Minutes – Executive Policy Committee – March 19, 2020

BUDGET REVIEW

Item No. 7 Executive Policy Committee - Preliminary 2020-2023 Multi-Year Operating and Capital Budget – Final Recommendation

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee recommended to Council:

OPERATING BUDGET RECOMMENDATIONS:

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

   A. i. That the 2020 Preliminary Operating Budget, including the budgets for reserves (Volume 2 Appendix 3), be reviewed and approved by Council.

   ii. That the 2021 through 2023 projections be reviewed and approved by Council.

   B. That the City's mill rate be decreased from 13.290 to 12.861 in 2020, for the purpose of raising revenue as required for the annual operating budget.

   Note: This mill rate of 12.861 in 2020 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 bridges and; a 0.33% 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%. Property taxes are projected to increase by 2.33% in 2021, 2022 and 2023, an increase currently projected to be dedicated to capital programs.

   C. i. That the City's business tax rate be decreased from 4.97% to 4.84% in 2020; 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 $35,700 or less in 2020 ($33,900 in 2019).

   Note: Business tax rate to be determined in 2021 to 2023 to maintain current budgeted revenue. The Small Business Tax Credit (SBTC) to be recalculated to maintain the current credit commitment in 2021 to 2023.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

D. That Council approve the Multi-year Budget Policy (Attachment 1).

E. That Council direct the Public Service to report back within 180 days with a plan to establish a new Transformative Fund that is separate and distinct from the current Land Operating Reserve, to be funded from the sale of assets referred to in Recommendations F, G and H. ii.and that the report from the Public Service include the following parameters for the Transformative Fund:

   i. That the Transformative Fund be used to support investments that transform the delivery of services and reduce the City's infrastructure deficit with a focus on recreation, public green space as well as preservation, protection and enhancement of Winnipeg's tree canopy; and

   ii. That the Transformative Fund include a requirement that a majority of the proceeds deposited into this fund be re-invested within the area in which the funds were generated.

F. That Council direct the Public Service to report in 180 days to the Standing Policy Committee of Property Development, Heritage and Downtown Development with recommendations to sell or enter into a joint venture in respect of John Blumberg Golf Course or the land on which the John Blumberg Golf Course is situated and that a portion of the sale/development proceeds be deposited into the Transformative Fund.

G. That Council direct the Public Service to report back in 2020 with a plan to re-purpose up to 30% of all City owned golf lands. The re-purposing options of these golf lands may include, but are not limited to, public green space, active transportation, reforestation, community gardens, residential development (with affordable housing) and recreational opportunities. The report from the Public Service is to include a policy to deposit a portion of any proceeds from the sale of these lands into the Transformative Fund.

H. That Council direct the Public Service to report back within 180 days with a plan to rationalize City owned and/or leased building assets including:

   i. Administrative buildings that the Public Service considers to be surplus to the needs of the City, with any sale proceeds from these buildings deposited into the Land Operating Reserve;

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

ii. Buildings leased to third parties that the Public Service considers to be surplus to the needs of the City (including a relocation plan for any non-profit tenants), with a portion of any sale proceeds deposited into the Transformative Fund.

I. That Council direct the Public Service to report back within 180 days with a wading pool rationalization and splash pad reinvestment strategy which proposes funding from the Transformative Fund.

J. That Council direct the Chief Administrative Officer to immediately reduce the number of City owned and leased fleet vehicles by 5% starting in 2020 and report back in 2020 to the appropriate committee of Council on the feasibility of any further reductions to the City's vehicle fleet.

K. That Council direct the Public Service, in preparation for the 2024 – 2027 multi-year budgets, working collaboratively with the Winnipeg Police Service (WPS) and the Winnipeg Police Board, to bring forward on or before March 2022 options and recommendations for Council's consideration on a multi-year funding formula for the WPS that will provide planning certainty for the City of Winnipeg and a sustainable, predictable funding level for the WPS.

L. That Council amend the purposes of the Financial Stabilization Reserve to allow transfers between the Financial Stabilization Reserve and the General Revenue Fund, subject to maintaining required annual minimum balances in the Financial Stabilization Reserve, in order to ensure that the tax-supported operating budget is balanced.

M. In order to balance the four-year operating budget, that Council approve the following transfers between Financial Stabilization Reserve Fund and the General Revenue Fund as noted below.

	2020	2021	2022	2023	4year Total
Transfer (to)/ from Financial Stabilization Reserve Fund	($4,538,067)	($6,901,945)	$4,430,491	$24,537,521	$17,000,000

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

N. That Council approve the fees (Volume 2 Appendix 6), levies and transfers between funds (from / to General Revenue Fund summarized in Volume 2 Appendix 4) outlined in the 2020 Operating Budget.

O. That Council direct the Public Service to report to the appropriate committee of Council within 90 days outlining the creation of a grants program to support the delivery of $1,000,000 in new funding over four years to provide 24/7 safe space supports and services in Winnipeg. Informed by End Homelessness Winnipeg's 2019 review entitled "Safe Spaces in Winnipeg: A Brief Review of Existing Reports and Services", the report must outline the parameters for the grants program, including but not limited to, the program's purpose, objectives, application criteria, selection process, and timelines for this initiative.

P. That Council direct Winnipeg Transit to amend the rule that excludes from Winnipeg Transit Plus services an eligible user located more than 500 meters from a bus route in favour of a rule that includes for the purposes of Winnipeg Transit Plus services any eligible user located within the City of Winnipeg boundaries and all necessary documents be updated to reflect the change.

Q. That Council approve the introduction of a program allowing children under the age of 12 to travel on Transit free of charge, which program is to be administered as a separate program from any other fare programs and further direct Winnipeg Transit to report to the Standing Policy Committee on Infrastructure Renewal and Public Works within 180 days with respect to the details of the program, an implementation plan, a formal policy and an implementation timeline with a launch date in 2021.

R. That Council approve the elimination of Transit's Downtown Spirit service effective Fall 2020.

S. That Council renew the U-Pass program with the Universities of Manitoba and Winnipeg, and extend this program to Red River College for a 4 year period consistent with the Council approved report of November 21, 2019 except for being effective June 1, 2020, at a rate of $200.00 per semester in 2020 (a discount of approximately 50 percent from the cost of a regular adult monthly transit pass), and adjusting annually each year thereafter effective September 1 by amounts required to maintain a 50 percent discount from the cost of a regular adult monthly pass during this 4 year period.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

T. That Council approve the reduction of bus service as outlined in Attachment 2.

U. That Council amend the Business Improvement Zone Procedures By- law 8111/2002 to reflect that Business Improvement Zones, commencing with their 2021 budget, must allocate funds to offset a portion of the costs of the Neighbourhood Economic Development Officer and that the allocation of this cost to individual Business Improvement Zones be based on (adjusted) annual rental value.

V. That Council reiterate its prior direction to the Public Service to continue to pursue a new agreement with Shared Health Services for the provision of Emergency Medical Services by the City that reflects full cost recovery, including but not limited to the leasing costs for any new fire paramedic stations.

W. That Council authorize the Chief Financial Officer to:

i. allocate operational savings realized from Innovation projects within this four-year operating budget and approved in 2018 or 2019, to individual departments and Special Operating Agencies with the prior approval of the department(s) in which the project was implemented; and

ii. allocate any new operational efficiencies realized within the Innovation, Transformation and Technology Department within this four-year operating budget as a portion of the return on investment required to self-fund the Innovation Strategy and Smart Cities capital programs up to a maximum annual program value of $2 million.

X. That Council direct the Chief Innovation Officer to report back on the return on investments and results of the innovation and transformation initiatives through the annual budget process.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

Y. That Council:

i. require that, prior to payment of grants exceeding $5,000 annually approved in the 2020 operating budget, the City enter into, execute and deliver four-year grant agreements with grant recipients, and authorize the Chief Financial Officer to negotiate and approve the terms and conditions of grant agreements 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, including a provision that grants for years following 2020 are subject to budgetary approval; and

ii. approve grant and grant delegations as indicated in Volume 2 Appendix 2.

Z. That Council enact amendments to the Tax Certificate Fees By-law 53/205 to increase the fee for the making and mailing of a paper tax certificate to $58.00.

AA. That Council enact amendments to the Advertising Signs Business Tax By-law 6298/96 to increase the fee for a licence in lieu of business tax to:

i. $28.75 per square foot of the face of each digital sign;

ii. $3.25 per square foot of the face of each advertising sign that is not a digital sign.

BB. That Council repeal the Residential Toilet Replacement Credit Program By-law No. 111/2009 as the program has been discontinued.

CC. That Council enact amendments to the Sewer By-law No. 106/2018 to ensure that the City continues to pay private sewer service pipe repairs under section 41 for pipes serving owner-occupied single family dwellings and duplexes but discontinue paying private sewer service pipe repairs for those serving other buildings.

DD. That Council enact amendments to section 98 of the Sewer By-law No. 106/2018 to adjust the annual credit applicable to total sewer charges and overstrength wastewater surcharges for qualifying properties from 30% of the total sewer charges and overstrength wastewater surcharges to 20% effective January 1, 2021, 10% effective January 1, 2022 and zero % effective January 1, 2023.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

EE. That Council direct Special Operating Agencies to include a budget for vacancy management, as is the practice for other City departments, to be transferred to the tax supported fund and direct the Chief Administrative Officer to manage these in the same manner as with departments of the City.

FF. That Council, consistent with its prior direction to the Public Service, direct the Chief Administrative Officer, as part of the 2021 to 2023 annual multi-year budget review process, to apply continuous improvement tools as set out in Council motion on July 18, 2019.

GG. That Council request a report in 180 days on a new 3 year recreation and library facility investment strategy of up to $50 million, starting in 2021 to be funded from the City's anticipated annual strategic infrastructure allocation from the Province of Manitoba, subject to passage of the 2020 Provincial Budget and approval of this initiative by the Province of Manitoba.

HH. That Council direct the Public Service to explore options involving third party organizations to own and/or operate the Terry Sawchuk Arena and report back to the appropriate standing committee on this matter in 2020.

II. That a one-time grant of $140,000 in 2020 to Trees Winnipeg be approved to lead and coordinate the One million Tree Challenge, to be funded by the Urban Forest Enhancement Program capital budget.

JJ. That the following be added to the 2020-2023 multi-year Operating Budget and be funded from the savings resulting from an anticipated reduction to Provincial Sales Tax and the transfer of the Sustainability Office from the Chief Administrative Officer, within the tax supported budget, to the Sewage Disposal Utility:

i. $1.1 million over 4 years to enable 6 City libraries that are currently open on Sundays to remain open on Sundays from September to May;

ii. $1.3 million over 3 years to partially restore a proposed 50 percent reduction in Leisure Guide programming starting in 2021;

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

iii. $1.6 million over 4 years to support the City's Business Continuity program with new Business Continuity Officers (2 FTEs) and related operating costs to increase preparedness for business continuity.

iv. $155,000 in 2022 and 2023 for the incremental debt and finance charges related to the West Kildonan Library as noted in the Capital Budget recommendation J below.

v. $500,000 over 4 years for Public Art Strategy capital program to be funded by cash to capital as noted in Capital Budget recommendation H below.

KK. That $250,000 be transferred in 2020 from the Land Operating Reserve Fund, representing a portion of the City's share of net proceeds received from River Park South Developments Inc. (i.e. the Joint Venture), to the Land Dedication Reserve Fund – St. Norbert – Seine River Ward.

LL. That Council direct the City Solicitor/ Director of Legal Services to submit the necessary by-laws and policy amendments to implement the above recommendations directly to Council by way of a communication through the Office of the City Clerk.

CAPITAL BUDGET RECOMMENDATIONS

2. That the following recommendations with respect to the 2020 Preliminary Capital Budget and 2021 to 2025 Five Year Forecast be approved by Council:

A. i. That the 2020 Preliminary Capital Budget, totaling $369.542 million be reviewed and approved by Council;

ii. That Council approve new capital borrowing authority as follows

a) $56.327 million external borrowing for 2020 tax-supported operations, including Transit and Municipal Accommodations; and

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

b) $1.440 million external borrowing for 2020 tax-supported internal financing.

Note: The borrowing authority for Winnipeg Fleet Management Special Operating Agency (SOA) is approved as part of the SOA's 2020 to 2023 business plan report.

iii. That the 2021 to 2025 Five Year Capital Forecast be reviewed and approved by Council.

B. That Council approve the following cash to capital contribution:

Year	$ Millions
2020	22.846 (budget)
2021	23.014 (forecast)
2022	21.533 (forecast)
2023	21.625 (forecast)
2024	20.000 (forecast)
2025	20.000 (forecast)

C. That Council approve all other transfers from prior years' surplus or authorizations (Volume 3 Appendix 4), to/from reserves and other funds outlined in the capital budget.

D. That Council cancel the following unutilized borrowing authorities in the noted amounts:

i. By-law 120/2009 in the amount of $50 million (Tax supported borrowing related to Disraeli Bridge and Overpass Facility); and

ii. By-law 133/2017 in the amount of $801,434 (Solid Waste Fund).

E. That Council authorize expenditures on the following projects in 2020 or prior to the adoption of the 2021 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 $84.500 million for various Accelerated Regional Street Renewal projects as set out in the capital detail sheet page 2-13;

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

ii. Up to $1.000 million for the University Crescent - Pembina Highway to Chancellor Matheson Drive regional street project;

iii. Up to $0.500 million for the Portage Avenue Eastbound – St. Charles to David Street regional street project;

iv. Up to $7.000 million in Local Street Renewals to facilitate delivery of industrial streets, residential streets, alley, and sidewalk renewals;

v. Up to $4.820 million for the combined Sherwin Road – Dublin Avenue to Notre Dame Ave road renewal and bridge project;

vi. Up to $2.100 million for the Wellington Crescent Riverbank Stabilization project; and

vii. Up to $500,000 for the Boni-Vital Pool.

F. That Council approve transfers from Land Operating Reserve in 2020

i. to the General Capital Fund to a maximum of $4.515 million

ii. to the General Revenue Fund to a maximum of $4.235 million

iii. to the Land Dedication Reserve to a maximum of $250,000

provided the reserve's unallocated equity balance does not enter into a deficit position. Should the unallocated equity balance be such that the full transfer cannot be made, any shortfall will be addressed during 2020.

G. That Council approve that $1.876 million in prior years' tax supported cash to capital surplus due to capital projects coming under budget, identified in Volume 3 Appendix 5b,be utilized as a funding source in the General Capital Fund in the 2020 tax supported capital budget.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

H. That $500,000 over 4 years ($125,000/year) be added from 2020-2023 within the 2020 Capital Budget and 5 year capital forecast in support of public art and be funded from the savings resulting from an anticipated reduction to Provincial Sales Tax and the transfer of the Sustainability Office from the Chief Administrative Officer, within the tax supported budget, to the Sewage Disposal Utility."

I. That the West Kildonan GoLibrary project be removed from the 2020 Capital Budget funded by Federal Gas Tax funding of $242,000.

J. That Library Facility Redevelopment - West Kildonan Library be added in 2021 at $938,000 and 2022 at $2.775 million as part of the 2020 Capital Budget and 5 year capital forecast, with a total budget of $3.713 million, funded by the available Federal Gas Tax in capital budget recommendation I above of $242,000, $1.471 million from the Land Operating Reserve and $2.0 million through External Debt.

K. That the following changes be included in the 2020 Capital Budget and 5 year capital forecast, (Volume 3 Capital Project Detail):

i. Parks and Recreation Enhancement program (page 2-40) – amend the first sentence to "Program is focused on playground restorations, including play equipment and safety surface replacements, along with associated amenity and pathway improvements to enhance accessibility, and other park and recreation enhancements."

ii. Regional and Local Street Renewal (page 2-16) - replace "The Granular Roadways Improvements Program , which includes Type II Road Oiling, includes the annual pulvimixing program funding of $350,000" with "The Granular Lane Improvement Program's annual $1 million includes $350,000 per year that is dedicated to pulvimixing program."

L. That Council direct the City Solicitor/ Director of Legal Services to submit the necessary borrowing by-law directly to Council by way of a communication through the Office of the City Clerk.

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,

BE IT RESOLVED that the Preliminary 2020-2023 Multi-Year Operating and Capital Budget tabled at the Executive Policy Committee on March 6, 2020 be approved and forwarded to Council with the following amendments:

OPERATING BUDGET:

- Amend Recommendation 1. H. ii. by deleting "and the Terry Sawchuk Arena".

- Delete Recommendation 1. S. and replace with the following:

  "S. That Council renew the U-Pass program with the Universities of Manitoba and Winnipeg, and extend this program to Red River College for a 4 year period consistent with the Council approved report of November 21, 2019 except for being effective June 1, 2020, at a rate of $200.00 per semester in 2020 (a discount of approximately 50 percent from the cost of a regular adult monthly transit pass), and adjusting annually each year thereafter effective September 1 by amounts required to maintain a 50 percent discount from the cost of a regular adult monthly pass during this 4 year period."

- Add the following recommendations after 1. FF. and renumber the remaining recommendation accordingly:

  "GG. That Council request a report in 180 days on a new 3 year recreation and library facility investment strategy of up to $50 million, starting in 2021 to be funded from the City's anticipated annual strategic infrastructure allocation from the Province of Manitoba, subject to passage of the 2020 Provincial Budget and approval of this initiative by the Province of Manitoba.

  HH. That Council direct the Public Service to explore options involving third party organizations to own and/or operate the Terry Sawchuk Arena and report back to the appropriate standing committee on this matter in 2020.

  II. That a one-time grant of $140,000 in 2020 to Trees Winnipeg be approved to lead and coordinate the One million Tree Challenge, to be funded by the Urban Forest Enhancement Program capital budget.

DECISION MAKING HISTORY (continued):

JJ. That the following be added to the 2020-2023 multi-year Operating Budget and be funded from the savings resulting from an anticipated reduction to Provincial Sales Tax and the transfer of the Sustainability Office from the Chief Administrative Officer, within the tax supported budget, to the Sewage Disposal Utility:

i. $1.1 million over 4 years to enable 6 City libraries that are currently open on Sundays to remain open on Sundays from September to May;

ii. $1.3 million over 3 years to partially restore a proposed 50 percent reduction in Leisure Guide programming starting in 2021;

iii. $1.6 million over 4 years to support the City's Business Continuity program with new Business Continuity Officers (2 FTEs) and related operating costs to increase preparedness for business continuity.

iv. $155,000 in 2022 and 2023 for the incremental debt and finance charges related to the West Kildonan Library as noted in the Capital Budget recommendation 2.J. below.

v. $500,000 over 4 years for Public Art Strategy capital program to be funded by cash to capital as noted in Capital Budget recommendation 2.H. below.

KK. That $250,000 be transferred in 2020 from the Land Operating Reserve Fund, representing a portion of the City's share of net proceeds received from River Park South Developments Inc. (i.e. the Joint Venture), to the Land Dedication Reserve Fund – St. Norbert – Seine River Ward.

- Amend Recommendation 1. M. to revise the transfers to/from the Financial Stabilization Reserve as a result of the changes above.

DECISION MAKING HISTORY (continued):

CAPITAL BUDGET:

- Add the following recommendations after 2. G. and renumber the remaining recommendation accordingly:

  H. That $500,000 over 4 years ($125,000/year) be added from 2020-2023 within the 2020 Capital Budget and 5 year capital forecast in support of public art and be funded from the savings resulting from an anticipated reduction to Provincial Sales Tax and the transfer of the Sustainability Office from the Chief Administrative Officer, within the tax supported budget, to the Sewage Disposal Utility.

  I. That the West Kildonan GoLibrary project be removed from the 2020 Capital Budget funded by Federal Gas Tax funding of $242,000.

  J. That Library Facility Redevelopment - West Kildonan Library be added in 2021 at $938,000 and 2022 at $2.775 million as part of the 2020 Capital Budget and 5 year capital forecast, with a total budget of $3.713 million, funded by the available Federal Gas Tax in capital budget recommendation I above of $242,000, $1.471 million from the Land Operating Reserve and $2.0 million through External Debt.

  K. That the following changes be included in the 2020 Capital Budget and 5 year capital forecast, (Volume 3 Capital Project Detail):

     i. Parks and Recreation Enhancement program (page 2-40) – amend the first sentence to “Program is focused on playground restorations, including play equipment and safety surface replacements, along with associated amenity and pathway improvements to enhance accessibility, and other park and recreation enhancements.”

     ii. Regional and Local Street Renewal (page 2-16) - replace “The Granular Roadways Improvements Program , which includes Type II Road Oiling, includes the annual pulvimixing program funding of $350,000” with “The Granular Lane Improvement Program’s annual $1 million includes $350,000 per year that is dedicated to pulvimixing program.”

DECISION MAKING HISTORY (continued):

- Amend the 2020 Preliminary Capital Budget of $369.569 million in Recommendation 2. A. i. to $369.542 million.

- Amend cash to capital amounts in Recommendation 2. B to:

Year	$ Millions
2020	22.846 (budget)
2021	23.014 (forecast)
2022	21.533 (forecast)
2023	21.625 (forecast

- Add the following to Recommendation 2. F:

  iii. to the Land Dedication Reserve to a maximum of $250,000

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 18, 2020, the Executive Policy Committee heard delegations and presentations pertaining to the Preliminary 2020-2023 Multi-Year Operating and Capital Budget.

On March 6, 2020, the Executive Policy Committee tabled and referred the Preliminary 2020-2023 Multi-Year Operating and Capital Budget to the following budget review process:

Wednesday, March 11, 2020 – 9:30 a.m.	Standing Policy Committee on Property and Development, Heritage, and Downtown Development
Thursday, March 12, 2020 – 1:00 p.m.	Standing Policy Committee on Infrastructure Renewal and Public Works
Friday, March 13, 2020 – 9:30 a.m.	Standing Policy Committee on Protection, Community Services and Parks

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

Friday, March 13, 2020 – 1:00 p.m.	Winnipeg Police Board
Monday, March 16, 2020 – 9:30 a.m.	Standing Policy Committee on Innovation and Economic Development
Wednesday, March 18, 2020 – 9:30 a.m.	Standing Policy Committee on Water and Waste, Riverbank Management and the Environment
Thursday, March 19, 2020 – 9:00 a.m.	Executive Policy Committee – Delegations
Friday, March 20, 2020 – 9:00 a.m.	Executive Policy Committee – Recommendation to Council
Wednesday, March 25, 2020 – 9:30 a.m.	Council