Agenda – Executive Policy Committee – March 16, 2005

OPERATING BUDGET REVIEW

Item No. 6 Executive Policy Committee - 2005 and 2006 Operating Budget Recommendations
File FE (2005)

On February 25, 2005, the Executive Policy Committee tabled the Preliminary 2005 and 2006 Operating Budget, which contained the following recommendations:

1. That the Preliminary 2005 Operating Budget as outlined in the financial summary be forwarded to all Members of Council for their review.

2. That the 2006 Projection (intended to be submitted to Council for adoption in principle) as outlined in the financial summary be forwarded to all Members of Council for their review.

3. That the City's 2005 mill rate remain fixed at the 2002 level of 29.686.

4. That the City's business tax rate for 2005 be set at 7.75% for the downtown geographic area as defined in the *Downtown Winnipeg By-law No. 100/2004*, and remain frozen at the 1996 level of 9.75% for areas outside the downtown.

5. That the price of seniors' regular transit tickets and passes be reduced effective July 1st, 2005 (a further 25% discount for a total 50% discount from full regular pricing), as follows:

   a) 10 tickets be reduced from $12 to $9;

   b) a Super Pass (Monday to Sunday) be reduced from $12 to $9; and

   c) a monthly bus pass be reduced from $46.20 to $34.65.

6. That $5 million in previously approved 2005 capital projects be held back and not proceeded with to reduce debt and finance charges in the tax-supported operating budget, and that the City's capital requirements, including these projects, be reconsidered when the City receives new gas tax revenues. Specifically:

   a) That $1,319,000 for Public Works' streets program relating to St. Mary's Road from Dunkirk Drive to Greendell Avenue be referred to the 2006 capital budget process;

b) That funding in an amount of $1,000,000 for Public Works' local street renewal program be reduced, inasmuch as surplus funds from last year's program exist to complete the 2005 approved capital works;

c) That the 2005 capital budget be reduced by $1,581,000 for the Redwood Bridge, and that Council authorize expenditures before the 2006 capital budget is adopted in this amount as a first call on the 2006 capital budget to allow timely tendering of contracts;

d) That $100,000 for Cemeteries Improvements be referred to the 2006 capital budget process;

e) That the Combined Sewer Flood Relief project be reduced by $670,000 and the Combined Sewer Renewals project be reduced by $330,000 and that frontage levy financing in these amounts be applied to approved street renewal capital works included in the 2005 adopted capital budget.

7. 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.

8. That the regulations governing the Fiscal Stabilization Reserve be amended to permit transfers to or from this reserve to offset any variance in the revenue projections for net supplementary taxes used in the budget and the actual amounts achieved, and that any corresponding transfers be approved.

9. That, in accordance with subsection 215(4) of The City of Winnipeg Charter with respect to Special Service Units, authorization be given to the Fleet Management Agency SOA to finance a portion of its fleet purchase requirements through external sources, including from the City's bank, or from any other persons or corporations, including The City of Winnipeg Sinking Fund Trustees, of up to $6 million, in order to discontinue advance payments from City departments, thereby reducing the pressure on their operating budgets, and that the Fleet Management Agency SOA report back on any further future financing requirements.

10. That the City work with the Province to finalize the details of the new revenue-sharing agreement announced in the Throne Speech for a five per cent share of net revenues from city casinos in 2005, increasing to a 10 per cent share in 2006; and that any potential increase to the existing complement of police officers in the Winnipeg Police Service be addressed once the amount and timing of this new revenue is known.

11. That the City Solicitor be instructed to prepare the necessary by-laws to implement the above recommendations.

DECISION MAKING HISTORY:

On February 25, 2005, the Executive Policy Committee concurred in Recommendation Nos. 1 and 2, namely:

1. That the Preliminary 2005 Operating Budget as outlined in the financial summary be forwarded to all Members of Council for their review.

2. That the 2006 Projection (intended to be submitted to Council for adoption in principle) as outlined in the financial summary be forwarded to all Members of Council for their review.

Further, the Executive Policy Committee referred the Preliminary 2005 and 2006 Operating Budget to the Standing Policy Committees for review in accordance with the following timetable, namely:

February 28 to March 7, 2005	Standing Policy Committees - Review
March 14, 2005	Executive Policy Committee – Delegations
March 16, 2005	Executive Policy Committee – Recommendations to Council
March 22, 2005	Council Meeting