Agenda – Standing Policy Committee on Finance and Economic Development – September 14, 2026

REPORTS

Item No. 5 Over-Expenditure Authorization for the Public Works Department 2026 Operating Budget

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That authorization be given to the Public Works Department to over-expend the 2026 operating budget by up to $16.0 million.

2. That, should the Public Works Department under expend on salaries and benefits, the Department be given approval to use savings in salaries and benefits to off-set other over-expenditures in the Department.

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

ADMINISTRATIVE REPORT

Title: Over-Expenditure Authorization for the Public Works Department 2026 Operating Budget

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Ruby	J. Berezowsky	T. Graham	J. Dunford

EXECUTIVE SUMMARY

Based on the June financial forecast, the Public Works Department is requesting approval to over-expend its 2026 operating budget by $16.0 million. This is mainly due to Snow Clearing and Ice Control costs from January to March 2026 ($7.2 million), as well as anticipated costs for the rest of 2026 ($7.5 million). Other over-expenditures are Roadway Construction and Maintenance ($1.9 million), City Beautification/Spring Clean-up ($1.9 million), and Sandbag Manufacturing for the Province of Manitoba ($1.3 million).

Higher departmental revenues ($2.9 million) and other savings ($0.9 million) help offset the over-expenditures.

Snow removal and ice control services are delivered to the levels identified within the Council approved Policy on Snow Removal and Ice Control. The additional amount being requested for the rest of 2026 is being requested to have funding in place to pay suppliers on a timely basis should costs in the final quarter of the year exceed budget. External contractors cannot be paid if funding is not available.

RECOMMENDATIONS

1. That authorization be given to the Public Works Department to over-expend the 2026 operating budget by up to $16.0 million.

2. That, should the Public Works Department under expend on salaries and benefits, the Department be given approval to use savings in salaries and benefits to off-set other over-expenditures in the Department.

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

REASON FOR THE REPORT

Clause 9.1 of By-Law No. 7100/97 states that "The Standing Policy Committee on Finance may approve additional appropriations to an operating budget including approval of reallocations of funds provided in an operating budget of the city for a purpose other than that set out in the budget, and approval of additional operating expenditures."

IMPLICATIONS OF THE RECOMMENDATIONS

If approved, additional operating budget will be allocated to the Public Works Department to provide administrative authority for timely payments to contractors for costs incremental to the forecast.

Mill rate support to the Department will increase by $16.0 million.

As per the Q1 Financial Status and Forecast Report to March 31, 2026, approved by Standing Policy Committee on June 12, 2026, the Financial Stabilization Reserve can be used to cover the requested over-expenditure.

HISTORY/DISCUSSION

Section A – Summary of the June 2025 Forecast

Based on results to June 30, 2025, the Public Works Department is forecasting a net deficit of $16.0 million. This amount is being partially offset by certain revenues forecast to exceed budget. A summary is as follows:

Over-expenditures - June Forecast	
Snow Clearing and Ice Control (Q1 – Jan 1 to Mar 31)	$7,200,000
Snow Clearing and Ice Control (Q4 – Oct 1 to Dec 31)	$7,500,000
Roadway Construction and Maintenance	$1,925,000
City Beautification/mainly Spring Clean-up	$1,875,000
Sandbag Manufacture for the Province of Manitoba	$1,325,000
Revenues in excess of budget	($2,900,000)
Other savings	($925,000)
Total Forecast Mill Rate Support (June Forecast)	**($16,000,000)**

A summary of the June 30 forecast snow clearing and ice control costs is presented in Appendix A to this report. As detailed in Appendix A, departmental snow clearing and

ice control activities are being forecast to total $64.0 million, which is $14.7 million higher than the adopted Public Works departmental budget of $49.3 million.

First Quarter snow clearing and ice control expenditures are actual costs that have been incurred are known in amount.

Regarding Fourth Quarter Snow clearing and ice control expenditures, an additional $7.5 million is being requested in order to have funding in place to pay suppliers of snow clearing and ice control services in a timely manner in accordance with contract, should snow and ice control costs exceed budget in the final quarter of the year.

Roadway construction and maintenance is forecasting an over-expenditure of $1.9 million mainly due to additional minor rehabilitative works occurring in the summer months.
The Streets Maintenance Division is forecasting an over-expenditure in City Beautification in the amount of $1.9 million mainly due to the annual city-wide spring-clean-up program. Other city cleanup activities include; ongoing street sweeping in the downtown and on priority routes, encampment cleanup, and litter collection.

During the year, the Province of Manitoba requested the City manufacture sandbags in support of flood fighting activities in northern communities. The additional cost of manufacturing these sandbags has since been recovered from the Province of Manitoba and is a major driver in revenues being in excess of budget.

Within the forecast, there are a number of expenditures, other than those listed above, that varied from budget resulting in additional nets savings of $925,000.

Salaries and benefits are forecast to be approximately on budget. In the event there is a favorable variance in salaries and benefits at year end, approval is required to utilize those savings as an offset to non-salary overages. As a result, Committee approval is being sought to use any realized salaries and benefits savings to off-set over-expenditures in other non-salary accounts as required.

Section B - Authority to Pay External Contractors mainly related to Fourth Quarter Snow and Ice control services

The City relies on a combination of City forces and external contractors to provide snow clearing and ice control services in accordance with the Council approved policy. Once services are provided by the external contractors, the City has a legal obligation to make payment. It is important to pay external contractors on a timely basis.

The City has incurred $36.6 million in snow clearing and ice control expenditures to June 30, 2026, leaving $12.7 million in unspent budget for the remainder of the year. While the exact costs of delivering snow clearing and ice control services for the remainder of the year are not yet known, based on the historical cost of these services it

is very likely that budget will be exceeded and there will not be sufficient budget in place to pay external contractors through the end of the year.

The aim of the recommendations of this report is to put sufficient budget in place to allow the Public Service to pay external contractors and suppliers on a timely basis for the remainder of 2026. It should be noted that the cost of snow clearing and ice control can vary significantly from season to season based on a number of factors including; snowfall amounts, freeze thaw cycles, and wind conditions.

Actual costs for the remainder of the year are not known at the time of report and will be dependent on the weather over the remainder of the year. The recommendation is phrased as “up to” as there is the possibility not all of this budget will be required. Alternatively, it is possible that additional amounts could be required if there are significant weather events through the end of the year. If that were to be the case the Department would seek approval of additional budget at a later date.

The recommendations of this report are based on the June 30 forecast which is developed using best estimates at a point in time. It is understood that there will be variances from forecast in various operational areas.

Section C – Impact of Change of Forecast Method on June Financial Forecast

In prior years, the Department has completed the June Financial Forecast using the assumption that snow clearing and ice control activities will be on budget in the final quarter of the year. The Department then normally submits an over-expenditure report towards the end of the year that puts funds in place to pay suppliers in a timely manner, should snow clearing and ice control costs exceed budget in the final quarter.

In 2026, it may not be practical to submit this report in the final quarter of the year since there is only one other meeting (December). Therefore, approvals that have been traditionally requested towards the end of the year have been included in the June forecast. For comparative purposes, this year’s June forecast is $7.5 million higher than prior year’s due to a change in estimation method.

Impact of Incremental Funding in the Multi-year Budget

Significant improvements to snow clearing and ice control budgets have been made in the current multi-year budget cycle in order to address the traditional snow and ice control budgetary shortfall. The 2026 adopted budget included dedicated incremental funding of $10.5 million for snow and ice control costs compared to the 2023 adopted budget. All else equal, without these budget changes this report would have been seeking a budget amendment of $26.5 million. Additionally, the draft 2027 budget includes an additional incremental $3.0 million, totaling $13.5 million of incremental funding in the 2024-2027 multi-year budget.

If the recommendations of this report are approved and the full amounts are expended, this would represent an over-expenditure of 4.1 percent on the Department's approved annual expenditure budget of $390.0 million.

FINANCIAL IMPACT

Financial Impact Statement **Date:** September 3,2026

Project Name: **First Year of Program** **2026**

Authorization to Increase Expenditure Authority for the Public Works Department 2026 Operating Budget

	2026	2027	2028	2029	2030
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 408,961,917	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	2,883,431	-	-	-	-
Net Cost/(Benefit)	$ 406,078,486	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	390,004,610	-	-	-	-
Net Budget Adjustment Required	$ 16,073,876	$ -	$ -	$ -	$ -

Additional Comments: Exisiting budget amounts repsent the adopted operating expenditures budget for the Public Works department in 2026. Incremental revenues represnet the amounts by which revenues are forecasted to exceed budget based on the June Financial Forecast. Approval of this report will increase mill rate support to the Public Works department by $16.0 million.

J. Ruby, 2026-09-03

J. Ruby, CPA, CA
Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with: N/A

OURWINNIPEG POLICY ALIGNMENT

N/A

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

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

SUBMITTED BY

Department: Public Works
Division: Finance and Administration
Prepared by: J. Ruby
Date: September 4, 2026

Attachments:

Appendix A: Public Works Department June Snow Clearing and Ice Control Forecast