Agenda – Executive Policy Committee – May 22, 2024

REPORTS

Item No. 15 Amendment to Strategic Infrastructure Basket Funding

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the revised 2024 funding allocation of the Strategic Infrastructure Basket, attached as Appendix B, be received as information.

2. That the $3.995 million annual increase to the Strategic Infrastructure Basket funding (total annual funding of $93.9 million) be referred to the 2025 Budget Update Process.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Amendment to Strategic Infrastructure Basket Funding

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
C. Kloepfer	C. Kloepfer	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

Each year, the Province of Manitoba provides operating grants to the City of Winnipeg along with a global capital grant titled the Strategic Infrastructure Basket (SIB). In the adopted 2024 to 2027 Multi-Year Balanced budget, the SIB was included at $89.905 million (a marginal increase in comparison to 2023 funding of $89.8 million). On April 3, 2024, the Province of Manitoba confirmed the SIB for the City at $93.9 million, which is an increase of $3.995 million in comparison to 2024 City Budget.

The Public Service will allocate this additional $3.995 million in 2024 to replace debt financing for an existing approved capital project, the Computer Assisted Mass Appraisal system. This change will result in full year annual savings of $369,786.00 as detailed in the Financial Impact Statement.

The SIB is also currently budgeted in 2025 to 2027 at approximately $89.8 million per year. The Public Service recommends that the additional $3.995 million in annual funding be referred to the 2025 Budget Update process.

RECOMMENDATIONS

1. That the revised 2024 funding allocation of the Strategic Infrastructure Basket, attached as Appendix B, be received as information.

2. That the $3.995 million annual increase to the Strategic Infrastructure Basket funding (total annual funding of $93.9 million) be referred to the 2025 Budget Update Process.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Executive Policy Committee approval is required to refer the annual Strategic Infrastructure Basket funding increase to the 2025 Budget Update Process.

IMPLICATIONS OF THE RECOMMENDATIONS

Changing the funding sources from external debt to Strategic Infrastructure Basket funding frees up additional borrowing capacity and reduces financing costs. This change will result in full year annual savings of $369,786.00.

HISTORY/DISCUSSION

Each year, the Province of Manitoba provides operating grants to the City of Winnipeg along with a global capital grant titled the Strategic Infrastructure Basket (SIB). In the adopted 2024 to 2027 Multi-Year Balanced budget, the SIB was included at $89.905 million. On April 3, 2024, the Province of Manitoba confirmed the SIB for the city at $93.9 million, which is an increase of $3.995 million in comparison to 2024 City Budget.

The Public Service will allocate this additional $3.995 million in 2024 to replace debt financing for an existing approved capital project, the Computer Assisted Mass Appraisal system. Replacing the debt financing will save the City $182,812 in 2024, and $369,786 from 2025 onwards.

The Provincially-approved allocation of the $89.8 million for the 2023 fiscal year is:

Project	2023/24 Approved
Previously Endorsed Federal-Provincial-Municipal Projects (cash flow adjusted)	
Accelerated Regional Street Renewal	$9.400
Zero Emission Buses	11.300
Radio and Intelligent Transportation System Replacement	0.200
Previously Endorsed Provincial-Municipal Projects	
Recreation and Library Facility Investment Strategy	16.600
Assiniboine Park Infrastructure, Sustainability & Capital Upgrades	3.400
Transit Building Replacement/Refurbishment Program	1.500
Urban Forest Enhancement Program	1.300
New Projects (previously approved in 2023/24)	
Public Safety Communication System	19.982
Old Exhibition Arena and Site Development	8.200
Southwest Sewer Interceptor	7.567
Urban Forest Renewal	4.519
City of Winnipeg Archives – The Winnipeg 150 Legacy Project	0.543
D'Arcy Lift Station	0.433
Health & Life Safety – Elmwood Kildonan Pool	0.093
Investment Planning Solution Intake Program	0.145

Project	2023/24 Approved
Trade Route Corridors – Planning and Design (Kenaston and Chief Peguis)	1.400
Woodhaven Park Community Centre: Multi-Purpose Court Renewal	0.142
New Projects	
East of the Red Rec Plex	2.000
Pedestrian and Cycling Program	0.945
City of Winnipeg Archives – The 150 Legacy Project (additional allocation)	0.064
Transit Information Technology Program	0.045
Total:	**$89.8M**

For the adopted 2024 to 2027 Multi Year Budget, the current allocation of the $89.9 million is detailed in Appendix A.

Next Steps

The City of Winnipeg will send a request to the Province to endorse the 2024 allocation once the amendment is made for the additional funds of $3.995 million proposed to being allocated to the Computer Assisted Mass Appraisal system project in 2024.

The SIB is also currently budgeted in 2025 to 2027 at approximately $89.8 million per year. This budgeted amount can be adjusted, including a proposed project allocation, as part of the 2025 Budget Update process.

FINANCIAL IMPACT

Financial Impact Statement **Date:** April 23, 2024

Project Name: **First Year of Program** **2024**

Amendment to Strategic Infrastructure Basket Funding.

	2024	2025	2026	2027	2028
Capital					
Capital Expenditures Required	$ 3,995,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	3,995,000	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal		$ -	$ -	$ -	$ -
Debt - External	(3,995,000)	-	-	-	-
Strategic Infrastructure Basket Funding	3,995,000	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required					
Total Additional Debt Required					
Current Expenditures/Revenues					
Direct Costs	$ (182,812)	$ (369,786)	$ (369,786)	$ (369,786)	$ (369,786)
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ (182,812)	$ (369,786)	$ (369,786)	$ (369,786)	$ (369,786)
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (182,812)	$ (369,786)	$ (369,786)	$ (369,786)	$ (369,786)

Additional Comments:

1. The capital expenditures above represent the revision to financing sources in the 2024 capital budget of allocating the $3.995 million of debt financing for an existing approved capital project, Computer Assisted Mass Appraisal system, with Strategic Infrastructure Basket funding.

2. Current expenditures represents the reduction in financing costs by changing funding sources from external debt.

Randy Bernard

Randy Bernard, CPA, CMA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

N/A

OURWINNIPEG 2045 POLICY ALIGNMENT

Goal #1: Leadership and Good Governance:

Objective #1: Establish and implement priority actions through evidence-informed decision-making processes. Evidence-informed actions require transparent and accountable decision-making to determine the long-term public interest and the appropriate trade-offs in levels of service, taxation, and budget priorities.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (WCAP), and its Goals and Objectives. It was determined that the WCAP is not applicable to this specific report

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (WPRS) and its Goals and Objectives. It was determined that the WPRS is not applicable to this specific report.

SUBMITTED BY

Department: Corporate Finance
Division: Chief Financial Officer
Prepared by: Catherine Kloepfer
Date: May 3, 2024

Appendix A: Provincial funding allocation for 2024 to 2027

Appendix B: Funding Composition