Agenda - Council – March 23, 2004

Report - Executive Policy Committee - March 17, 2004

Item No. 1 2004 to 2006 Operating Budget
File FE(2004)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 2004, the Executive Policy Committee concurred in the Preliminary 2004 to 2006 Operating Budget, as amended, and submits the following to Council:

1. That the 2004 Operating Budget as tabled at the Executive Policy Committee meeting of February 24, 2004, and amended by Recommendation 2, be forwarded to Council for approval, and that the 2005 and 2006 projections be approved in principle and received as information on the preliminary financial plans for those years, and referred back to the Executive Policy Committee for adjustments.

2. That the following changes, which have a neutral impact on the mill rate for the 2004 tax-supported operating budget, be made, namely:

Description	**Revenue**	**Expenditure**	**Mill Rate Support/ (Contribution)**
Tax-Supported Budget Tabled February 24, 2004	**$ 692,933,952**	**$ 692,933,952**	**$ ---**
RECOMMENDED CHANGES:			
1. That the Community Services budget be increased as follows:			
A. library materials	---	100,000	100,000
B. insect control/larviciding	---	100,000	100,000
2. That the Public Works budget be increased as follows:			
A. two (2) cycles of boulevard maintenance	---	240,000	240,000
B. thin bituminous overlay (TBO)	---	300,000	300,000
3. That the following museum budgets be increased on an ongoing basis as follows:			
A. St. Boniface Museum	---	80,000	80,000
B. Transcona Historical Museum	---	20,000	20,000
4. That the Fire Paramedics budget be increased by $459,795 to fund 12 positions to staff two peak-time 12-hour ambulance units to address advanced life support (ALS), emergency transport, and inter-facility transfer needs, effective May 1st, 2004. The City will fund this program in an amount of $114,948 in 2004 (25% of the cost), with the remaining funding as follows:	---	459,795	459,795
A. 50% from user fee revenue from increased call volumes	229,899	---	(229,899)
B. 25% from the Winnipeg Regional Health Authority - to be negotiated	114,948	---	(114,948)

Report - Executive Policy Committee - March 17, 2004

5. That the Tax Penalty By-law No. 5796/91 and the Tax Sale Penalty By-law No. 8157/2002 be amended by setting a rate of Interest of 1.25% per month effective July 1, 2004, to all outstanding current taxes, all outstanding taxes in arrears and on unpaid taxes on real property sold in tax sale	954,948	---	(954,948)
Total Changes	**1,299,795**	**1,299,795**	
Tax-Supported Operating Budget as recommended by Executive Policy Committee	**$ 694,233,747**	**$694,233,747**	**$ ---**

3. That the City's 2004 mill rate remain at the 2002 and 2003 level of 29.686.

4. That the City's business tax rate for 2004 remain frozen at the 1996 level of 9.75%.

5. That $4,092,000 in previously approved 2004 capital projects be held back and not proceeded with to reduce debt and finance charges in the tax-supported operating budget, and that these projects be referred to the 2005 capital budget process. See Appendix 4 in the 2004 to 2006 Preliminary Operating Budget.

6. That the full benefit of the GST rebate flow to the tax-supported budget and that the Chief Administrative Officer be authorized to do all things necessary to implement this recommendation.

7. That a new investment management fee policy for reserve funds managed by the Treasury Branch of Corporate Finance be approved effective January 1, 2004, as follows:

   A. An investment management fee of 20 basis points (1/5 of 1%) will be levied annually on the reserve funds managed on a cash or short-term basis (investments of two years and less) by the Treasury Branch of Corporate Finance; and

   B. An investment management fee of 10 basis points (1/10 of 1%) will be levied annually on the reserve funds managed on a long-term basis (investments of more than two years) by the Treasury Branch of Corporate Finance.

8. That the transfers to/from utility operations and reserves, as well as the fees and charges outlined in the tax-supported budget submission be approved.

Report - Executive Policy Committee - March 17, 2004

9. That the Administration be directed to report on a full cost recovery solid waste user pay system to be implemented in 2005 on a revenue neutral basis, that is, with a corresponding reduction in property taxes.

10. That the City enter into discussions with the Province for a single, self-sustaining assessment authority for the Province of Manitoba for implementation in 2005.

11. That the City negotiate with the Province for equitable cost sharing of services, and/or the authority to introduce alternative sources of revenue in order to reduce reliance on property tax revenue.

12. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary by-laws to implement the above recommendations.

Report - Executive Policy Committee - March 17, 2004

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 2004, the Executive Policy Committee concurred in the Preliminary 2004 to 2006 Operating Budget, as amended, and submitted the following to Council, namely:

- Delete Recommendation No. 1 in its entirety and replace with:
  1. That the 2004 Operating Budget as tabled at the Executive Policy Committee meeting of February 24, 2004, and amended by Recommendation 2, be forwarded to Council for approval, and that the 2005 and 2006 projections be approved in principle and received as information on the preliminary financial plans for those years, and referred back to the Executive Policy Committee for adjustments.

- Add the following as Recommendation No. 2:
  2. That the following changes, which have a neutral impact on the mill rate for the 2004 tax-supported operating budget, be made, namely:

Description	**Revenue**	**Expenditure**	**Mill Rate Support/ (Contribution)**
Tax-Supported Budget Tabled February 24, 2004	**$ 692,933,952**	**$ 692,933,952**	**$ ---**
RECOMMENDED CHANGES:			
1. That the Community Services budget be increased as follows:			
A. library materials	---	100,000	100,000
B. insect control/larviciding	---	100,000	100,000
2. That the Public Works budget be increased as follows:			
A. two (2) cycles of boulevard maintenance	---	240,000	240,000
B. thin bituminous overlay (TBO)	---	300,000	300,000
3. That the following museum budgets be increased on an ongoing basis as follows:			
A. St. Boniface Museum	---	80,000	80,000
B. Transcona Historical Museum	---	20,000	20,000

Report - Executive Policy Committee - March 17, 2004

DECISION MAKING HISTORY (continued):

4.	That the Fire Paramedics budget be increased by $459,795 to fund 12 positions to staff two peak-time 12-hour ambulance units to address advanced life support (ALS), emergency transport, and inter-facility transfer needs, effective May 1st, 2004. The City will fund this program in an amount of $114,948 in 2004 (25% of the cost), with the remaining funding as follows:	---	459,795	459,795
	A. 50% from user fee revenue from increased call volumes	229,899	---	(229,899)
	B. 25% from the Winnipeg Regional Health Authority - to be negotiated	114,948	---	(114,948)
5.	That the Tax Penalty By-law No. 5796/91 and the Tax Sale Penalty By-law No. 8157/2002 be amended by setting a rate of Interest of 1.25% per month effective July 1, 2004, to all outstanding current taxes, all outstanding taxes in arrears and on unpaid taxes on real property sold in tax sale	954,948	---	(954,948)
Total Changes		**1,299,795**	**1,299,795**	
Tax-Supported Operating Budget as recommended by Executive Policy Committee		**$ 694,233,747**	**$694,233,747**	**$ ---**

and renumber the balance of the recommendations accordingly.

On March 15, 2004, the Executive Policy Committee is scheduled to hear public delegations on the preliminary 2004 to 2006 Operating Budget.

On February 24, 2003, the Executive Policy Committee referred the Preliminary 2004 to 2006 Operating Budget to the following budget process timetable, namely:

February 26 to March 12, 2004	Standing Policy Committees - Review
March 15, 2004	Executive Policy Committee - Delegations
March 17, 2004	Executive Policy Committee - Recommendations to Council
March 23, 2004	Council Meeting