Minutes – Executive Policy Committee – December 8, 2017

BUDGET REVIEW

Item No. 16 Executive Policy Committee Final Recommendations – Preliminary 2018 Operating and Capital Budget and Preliminary 2018 Capital Project Detail Budget

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee recommended to Council:

OPERATING BUDGET RECOMMENDATIONS

1. That the following recommendations with respect to the 2018-2020 Preliminary Operating Budget be approved:

    A. i. That the 2018 Preliminary Operating Budget, including the budgets for reserves (Appendix 3), tabled at the Executive Policy Committee meeting on November 22, 2017, be approved with the following amendments:

        a. Delete Recommendation 1.I. in its entirety and replace it with the following:

            "I. i. That the Public Service continue discussions with the WRHA to ensure the Emergency Medical Services revenue position is maintained through the continuance of the terms of the existing agreement; and

                ii. That if the 2018 WRHA funding levels do not maintain a budget neutral position for the City, the Winnipeg Public Service request the WRHA to identify service changes."

        b. Amend Recommendation 1. M. by adding the words "reduced fares for low-income riders" after the words "limited to".

        c. Delete Recommendation 1. R. i in its entirety and replace with the following:

            "1.R. i. That the Chief Administrative Officer or designate be delegated the authority to manage vacancies within City departments and administrative units within the scope of the 2018 operating budget without affecting the general level of public services as identified in the operating budget or overall civic staff establishment."

d. Add the following new Recommendation 1.S.iv.

"1.S.iv. That Council approve an additional increase in parking meter rates by $.50 per hour (for a total increase of $1.50) for all on-street parking meters in the City, and that $1,000,000 of this incremental revenue in the Winnipeg Parking Authority be transferred to the General Revenue Fund to offset the transit route service rationalization."

ii. That the 2019 and 2020 projections be received and submitted to Council as information on the preliminary financial plans for those years.

B. That the City's mill rate be decreased from 13.063 to 12.987 in 2018, to reflect the general assessment, adjusted for new assessable properties, and for the purpose of raising revenue as required for the annual operating budget.

Note: This mill rate of 12.987 in 2018 includes a 1% property tax increase dedicated to the renewal of local streets, lanes and sidewalks; a 1% property tax increase dedicated to the renewal of regional streets and sidewalks, and; a .33% property tax increase dedicated for payments for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass project, for a total property tax increase of 2.33%.

C. i. That the City's business tax rate be decreased from 5.25% to 5.14% in 2018, 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 $33,300 or less in 2018 ($32,220 in 2017).

D. That the fees (Appendix 7), levies and transfers between funds outlined in the 2018 Operating Budget be approved.

E. That $1,512,234 in prior years' tax supported cash to capital surplus, identified in Appendix 5D due to capital projects coming under budget, be utilized to reduce the transfer to the General Capital Fund in the 2018 tax supported operating budget.

F. That a transfer from the Land Operating Reserve Fund to the General Revenue Fund be made in 2018 to a maximum of $2,535,000 provided the reserve's unallocated equity balance does not enter into a deficit position. Should the unallocated equity balance be such that the full $2,535,000 transfer cannot be made, any shortfall will be addressed during 2018.

G. That Council remove any restrictions regarding the use of the net proceeds from the sale of the Winnipeg Square Parkade (as set aside in the November 25, 2009 Council report and any subsequent related reports) in the Winnipeg Parking Authority Special Operating Agency (WPA) and that the following be implemented:

i. Transfer $595,000 from the WPA to the General Revenue Fund; and

ii. Transfer $5 million, originally set aside for the James Avenue Parkade and held in the Land Operating Reserve, to the General Capital Fund for capital projects as contained in the 2018 capital budget.

H. i. That prior to payment of any monies approved in the 2018 operating budget, the City enter into, execute and deliver grant agreements with each grant recipient, and that the Chief Financial Officer be authorized to negotiate and approve the terms and conditions of each grant agreement in accordance with the budgetary approval and such other terms and conditions deemed necessary by the City Solicitor/ Director of Legal Services to protect the interests of the City; and

ii. That Council approve grant delegations as indicated in Appendix 2.

I. i. That the Public Service continue discussions with the WRHA to ensure the Emergency Medical Services revenue position is maintained through the continuance of the terms of the existing agreement; and

ii. That if the 2018 WRHA funding levels do not maintain a budget neutral position for the City, the Winnipeg Public Service request the WRHA to identify service changes.

J. i. That the Brady Landfill Site Rehabilitation Reserve be terminated effective January 1, 2018 and replaced with a new Landfill Rehabilitation Reserve in accordance with Section 289 of the City of Winnipeg Charter;

ii. That the purpose of the new reserve be to provide funding, over time, for closure and post-closure landfill needs including leachate management, environmental monitoring and site restoration costs for all active and closed landfills maintained under the responsibility of the City;

iii. That this reserve continue to be funded through annual deposits from tipping fee revenue accounts of the Solid Waste Disposal Fund based on a portion of the tipping fee per tonne charged on garbage disposal, the current rate is $1.00 per tonne of material landfilled;

iv. That the Fund Manager of the new reserve be the Director of the Water and Waste Department; and

v. That the balance of funds in the Brady Landfill Site Rehabilitation Reserve, projected to be approximately $7 million, be transferred to the new Landfill Rehabilitation Reserve effective January 1, 2018.

K. That Council authorize the Chief Financial Officer to conduct an external review of the Cemetery Perpetual Maintenance Reserves in an amount up to $150,000, to be funded from the perpetual maintenance reserves, to determine appropriate and sustainable funding levels for those reserves, and that the Chief Financial Officer report back to Council with ensuing recommendations.

L. That Council repeal the Basement Flooding Protection Subsidy Program By-law No. 19/2011 as the Province is no longer participating in the program.

M. That Council, in light of a new funding reality and service environment, request the Winnipeg Transit Department to develop a long term strategic plan in 2018, to include but not be limited to, reduced fares for low-income riders, appropriate financial projections, service goals, performance metrics, and related benchmarking data, as well as a capital investment plan and financing strategy for this plan, and report back to Council.

N. That the Director of Transit be delegated authority to approve in-kind requests from charitable organizations for the donation of transit fare products (such as tickets, passes, peggo products etc.), to a maximum amount of $1,000 per request, from within existing budgets, for specific, one-time, non-profit events.

O. That the Public Service review the provision of free bus rides for veterans on Remembrance Day and report back to Council in time for implementation on Remembrance Day in 2018.

P. That Council cancel the $850,000 running track project at College Jeanne Sauve (CJS, South Winnipeg St Norbert ward), previously projected in 2019 and 2020 in the 2017 capital budget process, through the Dakota Community Centre. The Louis Riel School Division (LRSD) advises its higher priority for the CJS site is a student commons / theatre expansion. Therefore, that Council instead approve a 2018 grant of $500,000 to the LRSD for this project. Additionally, that Council approve a 2018 grant of $500,000 to the LRSD for a running track to be constructed at Victor Mager school (St Vital ward), partially financed from reallocated surplus capital funding including amounts redirected from the St. Vital library renovation surplus.

Q. That Council approve the wind-up of the Winnipeg Enterprises Corporation and transfer, in 2017, the remaining surplus of approximately $310,000 to the General Revenue Fund.

R. i. That the Chief Administrative Officer or designate be delegated the authority to manage vacancies within City departments and administrative units within the scope of the 2018 operating budget without affecting the general level of public services as identified in the operating budget or overall civic staff establishment.

ii. That Special Operating Agencies include a budget for vacancy management, as is the practice for other City departments to be transferred to the tax-supported fund and managed in a similar manner as set out in R(i).

S. i. That the Municipal By-law Enforcement Act (MBEA) Enabling Bylaw (No. 59/2016) be amended to reduce the amount of the early payment discount for parking offences from 50% to 25% of the fine, and that the City Solicitor be directed to provide an amending bylaw accomplishing this directly to Council for enactment;

ii. That Council approve an increase in parking meter rates by $1.00 per hour for all on-street parking meters in the City;

iii. That the incremental revenue to the Winnipeg Parking Authority anticipated to result from these changes be transferred to the General Revenue Fund; and

iv. That Council approve an additional increase in parking meter rates by $.50 per hour (for a total increase of $1.50) for all on-street parking meters in the City, and that $1,000,000 of this incremental revenue in the Winnipeg Parking Authority be transferred to the General Revenue Fund to offset the transit route service rationalization.

T. That the Public Service prepare a report to the appropriate Committee of Council within 120 days recommending options to utilize unspent funds in the Destination Marketing Reserve to support the following initiatives:

i. An enhanced tourism and events strategy which will supplement funding dedicated to the existing Special Events Marketing Fund up to a combined total of 25% of annual proceeds from Accommodation Taxes collected. The Manitoba Hotel Association in consultation with Economic Development Winnipeg Inc. and Tourism Winnipeg would develop criteria for the additional funding;

ii. A multi-year downtown public safety strategy including, but not limited to, enhanced outreach services, expanded foot patrol and other security initiatives to be developed in consultation with stakeholder groups such as the Manitoba Hotel Association, the Downtown BIZ, the Winnipeg Police Service, the UN Safe Cities Committee and other such organizations; and

iii. Options for an accelerated repayment plan of the outstanding debt related to the Winnipeg Convention Centre (WCC) expansion project.

U. That the Chief Financial Officer conduct a review of multi-year budgeting techniques, including best practices in other jurisdictions, to address the tax-supported structural deficit with a view to recommending an approach to balance the tax-supported budget for a multi-year period.

V. That the Chief Financial Officer be delegated the authority to restate the budget subsequent to adoption to reallocate amounts to departments to reflect Council's ratification of collective agreements, Council's approval of decisions with budget implications, as well as corporate cost reduction measures, including efficiency savings and the impact of any decisions made in recommendation R, if required, on a budget neutral basis.

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

CAPITAL BUDGET RECOMMENDATIONS

2. That the following recommendations with respect to the 2018 Preliminary Capital Budget and 2019 to 2023 Five Year Forecast be approved:

A. i. That the 2018 Preliminary Capital Budget, totaling $357,385,000, tabled at the Executive Policy Committee meeting on November 22, 2017, be approved with the following amendments:

a. That the Parks and Recreation Enhancement Program, page 2-49 of volume 3 of the budget, be revised to allocate funds for arson related damage up to $100,000 for the Diplomat and Chochinov Parks and up to $100,000 for the Kilcona Park Harbourview Play Structure from the 2018 priority safety related allocation of $300,000, leaving $100,000 in unallocated funding to address general playground and amenity safety concerns as they may arise city-wide.

b. i. That a new capital project New Recreation Facility – South Winnipeg be created;

ii. That the purchase of land for a new South Winnipeg Recreation campus be identified as a priority;

iii. That the development of a new South Winnipeg Recreation campus including the re-purposing of Waverley Heights and Richmond Kings Community Centres be identified as a priority within provided financial resources, and through a phased approach deliver recreational amenities supporting the Council approved Recreation, Leisure and Library Facilities (RLLF) Policy, or subsequently replaced recreation policies;

iv. That the principles, project objectives and governing principles of the South Winnipeg Recreation Campus Project Charter be considered to ensure collaboration and consultation for aligned and overall planning of the South Winnipeg Recreation campus and re-purposing of the Waverley Heights and Richmond Kings Community Centres;

v. That $1.75 million of the $3.5 million capital authorization in the 2019 forecast for the Recreation Facility – New Infrastructure, page 2-67 in volume 3 of the budget, be reallocated to the new capital project New Recreation Facility – South Winnipeg and that the reference to the South Winnipeg Recreation Initiative in the narrative be deleted;

vi. That Council authorize expenditures of up to $1.75 million of the reallocated amount in 2.A.i.b.v. above to complete a class 3 estimate for the South Winnipeg Recreation Facility in 2018 or prior to the adoption of the 2019 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 timing of the project;

vii. That the capital project authorizations in the 2020 to 2023 forecast for the New Library Facility – South Winnipeg Library, page 2-60 in volume 3 of the budget, be reallocated to the new capital project New Recreation Facility – South Winnipeg and that the capital project New Library Facility – South Winnipeg Library be deleted; and

viii. That additional funding for the new South Winnipeg Recreation Complex be applied for, to Provincial, Federal and Private funding programs.

c. i. That a new capital project, Grant Park Recreational Campus be created; and

ii. That $1.75 million of the $3.5 million capital authorization in the 2019 forecast for the Recreation Facility – New Infrastructure, page 2-67 in volume 3 of the budget, be reallocated to the new capital project, Grant Park Recreational Campus.

d. That Recommendation 2.J. be deleted in its entirety and replaced with the following:

"2.J. That $50 million of the 2018 provincial capital funding allocation to the City be used to fund road projects, $40 million of which will go to Regional and Local Street Renewal."

ii. That new capital borrowing authority be approved as follows:

a) $45,449,000 external borrowing for 2018 tax-supported operations,

b) $6,965,000 external borrowing authority as a first charge against the 2019 tax-supported capital budget;

c) $22,143,000 external borrowing for 2018 tax-supported internal financing, and

d) $2,800,000 for the 2018 Solid Waste Utility operation.

iii. That the 2019 to 2023 Five Year Capital Forecast be reviewed and submitted to Council for adoption in principle.

B. That unutilized borrowing authority (By-law 40/2016) in the tax supported operations of $1,760,000 be cancelled.

C. That unutilized borrowing authority (By-law 40/2016) of $9.5 million in the tax-supported operations for the 2016 Waverley Street at CN Mainline (Rivers) Grade Separation project be cancelled and replaced with CN Rail Cost Apportionment funding consistent with the December 14, 2016 report to Council.

D. That unutilized borrowing authority (By-law 136/2016) of $3,303,000 for the 2017 Comprehensive Integrated Waste Management Strategy (CIWMS) - 4R Winnipeg Depots (Community Resource Recovery Centres) project be cancelled and replaced with Waste Diversion Reserve funding.

E. That the 2018 cash to capital contribution from the operating budget be $23.344 million and includes incremental cash to capital from tax supported savings transferred to the Regional Streets Renewal program in the amount of $11.5 million. This investment combined with $6.5 million in 2015, and $11 million in each of 2016 and 2017, has provided a total of $40 million to the Regional Streets Renewal Program over the period.

F. That $250,000 in prior years' tax supported cash to capital surplus identified in Appendix 5D, due to capital projects coming under budget, be utilized as a financing source in the 2018 capital budget.

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

H. That Council authorize expenditures on the following projects in 2018or prior to the adoption of the 2019 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 projects:

i. Up to $2,405,000 for the St. James Civic Centre – Facility Renewal and Expansion project;

ii. Up to $2,239,000 for the Seven Oaks Pool – Concrete Restoration and Air Handling Unit Replacement project;

iii. Up to $2,600,000 for the Pan Am Pool – Ceiling, Lighting and Public Address and Audio System project;

iv. Up to $3,570,000 for the River Heights Library project;

v. Up to $2,500,000 for the Empress St./ Empress St. E/ Westway / Eastway – St. Matthews to Portage regional street renewal project;

vi. Up to $7,600,000 for the Fermor Avenue – St. Anne's to Archibald regional street renewal project;

vii. Up to $4,800,000 for the Garry/Notre Dame – Notre Dame to Assiniboine/Portage to Princess regional street renewal project; and

viii. Up to $5,100,000 for the Fermor Avenue Bridge (Seine River) project.

I. That, upon confirmation of federal funding for the accelerated regional street renewal program, in accordance with the intent of the application approved by Council on July 19, 2017, the Public Service come forward with a report confirming the impact of the additional federal funding for the 2018 and future capital forecast years of the regional street renewal program.

J. That $50 million of the 2018 provincial capital funding allocation to the City be used to fund road projects, $40 million of which will go to Regional and Local Street Renewal.

K. That the Chief Financial Officer be given the authority to redistribute financing sources, including provincial funding, federal gas tax revenue, cash to capital and debt financing in accordance with Council approved borrowing by-laws, provided the total approved financing is not exceeded, to ensure the most effective use and timing of financing sources.

L. 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 Gillingham,

That the 2018 Preliminary Operating and Capital Budget , tabled at the Executive Policy Committee meeting on November 22, 2017, be approved with the following amendments:

OPERATING BUDGET

- Delete Recommendation 1.I. in its entirety and replace it with the following:

  "I. i. That the Public Service continue discussions with the WRHA to ensure the Emergency Medical Services revenue position is maintained through the continuance of the terms of the existing agreement; and

  ii. That if the 2018 WRHA funding levels do not maintain a budget neutral position for the City, the Winnipeg Public Service request the WRHA to identify service changes."

- Amend Recommendation 1. M. by adding the words "reduced fares for low-income riders" after the words "limited to".

- Delete Recommendation 1.R. i in its entirety and replace with the following:

  "1.R. i. That the Chief Administrative Officer or designate be delegated the authority to manage vacancies within City departments and administrative units within the scope of the 2018 operating budget without affecting the general level of public services as identified in the operating budget or overall civic staff establishment."

- Add the following new Recommendation 1.S.iv.

  "1.S.iv. That Council approve an additional increase in parking meter rates by $.50 per hour (for a total increase of $1.50) for all on-street parking meters in the City, and that $1,000,000 of this incremental revenue in the Winnipeg Parking Authority be transferred to the General Revenue Fund to offset the transit route service rationalization."

DECISION MAKING HISTORY (continued):

CAPITAL BUDGET

- Add the following new Recommendations:

    a. That the Parks and Recreation Enhancement Program, page 2-49 of volume 3 of the budget, be revised to allocate funds for arson related damage up to $100,000 for the Diplomat and Chochinov Parks and up to $100,000 for the Kilcona Park Harbourview Play Structure from the 2018 priority safety related allocation of $300,000, leaving $100,000 in unallocated funding to address general playground and amenity safety concerns as they may arise city-wide.

    b. i. That a new capital project New Recreation Facility – South Winnipeg be created;

    ii. That the purchase of land for a new South Winnipeg Recreation campus be identified as a priority;

    iii. That the development of a new South Winnipeg Recreation campus including the re-purposing of Waverley Heights and Richmond Kings Community Centres be identified as a priority within provided financial resources, and through a phased approach deliver recreational amenities supporting the Council approved Recreation, Leisure and Library Facilities (RLLF) Policy, or subsequently replaced recreation policies;

    iv. That the principles, project objectives and governing principles of the South Winnipeg Recreation Campus Project Charter be considered to ensure collaboration and consultation for aligned and overall planning of the South Winnipeg Recreation campus and re-purposing of the Waverley Heights and Richmond Kings Community Centres;

    v. That $1.75 million of the $3.5 million capital authorization in the 2019 forecast for the Recreation Facility – New Infrastructure, page 2-67 in volume 3 of the budget, be reallocated to the new capital project New Recreation Facility – South Winnipeg and that the reference to the South Winnipeg Recreation Initiative in the narrative be deleted;

    vi. That Council authorize expenditures of up to $1.75 million of the reallocated amount in 2.A.i.b.v. above to complete a class 3 estimate for the South Winnipeg Recreation Facility in 2018 or prior to the adoption of the 2019 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 timing of the project;

DECISION MAKING HISTORY (continued):

vii. That the capital project authorizations in the 2020 to 2023 forecast for the New Library Facility – South Winnipeg Library, page 2-60 in volume 3 of the budget, be reallocated to the new capital project New Recreation Facility – South Winnipeg and that the capital project New Library Facility – South Winnipeg Library be deleted; and.

viii. That additional funding for the new South Winnipeg Recreation Complex be applied for, to Provincial, Federal and Private funding programs.

c. i. That a new capital project, Grant Park Recreational Campus be created; and

ii. That $1.75 million of the $3.5 million capital authorization in the 2019 forecast for the Recreation Facility – New Infrastructure, page 2-67 in volume 3 of the budget, be reallocated to the new capital project, Grant Park Recreational Campus.

- Delete Recommendation 2.J. in its entirety and replaced with the following:

"2.J. That $50 million of the 2018 provincial capital funding allocation to the City be used to fund road projects, $40 million of which will go to Regional and Local Street Renewal."

and forwarded to Council.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 5, 2017, the Executive Policy Committee heard delegations and presentations pertaining to the Preliminary 2018 Operating and Capital Budget and Preliminary 2018 Capital Project Detail Budget.

On November 22, 2017, the Executive Policy Committee referred the Preliminary 2018 Operating and Capital Budget, and 2018 Capital Project Detail Budget, to the following amended budget review process:

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

Monday, November 27, 2017, 9:00 a.m.	Standing Policy Committee on Property and Development, Heritage and Downtown Development
Tuesday, November 28, 2017, 9:30 a.m.	Standing Policy Committee on Water and Waste, Riverbank Management and the Environment
Thursday, November 30, 2017, 9:00 a.m.	Standing Policy Committee on Innovation
Friday, December 1, 2017, 9:00 a.m.	Standing Policy Committee on Infrastructure Renewal and Public Works
Friday, December 1, 2017, 9:30 a.m.	Winnipeg Police Board
Monday, December 4, 2017, 9:30 a.m.	Standing Policy Committee on Protection and Community Services and Parks
Tuesday, December 5, 2017, 9:00 a.m.	Executive Policy Committee – Delegations
Friday, December 8, 2017, 9:00 a.m.	Executive Policy Committee – Recommendation to Council
Tuesday, December 12, 2017, 9:30 a.m.	Council