and 2016 operating projections, amounts of $4.667 million and $5.25 million respectively for its one-third share of the first facility in the South West part of the City of Winnipeg (over and above the 2014 amount of $1.75 million noted above);

iii. That i. and ii. above be subject to a funding agreement, including a public access agreement satisfactory to the City, and that the public service report back to Council for approval.

O. i. That Council approve an operating grant in the amount of $12.207 million in 2014 to the Assiniboine Park Conservancy, and an additional loan guarantee in the amount of $1 million to allow an increase in the Assiniboine Park Conservancy's line of credit in 2014 by $1 million, which amount is to be repaid by the end of 2015;

ii. That the Chief Financial Officer be delegated the authority to negotiate and approve the terms and conditions of the loan guarantee and related documents; and

iii. That the City include in its 2015 operating projections a grant to the Assiniboine Park Conservancy in the amount of $10.108 million.

P. That the City work with the Province of Manitoba and the Winnipeg Soccer Federation toward tripartite funding for a North End soccer facility in 2015.

Q. That, in order to ensure financial sustainability for all existing and future funding from other levels of government for additional City positions and programs, the City negotiate full indexing for inflation and other costs for the life of the financial commitment.

R. That the following cost reduction measures included in the 2014 Operating Budget be approved:

i. 3.5 unpaid days of mandatory leave for CUPE/CUPE Exempt, WAPSO/WAPSO Exempt, Senior Management and Members of Council between Christmas Eve Day and New Year's Day for non-essential services; and

ii. A reduction in WAPSO/ WAPSO Exempt positions for annualized tax-supported savings of $2 million.

S. 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 the recommendation above, on a budget neutral basis.

T. That, effective July 1, 2014, 6 positions be added to the Transit operation to increase security presence and visibility on the transit system and that an additional appropriation be approved in 2014 in the amount of $233,800 ($116,900 after provincial cost sharing) to be financed through the utility's retained earnings and that future years' funding be included in future budgets.

U. That library materials funding be increased by $300,000 in 2014 to reflect an 11% increase over the 2013 Adopted Operating Budget.

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

CAPITAL BUDGET RECOMMENDATIONS

2. That the following recommendations with respect to the 2014 Preliminary Capital Budget and 2015 to 2019 Five Year Forecast be approved:

A. i. That the 2014 Capital Budget totaling $379,075,000 requiring new borrowing authority of $50,904,000 for tax-supported operations and the Solid Waste Utility, as tabled at Executive Policy Committee on November 29, 2013, be approved, with the following amendments:

a. That a new 2014 Capital Project be established named Sherbrook Pool Reopening to replace the Daniel McIntyre Recreation Initiative, originally included in the 2014 Preliminary Capital Budget to be budgeted and financed as follows:

- $600,000 originally included in the 2014 Preliminary Capital Budget for the Daniel McIntyre Recreation Initiative;
- $400,000 from the 2014 Parks and Recreation Enhancement Program, (capital detail sheet to be updated accordingly); approval of this project is contingent on this funding;
- $271,000 from the previously approved Recreation and Leisure Facilities Capital Project;
- $200,000 from the Municipal Accommodations 2014 Operating Budget;
- Up to $200,000 from the Municipal Accommodations 2013 operating budget, originally sourced from the 2013 Mayor's Office Civic Initiatives, Promotional and Protocol account, and that a corresponding transfer to the 2013 Commitment Reserve be approved,
- That the Province be requested to provide the balance of funding from the Winnipeg Community Infrastructure Program in conjunction with funding from private/not for profit groups. The funding request is based on a class D estimated budget of $2.8 million, as outlined in the Winnipeg Public Service Report considered by the

Standing Policy Committee on Property and Development on June 11, 2013.

That the Winnipeg Public Service be directed to start the required work to facilitate the reopening of the pool and to ensure the pool is safe for public use, estimated at $1,050,000 as noted in the above referenced report.

That the Winnipeg Public Service be requested to report back to the January 29, 2014 Council meeting with a progress report on the plan to reopen the Sherbrook Pool.

b. That the Developer Payback capital detail sheet on page 2-5 in Volume 2 of the 2014 Preliminary Budget be amended to require the twinning of Keewatin Street to be subject to a front-ending agreement to be approved by Council.

c. That Recommendation I. i. be amended by deleting the words "Daniel McIntyre Recreation Initiative" and replacing them with "Sherbrook Pool Reopening"

ii. That the 2015 to 2019 Five Year Capital Forecast as tabled at Executive Policy Committee on November 29, 2013, be approved in principle, with the above amendments.

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

Year	$ Millions
2014	75.478
2015	77.478
2016	79.478
2017	81.478
2018	83.478
2019	85.478

Note: Includes the transfer of $2 million Thin Bituminous Overlay (TBO) program from the operating budget to the capital budget.

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

D. That Council authorize the expenditure of up to $2.082 million for the Assiniboine Park Conservancy – Infrastructure and Sustainability Plan in 2014 or prior to the adoption of the 2015 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 Infrastructure and Sustainability Plan.

E. That Council authorize the expenditure of up to $9.869 million for the Transit Building Replacement Refurbishment Project in 2014 or prior to the adoption of the 2015 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 Transit Building Replacement/Refurbishment Project.

F. That $1.7 million be transferred from the 2012 Winnipeg Police Service Communications Systems capital project to the 2013 Computer Assisted Dispatch capital project.

G. That further to the Winnipeg Police Board recommendations on December 6, 2013, the 2014 capital budget of the Winnipeg Police Service be approved, and the five-year capital forecast for 2015 to 2019 be approved in principle, as tabled by Executive Policy Committee on November 29, 2013.

H. That the 2014 capital budget include the following significant investments:

i. Active Transportation Corridors - Doubling the program to $1 million;

ii. Reforestation Improvements - An enhanced program representing a budget increase from $383,000 to $1 million including the removal and replacement of City-owned cherry trees that have succumbed to Black Knot or other environmental factors; and

iii. Athletic Fields Improvements - An enhanced program representing a budget increase from $200,000 to $1 million.

I. That a new Parks and Recreation Enhancement Program be implemented, amalgamating and enhancing the former Community Park Amenities and Playground Structures programs for a $3 million increase from $3.3 million to $6.3 million in 2014, and that the following capital projects be contingent on the provision of partial funding from the new Parks and Recreation Enhancement Program (specific funding information/conditions provided on respective capital detail sheets):

i. ~~***Daniel McIntyre Recreation Initiative***~~ ***Sherbrook Pool Reopening***;

ii. St. Vital Centennial Arena;

iii. Crescent Drive Park;

iv. Tache Promenade;

v. Burton Cummings Community Centre fitness trail;

vi. Transcona Centennial Pool;

vii. Valley Gardens Community Club splash pad;

viii. Machray Park splash pad; and

ix. Seven Oaks Indoor Pool renovations.

J. That, as a result of recent proposed provincial funding commitments to 2013 capital projects (e.g., Jonathan Toews, East End and Garden City Community Centres), previously approved 2013 debt financing requires adjustment as follows:

i. Additional tax-supported borrowing authority in the amount of $18.468 million be approved for 2013 (as noted in Appendix 8);

ii. Debt be reallocated within the existing 2013 capital projects (as noted in Appendix 8), and

iii. The Chief Financial Officer be delegated the authority to reallocate other financing consistent with the intent of i. and ii. above on a budget neutral basis.

K. i. That Council approve an additional grant to the East End Community Centre of up to $1.5 million in 2014, conditional upon the Community Centre committing to fund an additional $500,000 towards the arena development proposal; and

ii. That the City of Winnipeg request the Province of Manitoba to fund one half of this grant ($750,000 each) as the arena development project is a cost shared project.

L. That unutilized borrowing authority in utility operations as noted in Appendix 9 be cancelled.

M. That the City of Winnipeg request the Province of Manitoba to annually cost share a $3.7 million Dutch Elm Disease Enhanced Management Strategy by providing additional funding in the amount of $1.85 million for both capital and operating costs of the program ($1.3 million for capital and $550,000 for operating) and that Council approve City funding for such enhanced program in the amount of $1.85 million subject to confirmation of provincial cost sharing.

N. i. That a new Regional 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 regional streets 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 other than those stipulated.

Note: A long term proposal for sustainable funding for the renewal of regional streets is included in Appendix 7.

O. That the City Solicitor/Director of Legal Services be requested to submit the necessary borrowing by-law directly to Council.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

DECISION MAKING HISTORY:

Moved by Councillor Wyatt,

That the 2014 Preliminary Capital Budget and 2015 to 2019 Five-Year Forecast and the 2014 – 2016 Preliminary Operating Budgets be approved with the following amendments:

Operating Budget Recommendation

- Amend Recommendations 1.A.i by deleting the words "be reviewed and submitted to Council for approval; and" and substituting the words "tabled at the Executive Policy Committee on November 29, 2013, be approved with the following amendments:

    a. That the two filled Community Crisis Workers positions working in the Community Services Department be reinstated in the 2014 Operating Budget, and funds required for reinstatement be accommodated by the Community Services Department increasing the departmental vacancy management budget.

    b. That the annual grant to the Heritage Winnipeg Corporation be increased by $5,000.

    c. That a 2014 grant in the amount of $75,000 be approved to the Winnipeg Art Gallery for the Inuit Art Centre capital campaign, with the balance of the funding request by the Winnipeg Art Gallery being referred to the 2015 and 2016 Budget processes.

    d. That a 2014 grant in the amount of $75,000 be approved to the Western Canada Aviation Museum.

    e. That a 2014 grant in the amount of $39,000 be approved to the African Canadian Foundation to assist with the cost of the creation of a business plan.

    f. That Recommendation M. i be amended as follows:
        - Delete "1 million" and replace with $750,000
        - Delete "$333,333" and replace with $250,000
        - Delete the words "doubling the funding for this area"

    g. That Recommendation M. ii be amended by deleting "$333,333" and replacing it with $250,000:

DECISION MAKING HISTORY (continued):

h. That further to the Winnipeg Police Board recommendations of December 6, 2013, the total 2014 operating budget of the Winnipeg Police Service be approved as follows:

Revenue estimate $43,807,967
Mill rate support $215,304,661
Total estimate $259,112,628."

- Amend Recommendation 1.A.ii. by deleting the words "be received as information on the preliminary financial plans for those years", and substituting the words "tabled at the Executive Policy Committee on November 29, 2013, with the above amendments, be received as information on the preliminary financial plans for those years."

- Amend Recommendation 1.A.D by adding the following words "with the following amendments:

i. That further to the Winnipeg Police Board recommendations of December 6, 2013, the following fee increases be approved effective January 1, 2014.

	Current Fee	**Proposed Fee**
Accident Report Copy	$16.33	$18.65
Criminal record search (GST not applicable)	$33.75	$38.55
Criminal record search – online (GST not applicable)	$33.75	$38.55
Criminal record search – online Service Fee	$5.00	$5.00
Criminal record transcript (GST not applicable)	$36.50	$41.64
Incident confirmations (1)	$16.33	$18.65
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Incident confirmations (5 – 10)	$52.86	$60.38
Incident confirmations (11 – 15)	$73.81	$84.32
Incident confirmations (16 – 30)	$95.24	$108.80
Insurance confirmation	$16.33	$18.65

DECISION MAKING HISTORY (continued):

Capital Budget Recommendations

- Amend Recommendations 2.A.i by deleting the words "be reviewed and submitted to Council for approval"; and substituting the words "as tabled at Executive Policy Committee on November 29, 2013, be approved, with the following amendments:

  a. That a new 2014 Capital Project be established named Sherbrook Pool Reopening to replace the Daniel McIntyre Recreation Initiative, originally included in the 2014 Preliminary Capital Budget to be budgeted and financed as follows:
     - $600,000 originally included in the 2014 Preliminary Capital Budget for the Daniel McIntyre Recreation Initiative;
     - $400,000 from the 2014 Parks and Recreation Enhancement Program, (capital detail sheet to be updated accordingly); approval of this project is contingent on this funding;
     - $271,000 from the previously approved Recreation and Leisure Facilities Capital Project;
     - $200,000 from the Municipal Accommodations 2014 Operating Budget;
     - Up to $200,000 from the Municipal Accommodations 2013 operating budget, originally sourced from the 2013 Mayor's Office Civic Initiatives, Promotional and Protocol account, and that a corresponding transfer to the 2013 Commitment Reserve be approved,
     - That the Province be requested to provide the balance of funding from the Winnipeg Community Infrastructure Program in conjunction with funding from private/not for profit groups. The funding request is based on a class D estimated budget of $2.8 million, as outlined in the Winnipeg Public Service Report considered by the Standing Policy Committee on Property and Development on June 11, 2013.

     That the Winnipeg Public Service be directed to start the required work to facilitate the reopening of the pool and to ensure the pool is safe for public use, estimated at $1,050,000 as noted in the above referenced report.

     That the Winnipeg Public Service be requested to report back to the January 29, 2014 Council meeting with a progress report on the plan to reopen the Sherbrook Pool.

  b. That the Developer Payback capital detail sheet on page 2-5 in Volume 2 of the 2014 Preliminary Budget be amended to require the twinning of Keewatin Street to be subject to a front-ending agreement to be approved by Council.

  c. That Recommendation I. i. be amended by deleting the words "Daniel McIntyre Recreation Initiative" and replacing them with "Sherbrook Pool Reopening".

DECISION MAKING HISTORY (continued):

- Amend Recommendation 2.A.ii.by deleting the words "be reviewed and submitted to Council for adoption in principle", and substituting the words "as tabled at Executive Policy Committee on November 29, 2013, be approved in principle, with the above amendments."

- Add Recommendation 2.A.G as follows:
  "G. That further to the Winnipeg Police Board recommendations on December 6, 2013, the 2014 capital budget of the Winnipeg Police Service be approved, and the five-year capital forecast for 2015 to 2019 be approved in principle, as tabled by Executive Policy Committee on November 29, 2013."

- Renumber the balance of Recommendations accordingly

and forwarded to Council.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 12, 2013, the Executive Policy Committee received as information the delegations and presentations pertaining to the 2014 Preliminary Capital Budget and 2015 to 2019 Five-Year Forecast, as well as the 2014 – 2016 Preliminary Operating Budget, and referred the matters brought forward to the Budget Review deliberations by the Executive Policy Committee on December 13, 2013.

On November 29, 2013, the Executive Policy Committee referred the 2014 Preliminary Capital Budget and 2015 to 2019 Five-Year Forecast, as well as the 2014 – 2016 Preliminary Operating Budget, to the following budget review process:

December 3, 2013	Standing Policy Committee on Property and Development
December 5, 2013	Standing Policy Committee on Protection and Community Services
December 6, 2013	Winnipeg Police Board
December 9, 2013	Standing Policy Committee on Infrastructure Renewal and Public Works
December 12, 2013	Executive Policy Committee – Delegations
December 13, 2013	Executive Policy Committee – Recommendation to Council
December 17, 2013	Council