Agenda – Executive Policy Committee – October 18, 2017

Report – Standing Policy Committee on Finance – October 12, 2017

Item No. 1 Impact Fee Reserve Fund Balance – Report for the Period May 1 to September 30, 2017

STANDING COMMITTEE RECOMMENDATION:

On October 12, 2017, due to a tie vote, the Standing Policy Committee on Finance submitted the matter to the Executive Policy Committee and Council without recommendation.

Agenda – Executive Policy Committee – October 18, 2017

Report – Standing Policy Committee on Finance – October 12, 2017

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On October 12, 2017, due to a tie vote, the Standing Policy Committee on Finance submitted the matter to the Executive Policy Committee and Council without recommendation.

ADMINISTRATIVE REPORT

Title: **Impact Fee Reserve Fund Balance – Report for the Period May 1 to September 30, 2017**

Critical Path: Standing Policy Committee on Finance - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. McGinn	M. Ruta	B. D'Avignon A/CFO	M. Jack A/CAO

EXECUTIVE SUMMARY

The recommendations as amended by Executive Policy Committee on October 19, 2016 and adopted by Council on October 26, 2016 did not include the naming of a Fund Manager for the Impact Fee Reserve Fund nor did they include the requirement for the approval of a 2/3 majority of Council to utilize funding from the Reserve for a purpose other than those for which it was established. These omissions are addressed in the recommendations contained in this report.

Since its implementation effective May 1, 2017 to the reporting date of September 30, 2017, there have been 216 permits issued that resulted in impact fees being paid, totaling $1,961,580.58 involving 5 of the 10 'Maps' or geographic areas as laid out in the table below.

Map	No. of Permits Issued	Impact Fee
Impact Fee-Map 2 - Wilkes	18	$ 182,765.28
Impact Fee-Map 3 - Old Kildonan	63	530,855.70
Impact Fee-Map 6 - Transcona West	34	272,904.75
Impact Fee-Map 7 - South St. Boniface	32	295,022.67
Impact Fee-Map 8 - Waverley West	69	680,032.18
Total	**216**	**$ 1,961,580.58**

RECOMMENDATIONS

1. That further to the October 26, 2016 Council approval of the implementation of the Impact Fee (Item 5 of the Report of the Executive Policy Committee dated October 12, 2016), that:

    i. a 2/3 vote of Council be required in order for the use of the reserve funds to be other than those set out in Council's October 26, 2016 resolution.

ii. the Chief Financial Officer be named as the Fund Manager of the Impact Fee Reserve Fund; and

2. That this report be received by Standing Policy Committee on Finance as information.

REASON FOR THE REPORT

The Council resolution of October 26, 2016 did not impose 2/3 majority requirement for the Impact Fee Reserve Fund to be used for purposes other than those for which it was established nor did it include the appointment of a fund manager.

At its November 3, 2016 meeting, Standing Policy Committee on Finance directed the Public Service to provide quarterly reports on the Impact Fee Reserve Fund balance, the first report being for the period ending June 30, 2017. At its September 15, 2017 meeting, Standing Policy Committee on Finance concurred with the Public Service's request to lay over the matter for 30 days.

IMPLICATIONS OF THE RECOMMENDATIONS

1. Use of the Impact Fee Reserve Fund for a purpose other than approved by Council on October 26, 2016 will require the approval of 2/3 of Council rather than a simple majority.

2. The Chief Financial Officer will be appointed as the Fund Manager of the Impact Fee Reserve Fund.

HISTORY/DISCUSSION

On October 26, 2016, Council concurred in the recommendation of the Executive Policy Committee, as amended, and adopted the following:

That the Impact Fee Reserve Fund be established as follows:

A. All funds generated by the impact fee are to be deposited into the Fund, and that the fees collected by each area as outlined on the map in Appendix D be recorded and that Councillors be allowed access to the area information on an ongoing basis with accumulative totals;

B. The purposes of the Fund are:

i. to fund capital projects approved by Council recommended by the Chief Financial Officer with consideration given to the input provided by the Working Group;
ii. to pay the costs of administering the Impact Fee By-law and Reserve Fund.

Pursuant to Paragraph 289(1) of the City of Winnipeg Charter Act, Council may provide for the establishment or maintenance of a reserve fund for any purpose for which the City has authority to make expenditures. Use of such reserve funds for purposes other than that for which they were approved requires Council approval, which would be achieved by a simple majority of

Councillors voting in favour of doing so. The requirement for a 2/3 majority in the case of the Impact Fee Reserve Fund ensures that a greater proportion, more than a simple majority, of Councillors are supportive of any resolution to utilize funding for purposes other than those noted. This will address concerns that the Reserve Fund could be used to fund projects other than the capital projects which the Impact Fee was implemented to support.
Approval by Council of the establishment of a reserve fund would typically include the appointment of a specific position as the "Fund Manager". Council's October 26, 2016 approval of the establishment of the Impact Fee Reserve Fund did not include the appointment of a fund manager. Recommendation 1(i) addresses this omission.

Since the implementation of the impact fee effective May 1, 2017 to the reporting date of September 30, 2017, there have been 216 permits issued which resulted in impact fees being paid, totaling $1,961,580.58. This amount has been credited to the Impact Fee Reserve Fund. The table below provides a breakdown of the number of permits and related impact fees by map/geographic area.

Map	No. of Permits Issued	Impact Fee
Impact Fee-Map 2 - Wilkes	18	$ 182,765.28
Impact Fee-Map 3 - Old Kildonan	63	530,855.70
Impact Fee-Map 4 - Kilcona Park	0	-
Impact Fee-Map 5 - Transcona North	0	-
Impact Fee-Map 6 - Transcona West	34	272,904.75
Impact Fee-Map 7 - South St. Boniface	32	295,022.67
Impact Fee-Map 8 - Waverley West	69	680,032.18
Impact Fee-Map 9 - Trappistes	0	-
Impact Fee-Map 10 - Red River Ex	0	-
Impact Fee-Map 11 - North Henderson	0	-
Total	**216**	**$ 1,961,580.58**

See Appendix 1 for a view of Maps 2 to 11 within the context of a map of the City of Winnipeg.

FINANCIAL IMPACT

Financial Impact Statement Date: October 2, 2017

Project Name:

Impact Fee Reserve Fund Balance – Report for the Period May 1 to September 30, 2017

COMMENTS:

There are no financial implications associated with this report.

"Original Signed By"

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property and Development
Division: Financial Services
Prepared by: Mike McGinn
Date: October 2, 2017
File No:

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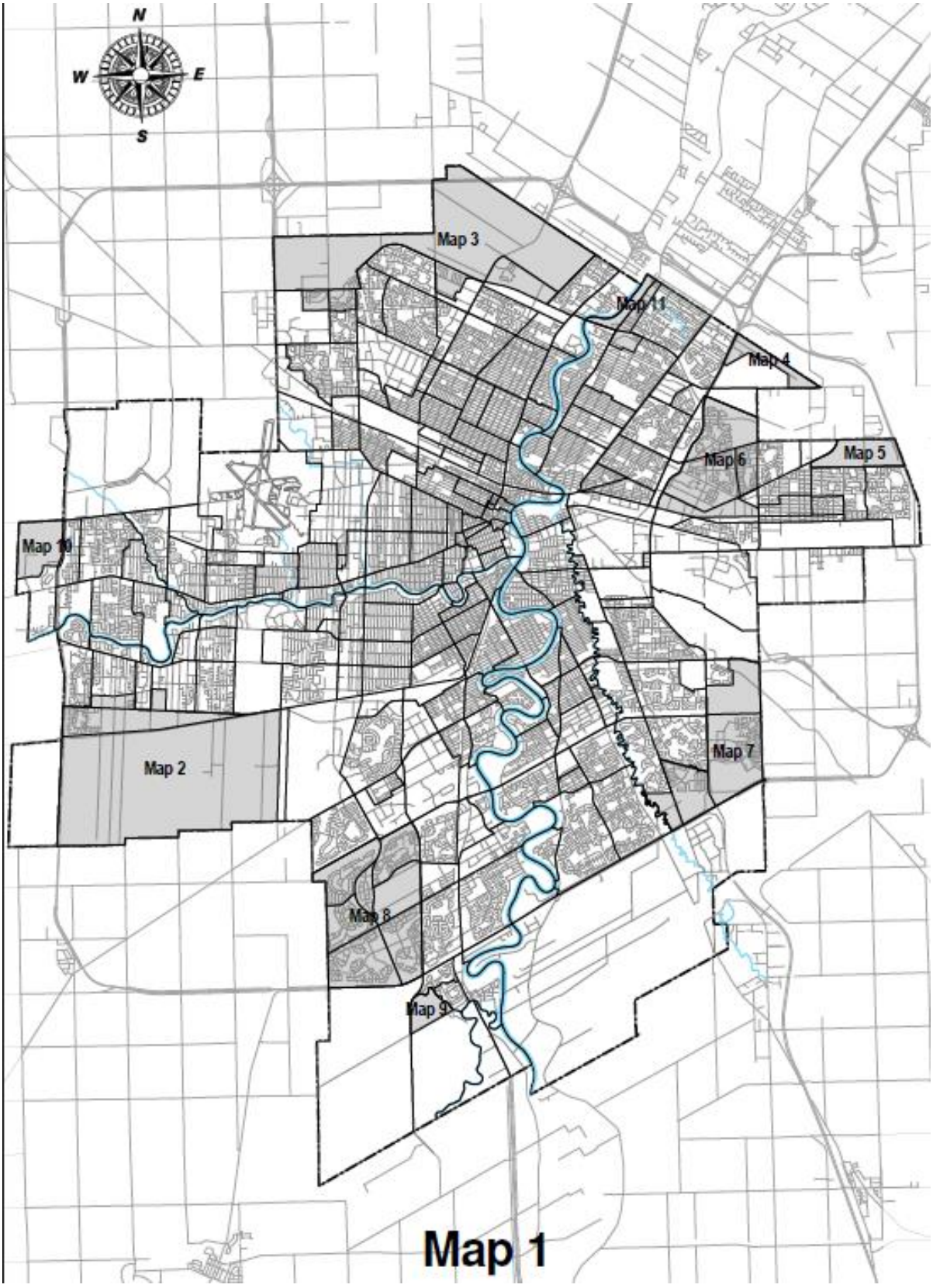
Attachments:

APPENDIX 1



Map 1