Agenda - Council - December 16, 2003

Report - Executive Policy Committee - December 10, 2003

Item No. 1 2004 Annual Capital Budget - 2005 to 2009 Capital Budget Forecast File FC(2004)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 10, 2003, the Executive Policy Committee concurred in the preliminary Capital Investment Plan for the City of Winnipeg for the years 2004 to 2009, as amended, and submits the following to Council:

1. That the 2004 Capital Budget totaling $219,546,000 (tax supported and utility operations requiring no external borrowing) and the 2005 to 2009 Five-Year Forecast as tabled at the Executive Policy Committee meeting of November 25, 2003, and amended by Recommendation No. 2, be approved.

2. That the following changes be made to the Capital Budget tabled on November 25, 2003:

Description	In Thousands of $		
	2004	2005	2006
Capital Budget Tabled on November 25, 2003	**$ 219,546**	**$ 251,250**	**$ 237,535**
Establish a capital budget of $450,000 for Playgrounds in 2004.	450	-	-
Reduce Special Innovative Capital.	(450)	-	-
Advance the Redwood Bridge rehabilitation to 2005 from 2006 to be financed by a deferral of the repayment to the General Purpose Reserve.	-	2,600	(2,600)
Subtotal Changes	**-**	**2,600**	**(2,600)**
Capital Budget as recommended by Executive Policy Committee	**$ 219,546**	**$ 253,850**	**$ 234,935**

3. That the frontage levy rates be increased by a total of $1.00 to be used for street renewal beginning in 2004.

4. That the transfers from utility operations, reserves and other funds outlined in the capital budget submission be approved.

5. That the City negotiate with the Province of Manitoba a new Urban Capital Projects Allocation (UCPA) cost-sharing agreement for 2004 and to establish a future cost-sharing agreement for beyond 2004, or an alternate funding arrangement, given that the existing agreement has expired.

6. That the City request the Province of Manitoba to provide funding of $5 million, over and above Urban Capital Projects Allocation (UCPA) funding, for a local street renewal program for Winnipeg for 2004, and to establish a future cost-sharing agreement for beyond 2004 or an alternate funding arrangement.

Report - Executive Policy Committee - December 10, 2003

7. That the Administration identify up to $20 million of capital projects in the 2004 capital budget for potential holdback, for discussion during the 2004 to 2006 operating budget process, said projects are not to commence until a 2004 operating budget has been adopted.

8. That the Sewage Disposal System capital plan for 2005 to 2009, including the requirement for external debt, be discussed with one or more of the City's bond rating agencies for an assessment of the impact on the City's credit rating, and that Council consider this information prior to proceeding with the Sewage Disposal System's 5-year forecasted capital plan, including the issuance of any related debentures.

9. That the City coordinate with the Province of Manitoba the scheduling of major capital projects for both governments to ensure capacity and stability of employment in the construction industry and to avoid higher costs for taxpayers.

10. That the City initiate discussions and support negotiations with the Province of Manitoba to re-instate Provincial funding in the amount of 50% to the Transit Department for a more realistic funding formula in both the capital and current budgets.

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

Report - Executive Policy Committee - December 10, 2003

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 10, 2003, the Executive Policy Committee concurred in the preliminary Capital Investment Plan for the City of Winnipeg for the years 2004 to 2009, as amended, namely:

- Delete Recommendation No. 1 in its entirety and replace with:
  1. That the 2004 Capital Budget totaling $219,546,000 (tax supported and utility operations requiring no external borrowing) and the 2005 to 2009 Five-Year Forecast as tabled at the Executive Policy Committee meeting of November 25, 2003, and amended by Recommendation No. 2, be approved.

- Add a Recommendation No. 2 as follows:

  2. That the following changes be made to the Capital Budget tabled on November 25, 2003:

Description	In Thousands of $		
	2004	2005	2006
Capital Budget Tabled on November 25, 2003	**$ 219,546**	**$ 251,250**	**$ 237,535**
Establish a capital budget of $450,000 for Playgrounds in 2004.	450	-	-
Reduce Special Innovative Capital.	(450)	-	-
Advance the Redwood Bridge rehabilitation to 2005 from 2006 to be financed by a deferral of the repayment to the General Purpose Reserve.	-	2,600	(2,600)
Subtotal Changes	**-**	**2,600**	**(2,600)**
Capital Budget as recommended by Executive Policy Committee	**$ 219,546**	**$ 253,850**	**$ 234,935**

  and renumber the balance of the recommendations accordingly,

- Amend Recommendation No. 7 by deleting the words “$10 million” and substituting therefore “up to $20 million”,

- Add the following as Recommendation No. 10:

  10. That the City initiate discussions and support negotiations with the Province of Manitoba to re-instate Provincial funding in the amount of 50% to the Transit Department for a more realistic funding formula in both the capital and current budgets.

and submitted the matter to Council.

Report - Executive Policy Committee - December 10, 2003

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 25, 2003, the Executive Policy Committee tabled the preliminary capital investment plan for the City of Winnipeg for the years 2004 to 2009, which outlined the following recommendations:

1. That the Preliminary 2004 Capital Budget totaling $219,546,000, (tax supported and utility operations requiring no external borrowing authority) and the 2005 to 2009 Five-Year Forecast be reviewed and submitted to Council for approval.

2. That the frontage levy rates be increased by a total of $1.00 to be used for street renewal beginning in 2004.

3. That the transfers from utility operations, reserves and other funds outlined in the capital budget submission be approved.

4. That the City negotiate with the Province of Manitoba a new Urban Capital Projects Allocation (UCPA) cost-sharing agreement for 2004 and to establish a future cost-sharing agreement for beyond 2004, or an alternate funding arrangement, given that the existing agreement has expired.

5. That the City request the Province of Manitoba to provide funding of $5 million, over and above the Urban Capital Projects Allocation funding, for a local street renewal program for Winnipeg for 2004, and to establish a future cost-sharing agreement for beyond 2004 or an alternate funding arrangement.

6. That the Administration identify $10 million of capital projects in the 2004 preliminary capital budget for potential holdback, for discussion during the 2004 to 2006 operating budget process, said projects are not to commence until a 2004 operating budget has been adopted.

7. That the Sewage Disposal System capital plan for 2005 to 2009, including the requirement for external debt, be discussed with one or more of the City's bond rating agencies for an assessment of the impact on the City's credit rating, and that Council consider this information prior to proceeding with the Sewage Disposal System's 5-year forecasted capital plan, including the issuance of any related debentures.

Report - Executive Policy Committee - December 10, 2003

DECISION MAKING HISTORY (continued):

8. That the City coordinate with the Province of Manitoba the scheduling of major capital projects for both governments to ensure capacity and stability of employment in the construction industry and to avoid higher costs for taxpayers.

9. 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.

Further, the Executive Policy Committee referred the Preliminary 2004 Annual Capital Budget and the 2005 to 2009 Capital Budget Forecast to the following budget process timetable, namely:

November 27 to December 4, 2003	Standing Policy Committees - Review
December 9, 2003	Executive Policy Committee - Delegations
December 10, 2003	Executive Policy Committee - Recommendations to Council
December 16, 2003	Council Meeting