Agenda - Executive Policy Committee - February 16, 2005

Report - Standing Committee on Fiscal Issues - February 8, 2005

Item No. 3 Transfer from Sewer Utility to Tax-Supported Capital Fund for 2004
File FE-1

STANDING COMMITTEE RECOMMENDATION:

The Standing Committee on Fiscal Issues recommends to Council:

1. That a transfer of funds in the amount of $3.8 million from the Sewer Utility to the Tax-Supported Capital Fund be approved for 2004.

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

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DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On February 8, 2005, the Standing Committee on Fiscal Issues passed the following motion:

WHEREAS the City of Winnipeg included capital funding from the Province of Manitoba in an amount of $16 million in the 2004 Tax-Supported Capital Budget adopted by Council on December 16, 2003, and the amount of this budgeted funding was consistent with three former 6-year Urban Capital Projects Allocation agreements between the Province of Manitoba and the City of Winnipeg;

AND WHEREAS in a letter dated January 28, 2004, the Province of Manitoba indicated they would "provide a notional capital allocation of $20.4 million for infrastructure priorities provided by the City of Winnipeg", and this Provincial funding announcement appeared to be consistent with previous capital commitments under prior Urban Capital Projects Allocation agreements plus the historical commitment of $5 million for residential street renewal;

AND WHEREAS in a subsequent letter from the Province of Manitoba dated December 22, 2004, a more detailed breakdown of this funding commitment was provided indicating that the "2004 provincial funding allocation will include: …Unconditional funding allocations of $3.8 million to support the City's efforts to upgrade sewage treatment facilities and infrastructure". This Provincial advice came without prior knowledge of the City;

AND WHEREAS the City accounts for tax-supported capital and sewer utility capital projects in different funds, and as a result of this announcement will have a shortfall in its tax-supported capital financing and a surplus in its sewer capital financing for 2004 compared to budget;

NOW THEREFORE BE IT RESOLVED that a transfer of funds in the amount of $3.8 million from the Sewer Utility to the Tax-Supported Capital Fund be approved for 2004;

and submitted the matter to the Executive Policy Committee and Council.