Winnipeg

2020 Operating and Capital Budget

Council Services



November 20, 2019

Agenda

1. Strategic Objectives and Priorities

2. Performance Measurement

3. Operating Budget (including options to achieve target)
   - Operating Budget (Council Services)
   - Year over Year Variance Explanations
   - Implications of the Recommended Target to Balance the Operating Budget
   - Salaries and benefits, FTEs, and vacancy management and options to achieve target
   - Operating Budget (Museums)
   - Salaries and benefits, FTEs, and vacancy management (Museums)

4. Capital Budget (including options to achieve target)
   - Capital Budget
   - Implications of the Recommended Target for the Capital Budget
   - Capital Forecast to Submission Reconciliation

5. Operating Budget Referrals (Capital Budget Referrals not applicable)

6. Budget Summary

7. Questions

Strategic Objectives and Priorities

Strategic Objectives

Source: Volume 1, OurWinnipeg

- Lead in the provision of customer service to our varied clients including Citizens, Members of Council and the Administration.
- Enable cost savings and improve delivery of services to Council and the Public through the ongoing development of information technology by continuing to enhance Open Government, e-government and other electronic systems.
- Review existing systems to ensure they are in keeping with changing environmental conditions and making full usage of technology and processes to reduce costs and maximize efficiency.
- Ensure democracy at the local government level with ongoing election planning and delivery for by-elections and general elections.

Key Priorities

- Ensuring confidence in the Decision Making System and meeting all legislative requirements
- Enabling openness and transparency through Council and Committee Decisions, Citizen Appeals, Freedom of Information and Protection Privacy Act, Corporate Records Management and the Election Process
- Providing direct customer service to Citizens wishing to be involved in the Decision Making Process, accessing the Archives of the City of Winnipeg, the election process and marriages and other Protocol occasions.

Performance Measurement

Description	2016	2017	2018
Total Committee meetings held	318	277	244
Public Council / Standing Committee meetings undertaken	116	114	84
Committee meeting videos - live streamed & posted	220	241	222
Board of Revision appeals filed	765	5,653	602
Board of Revision hearings	423	337	318
Board of Adjustment meetings	24	24	23
Board of Adjustment orders issued	297	257	322
Appeal Committee hearings	84	66	66
Decision Making Information System site visits [A]	n/a	n/a	527,385
Decision Making Information System documents posted	802	1,004	811
FIPPA requests processed	855	859	917
Records requested from Records Centre	1,432	1,301	903
Records requested from Archives	1,562	1,473	1,061
In-person visits to Archives	302	347	353
Mail and phone inquiries processed by Archives	1,110	1,021	908
Public tours	14	29	11
Archival exhibits	4	5	4
Records transferred to Archives/Records Centre	1,174	961	155
Records destroyed - By-law 86/2010 (Cu. Ft.)	1,602	40	405
Visits to Archives Website [B]	47,206	35,579	105,475

[A] Method to track statistics has been modified from previous years.

[B] 2018 includes the addition of visits to the Winnipeg in Focus website.

Recommended Target to Balance the Budget

1. Departmental Operating Budget – 1.2% annual budget rate decrease net of capital expenditures, based on 2019 expenditures. (0% over 2019 plus Legal Services allocation)

2. Cash to capital funding levels:

Department	2020	2021	2022	2023	2024	2025
City Clerks	-	100	210	100	-	100

3. Key assumptions for multi-year budget:

These proposed recommended targets present a balanced tax-supported operating budget from 2020 to 2023:

a. Property Tax Increases: 2.33% annually (road renewal and southwest rapid transit (stage 2))
b. Fees and Charges: Inflationary increases annually
c. Natural Assessment Base Growth: 1.2% annually
d. Efficiencies/Vacancy Management: $17 Million annually
e. Additional Transfers/Savings: $32.5 million in 2020 growing to $40 million by 2023
f. Provincial Operating Grants: Flat at $149.7 million annually (2016 level)
g. Utility dividend rate: 11% of Water and Sewer Sales
h. Remaining Tax Supported Debt Room: $150 million in total

Operating Budget (Council Services)

2020 Draft Operating Budget and 2021 to 2023 Projections in millions of $	2018 Actual	2019 Budget	2020 Draft Budget *	*Year over Year Increase / (Decrease)*	*%*	*Exp. No.*	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
REGULATION FEES	0.014	-	-	-			-	-	-
SERVICE AND OTHER	1.617	0.516	0.096	*(0.420)*			0.516	0.096	0.516
TOTAL REVENUE	**1.631**	**0.516**	**0.096**	***(0.420)***	***-81%***	***1***	**0.516**	**0.096**	**0.516**
SALARIES & BENEFITS	7.840	7.533	7.761	*0.228*			7.893	9.160	8.204
SERVICES	4.375	3.213	2.965	*(0.248)*			3.055	5.025	3.052
MATS PARTS & SUPPLIES	0.218	0.186	0.186	-			0.186	0.267	0.186
ASSETS & PURCHASES	0.091	0.015	0.015	-			0.015	0.115	0.015
GRANTS, TRANSFERS & OTHER	9.283	8.396	8.230	*(0.166)*			7.234	7.949	7.236
RECOVERIES	(0.418)	(0.100)	(0.100)	-			(0.100)	(1.336)	(0.100)
TOTAL OPERATIONAL EXPENDITURES	**21.389**	**19.243**	**19.057**	***(0.186)***	***-1%***		**18.283**	**21.180**	**18.593**
DEBT & FINANCE CHARGES	(2.153)	0.860	0.860	-			0.860	(2.024)	0.817
TRANSFER TO CAPITAL	-	-	-	-			0.100	0.210	0.100
TOTAL EXPENDITURES	**19.236**	**20.103**	**19.917**	***(0.186)***	***-1%***	***2***	**19.243**	**19.366**	**19.510**
Mill Rate Support / (Contribution)	**17.605**	**19.587**	**19.821**	***0.234***			**18.727**	**19.270**	**18.994**
Options to Achieve Operating Budget Target:									
a. Eliminate Public Engagement and Communication Coordinator position			(0.106)				(0.108)	(0.110)	(0.112)
b. Increase charge back to School Divisions from 35% to 40% for election								(0.200)	
c. Reduce election rebates								(0.181)	
d. Adjust election amortization								0.286	(0.095)
e. Reduce Council General operating budget			(0.037)				(0.037)	(0.037)	(0.037)
f. Reduce Chairmanship accounts budget			(0.057)				(0.057)	(0.057)	(0.057)
g. Reduce Councillor Ward Allowances budget			(0.045)				(0.060)	(0.075)	(0.090)
h. Reduce Mayor's Office and Office of Policy & Strategic Initiatives budget			(0.035)				(0.043)	(0.056)	(0.090)
Total Options to Achieve the Target			**(0.280)**	**-**	**-**	**-**	**(0.304)**	**(0.429)**	**(0.481)**
EPC Recommended Target to Balance			**(0.235)**	**-**	**-**	**-**	**(0.173)**	**(0.751)**	**(0.335)**
Variance from the Target			**(0.045)**	**-**	**-**	**-**	**(0.131)**	**0.322**	**(0.146)**

* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating target.

Implications of the Recommended Target to Balance Operating Budget

a. No impact to service levels. Elimination of Public Engagement and Communication Coordinator position, which is currently vacant. Duties have been absorbed through other means.
b. No impact to service levels. Increase shared costs with School Divisions from 35% to 40%; risks include SDs undertaking their own elections. Costs to City would not reduce, but revenue would be lost. Costs to taxpayers of having 2 entities running elections would increase.
c. Reduction proposes reducing the maximum payout / percentages applicable for Election Rebate program. No administrative control over costs; $850,000 budgetted for 2022; propose reducing by 20%. Does require a by-law change; will be subject of administrative report in 2020 along with other election based recommendations.
d. All elections costs are amortized over 4 year cycle; adjustment to election amortization amount is required for rows B & C above.
e. Reduction of 14%; costs include Elected Officials parking, printing, general supplies and other costs to operate the Councillors Offices.
f. Reduction of 71%; costs are those incurred by Chairs of Committees related to position; all Chair funds to be set at $1,500 per annum.
g. Reduction of 2.4%; budget at $81,924 over 4 years. Costs include Councillors' EA's; ability to attract and retain these staff will be impacted; service levels to citizens may be affected.
h. Mayor's Office and Office of Policy and Strategic Initiatives can accommodate the reduction with minimal impact.

Year over Year Variance Explanations

(in millions)

Year over year (increase) / decrease	2020 Draft Budget	2021 Draft Projection	2022 Draft Projection	2023 Draft Projection
1) *Revenue change due to the following:*				
- Increase (decrease) due to Board of Revision assessment appeals filing fee revenue	$ (0.420)	$ 0.420	$ (0.420)	$ 0.420
Net Revenue Change	**$ (0.420)**	**$ 0.420**	**$ (0.420)**	**$ 0.420**
2) *Expenditure change due to the following:*				
- Increase in salaries and benefits	$ 0.228	$ 0.132	$ 0.145	$ 0.165
- Decrease in transfer to civic accommodations due to 311 Ross	(0.179)			
- Decrease in Councillor Ward Allowances and Chairmanship	(0.087)			
- Increase (decrease) in services due to Board of Revision assessment appeals filing expenses	(0.090)	0.090	(0.090)	0.090
- Decrease in grants cash - commitment ending 2020		(1.000)		
- Increase in transfer to capital		0.100	0.110	(0.110)
- Increase in election expenses			2.955	(2.955)
- Increase in election debt & finance charges			(2.884)	2.841
- Increase (decrease) in election recoveries			(1.236)	1.236
- Increase (decrease) in election salaries and benefits			1.122	(1.122)
- Miscellaneous adjustments	(0.058)	0.005	0.001	(0.002)
Net Expenditure Change	**$ (0.186)**	**$ (0.674)**	**$ 0.123**	**$ 0.143**

Salary Budget and Full Time Equivalents (FTEs) / Vacancy Management / Options to Achieve the Target

2020 Draft Operating Budget

	2019 Adopted Budget	2020 Draft Budget*	Increase / (Decrease)	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
Full Time Equivalents *(number of FTEs)*	73.53	74.36	0.83	74.53	81.36	74.53
Salaries & Benefits *(in millions of $)*	$ 7.533	$ 7.761	$ 0.228	$ 7.893	$ 9.160	$ 8.204
Vacancy Management included in Salaries & Benefits *(in millions of $)*	*$ (0.235)*	*$ (0.236)*	*$ (0.001)*	*$ (0.239)*	*$ (0.243)*	*$ (0.248)*

* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating budget target

Operating Budget (Museums)

2020 Draft Operating Budget and 2021 to 2023 Projections in millions of $	2018 Actual	2019 Budget	2020 Draft Budget *	*Year over Year Increase / (Decrease)*	%	*Exp. No.*	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
REGULATION FEES	-	-	-	-			-	-	-
SERVICE AND OTHER	-	-	-	-			-	-	-
TOTAL REVENUE	**-**	**-**	**-**	**-**		***1***	**-**	**-**	**-**
SALARIES & BENEFITS	0.179	0.126	0.127	*0.001*			0.129	0.132	0.134
SERVICES	0.009	-	-	-			-	-	-
MATS PARTS & SUPPLIES	0.002	-	-	-			-	-	-
ASSETS & PURCHASES	0.001	-	-	-			-	-	-
GRANTS, TRANSFERS & OTHER	0.855	0.639	0.638	*(0.001)*			0.636	0.633	0.631
RECOVERIES	(0.015)	-	-	-			-	-	-
TOTAL OPERATIONAL EXPENDITURES	**1.031**	**0.765**	**0.765**	***(0.000)***	***0%***		**0.765**	**0.765**	**0.765**
DEBT & FINANCE CHARGES	-	-	-	-			-	-	-
TRANSFER TO CAPITAL	-	-	-	-			-	-	-
TOTAL EXPENDITURES	**1.031**	**0.765**	**0.765**	***(0.000)***	***0%***	***2***	**0.765**	**0.765**	**0.765**
Mill Rate Support / (Contribution)	**1.031**	**0.765**	**0.765**	***(0.000)***			**0.765**	**0.765**	**0.765**
Options to Achieve Operating Budget Target:									
a. Museums have no operating budget target			-				-	-	-
Total Options to Achieve the Target			**-**	**-**	**-**	**-**	**-**	**-**	**-**
EPC Recommended Target to Balance			**-**	**-**	**-**	**-**	**-**	**-**	**-**
Variance from the Target			**-**	**-**	**-**	**-**	**-**	**-**	**-**

* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating target.

Salary Budget and Full Time Equivalents (FTEs) / Vacancy Management (Museums)

2020 Draft Operating Budget

	2019 Adopted Budget	2020 Draft Budget*	Increase / (Decrease)	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
Full Time Equivalents *(number of FTEs)*	3.00	3.00	-	3.00	3.00	3.00
Salaries & Benefits *(in millions of $)*	$ 0.126	$ 0.127	$ 0.001	$ 0.129	$ 0.132	$ 0.134
Vacancy Management included in Salaries & Benefits *(in millions of $)*	$ -	$ -	$ -	$ -	$ -	$ -

* Museums have no operating budget target

Capital Budget

CITY CLERKS - GENERAL CAPITAL FUND

Capital Investment Plan - Authorization

($000's)

	Authorization							
	2019 Adopted	2020 Draft Budget*	Draft Forecast* 2021	2022	2023	2024	2025	6-Year Total
List of Capital Projects:								
1 Corporate Records Centre	-	-	-	100	-	-	-	100
2 Election Systems	-	-	100	110	-	-	100	310
3 Voting Machine Replacement	-	-	-	-	-	-	-	-
4 Audio / Video Equipment Replacement	-	-	-	-	100	-	-	100
TOTAL CAPITAL PROJECTS	-	-	100	210	100	-	100	**510**

Options to Achieve the Target	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**6-Yr Total**
a. Reduce Election Systems		(100)	(90)			(100)	(290)
b. Eliminate Voting Machine Replacement			(1,000)				(1,000)
c. Reduce Corporate Records Centre			(100)				(100)
d. Reduce Audio / Video Equipment Replacement				(50)			(50)
Total Options to Achieve the Target *	-	**(100)**	**(1,190)**	**(50)**	-	**(100)**	**(1,440)**
EPC Recommended Target to Balance	-	(100)	(1,190)	(50)	-	(100)	**(1,440)**
Variance from the Target	-	-	-	-	-	-	-

* 2020 Draft Budget and Five Year Draft Forecast include the options to achieve the capital target

Implications of the Recommended Target for the Capital Budget

a. Election Systems - IT systems used to run the election (hiring of 2,500 workers, creation of 500,000 voters cards, keep track of who has voted, etc.) Systems are used infrequently; changes as a result of networks, operating systems, security upgrades, etc., have to be tested and upgraded, along with changes to legislation built in. Reduction in budget by 50% will constrain these efforts. Department will be diligent in prioritizing only necessary upgrades.
b. Voting Machine Replacement - current machines were purchased in 2009; will be 13 years old in 2022 and beyond their operational lifespan. May not be able to be used for 2022. Will work with vendor to refurbish; need to be operating at 100%. Options to meet target include returning to manual count. This will delay results for 1 to 2 days / reduce accuracy. Other option include leasing machines vs replacement ($500K vs $1,000K), although budget cut of $500,000 would still need to occur.
c. Corporate Records Centre - New records centre upgrades. Reduction in budget will constrain these efforts. Department will be diligent in prioritizing only necessary upgrades.
d. Video / Audio Replacement - City Clerk's undertakes over 150 events annually, many public, providing sound and video support including microphones, speakers, pool sound and projectors. Project upgrades equipment which ages quickly as many events are outside; 100% uptime is required due to public nature of events. Reduction in budget will constrain these upgrades. Department will be diligent in prioritizing only necessary upgrades.

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

HANDOUT WILL BE PROVIDED

ATTACHMENT TO THE PRESENTATION



Capital Forecast
to Draft Budget

Operating Budget Referrals

Operating Budget Referrals			2020	2021	2022	2023
Manitoba Theatre for Young People	$30,000 annual grant-in-lieu of taxes for a 10-year period beginning in 2018 togeether with a one-time top-up amount for unpaid taxes. **Only the $30,000 annual grant had been budgeted for 2020 to 2023.**	Council (December 13, 2016)	✔	✔	✔	✔
Winnipeg Food Council - External Coordinator	That consideration to support an external coordinator position in 2020 and beyond.	Council (May 16, 2019)	✔	✔	✔	✔

Included in the budget	✔
Not budgeted	x

Operating Budget Summary

1.Recommended target – 4 year budget – 1.2% annual budget rate decrease net of capital expenditures, based on 2019 expenditures. (0% over 2019 plus Legal Services allocation)

	2019 Approved Budget	2020 Projection (from 2019)	**2020 Draft Budget**	**2021 Draft Projection**	**2022 Draft Projection**	**2023 Draft Projection**	**2020 - 2023 Draft - Total**
Expenditure Budget*	19.24	20.10	**19.92**	**19.24**	**19.37**	**19.51**	**78.04**
EPC Recommended Expenditure Target			**19.96**	**19.37**	**19.05**	**19.66**	**78.04**
Variance from the Target			**(0.04)**	**(0.13)**	**0.32**	**(0.15)**	**0.00**

* Note: Draft budget and projections include the options to achieve the EPC recommended , before cash to capital

Capital Budget Summary

Recommended target for capital

(in millions of $)

	2019 Approved Capital	2020 Draft Budget	Draft Forecast					
			2021	2022	2023	2024	2025	Total
Cash to Capital Budget*	-	-	0.10	0.21	0.10	-	0.10	0.51
EPC Recommended Capital Target		-	0.10	0.21	0.10	-	0.10	0.51
Variance from the Target		-	-	-	-	-	-	-

* Note: Draft budget and forecast include the options to achieve the EPC recommended targets to balance.

Questions?