


Winnipeg

# 2005

## Preliminary Operating Budget

# Operating

## Letter from the Mayor and the Chairperson of Fiscal Issues

February 25, 2005

To: All Members of Council

**Re: Preliminary 2005 and 2006 Operating Budget**

The City's preliminary 2005 and 2006 operating budget for both its tax-supported and utility operations is now being submitted to all Members of Council for their consideration.

The budget process is really about the priorities of our citizens. It sets the framework for Winnipeg's ability to grow, compete and deliver. It is the means for us to respond to the needs and expectations of those who elected us.

In last summer's by-election, the people of Winnipeg endorsed a vision of a Winnipeg that is growing, competitive, safe and fun. A city where there is an opportunity for everyone. This budget represents the first opportunity to connect this vision with the priorities and needs identified by city councillors.

The document being tabled today holds the line on property taxes, reduces the business tax rate for downtown businesses from 9.75% to 7.75% for 2005, and provides deeper discounts on regular transit tickets and passes for seniors effective July 1st, 2005.

In terms of services, public safety has clearly been a priority of our citizens and the City's budget has reflected this priority. Budgets for emergency services form our largest tax-supported expenditure area, representing 35% of the budget. The second largest spending area is on public works, such as our street system, land drainage, garbage collection and street lighting, representing 27% of the tax-supported budget. This budget maintains its focus on those priorities.

We have been able to accomplish this through an increase in our assessment base, administrative efficiencies, holding some capital spending as the federal government develops their gas-tax sharing plans, and other initiatives. The City's core services have been preserved and the costs of inflation and wage pressures met.

Despite these efforts, pressures on our financial bottom line continue to escalate. Over the past two years, we have lobbied strenuously for improved cost sharing with other levels of government, so that our City will have a revenue structure that will ensure appropriate service levels for our citizens on a sustainable basis and allow us to tackle our infrastructure deficit.

While we have seen some success on that front, some capital projects approved for 2005 will be held to reduce debt and finance charges in the tax-supported operating budget.

These projects will be reconsidered when the City receives new federal gas tax revenues. Again, we will be actively working with other levels of government to confirm the timing and the amount of this revenue.

The new share of casino revenue announced by the Province in the Throne Speech has not been included in the budget at this time, as we have not been advised of the amount that we will be receiving in 2005. Based on the Provincial Throne Speech, the commitment is a five per cent share of net revenues from city casinos starting this year, increasing to a ten per cent share in 2006. We will be working with the Province to finalize details of this funding. Once we have more solid information, we will review the complement of police officers and discuss priorities with the Winnipeg Police Service.

While our budget for 2005 is balanced and freezes property taxes, further efforts to balance the budget for 2006 are required. These efforts will continue after the 2005 budget is passed in March. Presently there remains a $16.6 million shortfall for 2006, similar to the shortfall projected for 2006 during last year's budget process.

During the coming weeks, there will be a number of opportunities for all members of Council, as well as members of the general public, to obtain more detailed information about the preliminary budget.

The budget is now being referred to all members of Council for their review. All members of Council and interested citizens are invited to participate actively in the budget review process to help shape the future of our City.

Respectfully submitted,



Sam Katz,
Mayor



Bill Clement,
Chairperson,
Standing Committee on Fiscal Issues

# 2005 Preliminary Operating Budget




February 25, 2005

Winnipeg

# THE CHALLENGES

- Beginning the budget process with a significant shortfall
- City's commitment to a competitive tax environment
- Maintaining service levels to meet program needs
- Infrastructure maintenance and renewal requirements
- Inflationary increases

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# HIGHLIGHTS

- No increase in property taxes – 8 years of tax freezes and reductions
- Business taxes:
  - rate for downtown businesses reduced to 7.75%
  - rate for other businesses frozen for the 10th year in a row
- Reduced fares for seniors' regular transit tickets and passes
- Funding for public safety remains a priority
- Front line essential services maintained
- Continuing fiscal restraint

# BUDGET SUMMARY

| In Millions of $ | 2004 Budget | 2005 Preliminary Budget |
|---|---|---|
| **REVENUE** | | |
| Property Taxes | $ 387.6 | **$ 391.5** |
| Business Taxes | 61.9 | **59.2** |
| Net Taxes Added (property and business) | 4.8 | **11.1** |
| Other | 239.9 | **245.2** |
| **TOTAL** | **$ 694.2** | **$ 707.0** |
| **EXPENDITURES** | | |
| Departmental | $ 628.7 | **$ 640.4** |
| Corporate | 65.5 | **66.6** |
| **TOTAL** | **$ 694.2** | **$ 707.0** |
| **SURPLUS / (DEFICIT)** | **$ -** | **$ -** |

*Tax-Supported*

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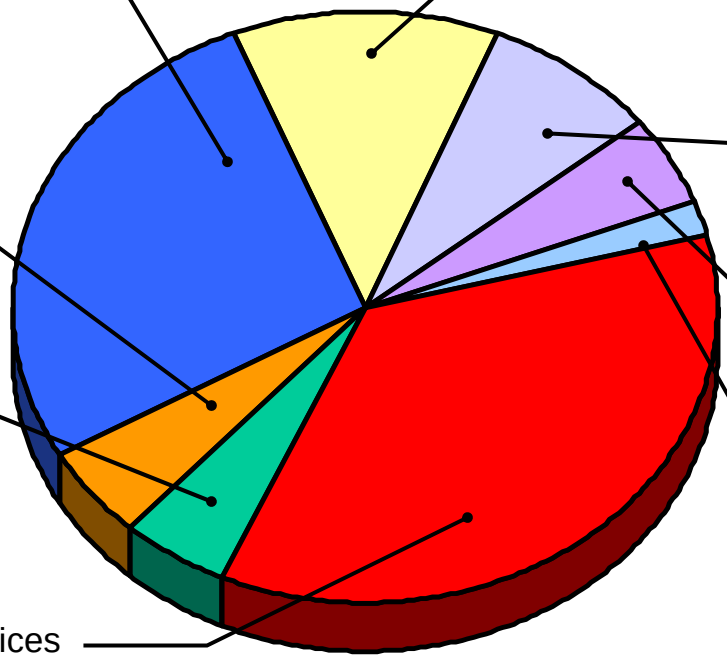
# HOW IS THE MONEY SPENT IN THE OPERATING BUDGET?



Street System, Solid Waste collection, Land Drainage and Street Lighting
$192.6 million
27.3%

Transit Subsidy
$33.8 million
4.8%

Property, Development, Planning, Permits and Buildings
$38.7 million
5.5%

Police and Fire Paramedic Services
$250.5 million
35.4%

Community Services (e.g. Libraries, Recreation Services, Food Inspections)
$85.7 million
12.1%

Corporate (e.g. Information Technology, Human Resources, Finance, Assessment, Legal)
$55.2 million
7.8%

Grants, Appeals, and other Corporate Costs
$32.7 million
4.6%

City Clerks, City Council, Mayor's Office, Museums, EPC Secretariat, Audit
$17.8 million
2.5%

**2005 Preliminary Operating Budget - $707 million**

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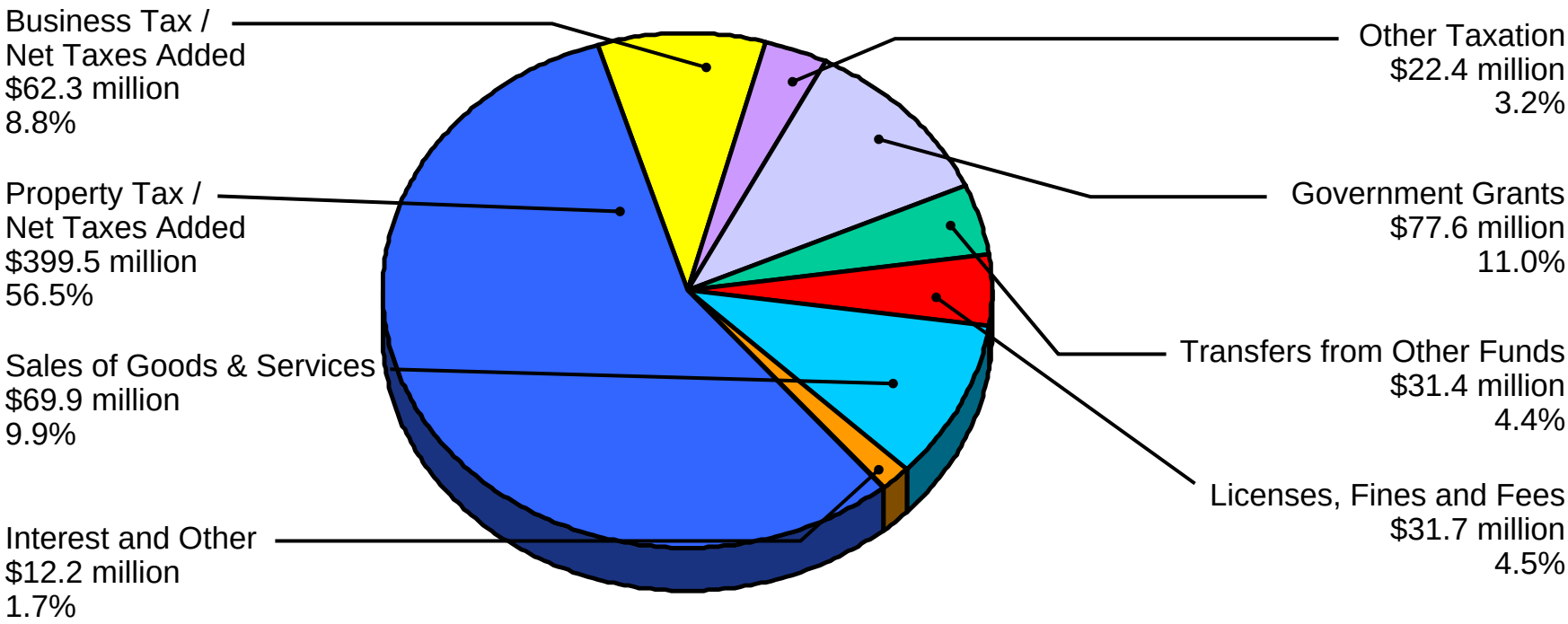
# WHERE DOES THE MONEY COME FROM IN THE OPERATING BUDGET?




**2005 Preliminary Operating Budget - $707 million**

*Tax-Supported*

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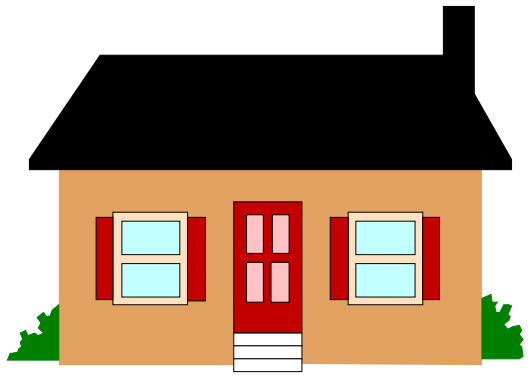
# A SAMPLE HOME ASSESSED AT $100,000 IN 1999

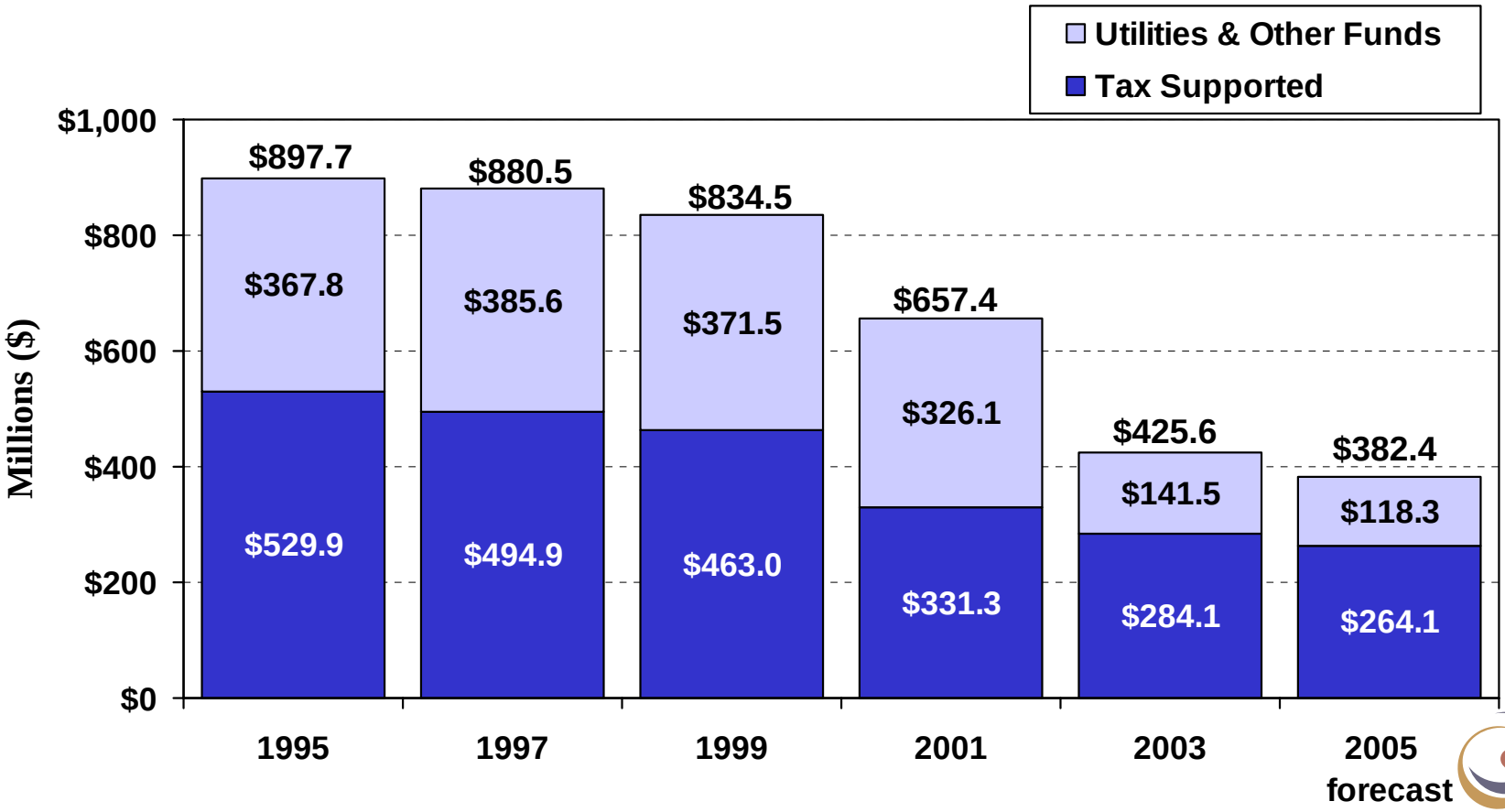
**Homeowners are paying lower municipal property taxes now than they did in 1999. The inflation adjusted reduction is much higher.**



| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|
| **Municipal property taxes (excludes school taxes):** | $1,506 | $1,476 | $ 1,446 | $ 1,416 | $ 1,416 | $ 1,416 | **$ 1,416** |
| **Decrease from 1999: Amount** | | $ (30) | $ (60) | $ (90) | $ (90) | $ (90) | **$ (90)** |

Due to the 2002 reassessment, the home's assessment for 2002 to 2005 is $106,000.

# TOTAL NET DEBENTURE DEBT




Note: Civic Accommodations and Transit are included with Utilities & Other Funds.

Net debenture debt decreased by 57% from 1995 to 2005. Net tax-supported debenture debt decreased by 50% from 1995 to 2005.

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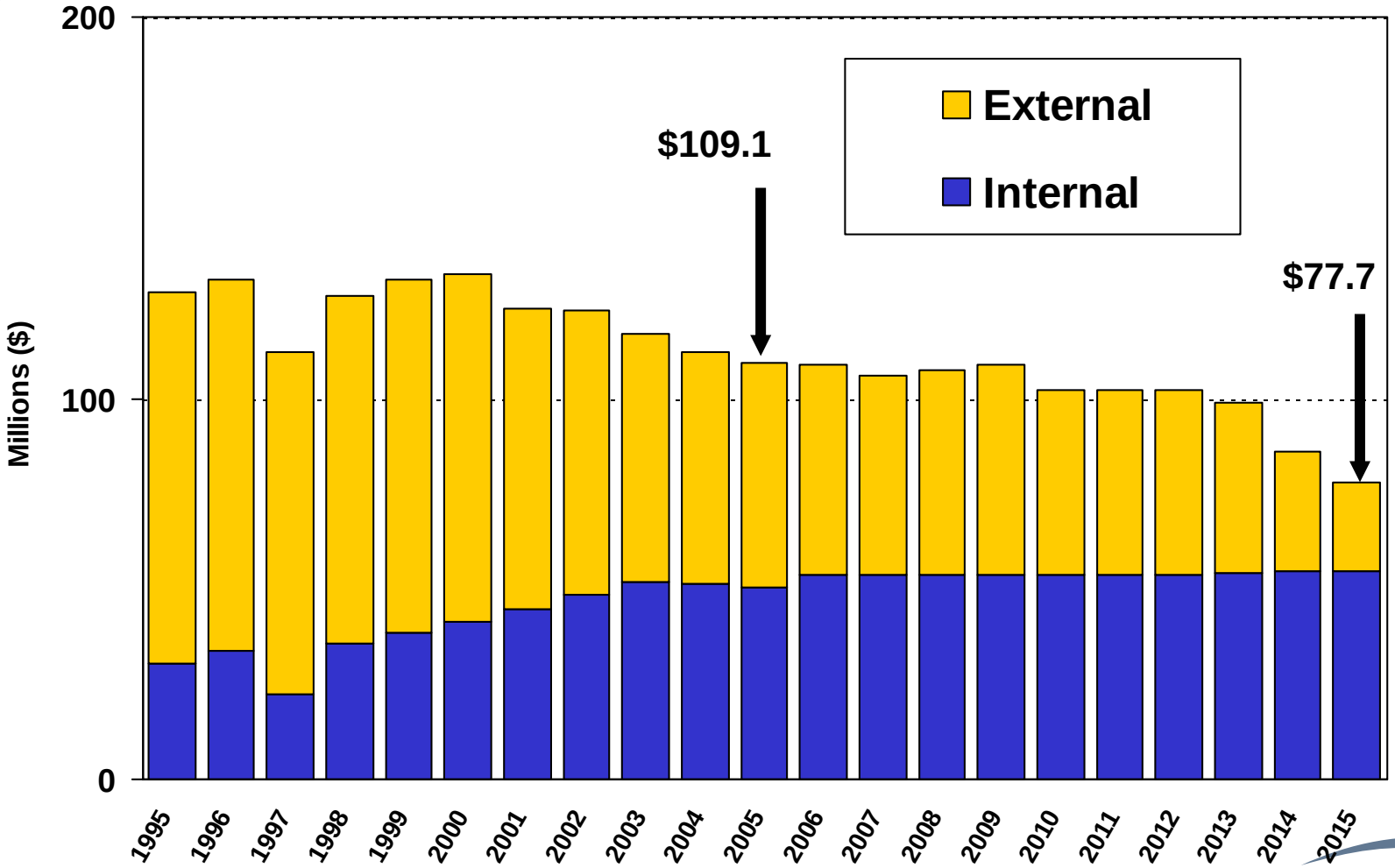
# TAX-SUPPORTED DEBT SERVICING COSTS




Excludes Civic Accommodations and Transit.

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# BUDGET PROCESS
# NEXT STEPS

- Standing Policy Committees review budget – February 28 to March 7, 2005
- Executive Policy Committee provides for public representation – March 14, 2005
- Executive Policy Committee tables final recommendations – March 16, 2005
- Council conducts final review and adoption – March 22, 2005

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## *RECOMMENDATIONS*

1. That the Preliminary 2005 Operating Budget as outlined in the following 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 following 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.

# THE CITY OF WINNIPEG
## 2005 and 2006 Preliminary Operating Budget
## *TAX-SUPPORTED SUMMARY*

| | 2004 Budget | 2005 Preliminary Budget | Variance | Expl. No. | 2006 Projection |
|---|---|---|---|---|---|
| **Revenue:** | | | | | |
| Property tax | $ 387,657,243 | **$ 391,507,129** | $ 3,849,886 | 1 | $ 396,164,835 |
| Net property taxes added | 4,000,000 | **8,000,000** | 4,000,000 | 2 | 4,000,000 |
| Business tax | 62,662,410 | **62,273,198** | (389,212) | 3 | 66,107,640 |
| Other taxation | 20,975,410 | **22,422,558** | 1,447,148 | 4 | 22,592,813 |
| Government grants | 73,066,116 | **77,617,329** | 4,551,213 | 5 | 82,403,207 |
| Regulation fees | 34,431,142 | **31,678,132** | (2,753,010) | 6 | 33,479,601 |
| Sale of goods and services | 68,681,620 | **69,900,469** | 1,218,849 | 7 | 70,835,494 |
| Interest | 13,608,119 | **11,344,118** | (2,264,001) | 8 | 8,629,463 |
| Transfers from other funds | 28,277,517 | **31,450,155** | 3,172,638 | 9 | 31,678,567 |
| Other | 874,170 | **806,133** | (68,037) | 10 | 802,235 |
| **Total Revenue** | **$ 694,233,747** | **$ 706,999,221** | **$ 12,765,474** | | **$ 716,693,855** |
| **Expenditures:** | | | | | |
| Departmental: | | | | | |
| Public Works | $ 147,639,418 | **$ 149,598,243** | $ 1,958,825 | 11 | $ 155,614,428 |
| Police Service | 140,569,649 | **146,695,427** | 6,125,778 | 12 | 149,600,970 |
| Fire Paramedic Service | 103,164,755 | **103,784,751** | 619,996 | 13 | 107,014,040 |
| Community Services | 83,029,959 | **85,713,552** | 2,683,593 | 14 | 89,468,342 |
| Planning, Property and Development | 39,293,844 | **38,729,974** | (563,870) | 15 | 39,770,357 |
| Water and Waste | 33,467,772 | **33,433,298** | (34,474) | 16 | 33,484,625 |
| Street Lighting | 9,609,939 | **9,521,957** | (87,982) | 17 | 10,028,023 |
| Corporate Information Technology | 16,259,739 | **16,518,984** | 259,245 | 18 | 15,314,974 |
| Corporate Finance | 14,979,765 | **12,883,495** | (2,096,270) | 19 | 13,150,510 |
| Property Assessment | 11,972,498 | **12,417,554** | 445,056 | 20 | 12,695,975 |
| Corporate Services | 9,213,240 | **10,420,857** | 1,207,617 | 21 | 9,543,426 |
| CAO Secretariat | 2,821,842 | **2,941,970** | 120,128 | 22 | 2,987,067 |
| City Clerks | 10,565,128 | **11,325,944** | 760,816 | 23 | 11,578,973 |
| Other departments | 6,143,137 | **6,454,029** | 310,892 | 24 | 6,527,456 |
| Sub-total Departmental | $ 628,730,685 | **$ 640,440,035** | $ 11,709,350 | | $ 656,779,166 |
| Corporate: | | | | | |
| Debt and finance charges | $ 12,455,640 | **$ 10,472,861** | $ (1,982,779) | 25 | $ 7,341,337 |
| Taxes | 6,159,000 | **6,282,000** | 123,000 | 26 | 6,407,662 |
| Insurance and damage claims | 3,553,397 | **3,671,947** | 118,550 | 27 | 3,777,170 |
| Corporate employee benefits | 5,006,790 | **3,227,879** | (1,778,911) | 28 | 3,310,748 |
| Contribution to Transit | 35,454,438 | **33,830,967** | (1,623,471) | 29 | 38,085,389 |
| Grants/payments to other authorities | 6,716,528 | **7,077,212** | 360,684 | 30 | 7,075,522 |
| Other | (3,842,731) | **1,996,320** | 5,839,051 | 31 | 10,549,788 |
| Sub-total Corporate | $ 65,503,062 | **$ 66,559,186** | $ 1,056,124 | | $ 76,547,616 |
| **Total Expenditures** | **$ 694,233,747** | **$ 706,999,221** | **$ 12,765,474** | | **$ 733,326,782** |
| **Shortfall** | **$ -** | **$ -** | **$ -** | | **$ (16,632,927)** |

**Note:** 2004 Budget restated to allocate certain corporate accounts to the responsible department (e.g. grants).

**THE CITY OF WINNIPEG**

**2005 Preliminary Operating Budget**

***TAX-SUPPORTED REVENUE - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | | Change |
|---|---|---|---|
| **1** | **Property tax** | **$** | **3,849,886** |
| | No increase in property tax rate. Revenue estimate adjusted for projected taxable assessment base for 2005. | | |
| **2** | **Net property taxes added** | **$** | **4,000,000** |
| | Net increase in property taxes for any properties added to or deleted from the property assessment roll after property tax bills are issued. | | |
| **3** | **Business tax** | **$** | **(389,212)** |
| | Business tax rate for the downtown geographic area reduced to 7.75%. Business tax rate for areas outside downtown frozen at 1996 level of 9.75%. Revenue estimate adjusted for projected assessment base for 2005. | | |
| **4** | **Other taxation** | | |
| | Increase in estimated Electricity and Gas Tax revenue. | $ | 1,023,276 |
| | Increase in Entertainment Tax revenue completely offset by increased refunds. | | 441,400 |
| | Decrease in local improvement taxes. | | (17,528) |
| | Total | **$** | **1,447,148** |
| **5** | **Government grants** | | |
| | Request for additional provincial cost-sharing / grants. | $ | 6,000,000 |
| | Decrease in Provincial Tax-sharing grant reflects 2004 actual grant. | | (1,483,430) |
| | Other Provincial and Federal grant revenue. | | 34,643 |
| | Total | **$** | **4,551,213** |

**THE CITY OF WINNIPEG**

**2005 Preliminary Operating Budget**

***TAX-SUPPORTED REVENUE - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | | Change |
|---|---|---|---|
| **6** | **Regulation fees** | | |
| | Decrease in revenue budget for Photo Safety Technology Program. | $ | (4,000,195) |
| | Increase in development fees revenue based on Council-approved revised fee structure. | | 600,000 |
| | Increase in revenue related to temporary surcharge on development applications to cover costs for a review of the Zoning By-law. | | 200,000 |
| | Other increases, primarily building and street cut permit revenue. | | 447,185 |
| | Total | **$** | **(2,753,010)** |
| **7** | **Sale of goods and services** | | |
| | Increase in revenue from Ambulance user fees as a result of increased call volume. | $ | 593,782 |
| | Athletic fields additional revenue to go toward increased maintenance, as approved by Council on November 24, 2004. | | 270,000 |
| | Introduction of a $0.50 monthly Tax Instalment Payment Plan (TIPP) administration fee, effective July 1, 2005. | | 200,000 |
| | Miscellaneous revenue. | | 155,067 |
| | Total | **$** | **1,218,849** |
| **8** | **Interest** | | |
| | Reduced contribution from the Sinking Fund to $4.1 million. | $ | (2,200,000) |
| | Decrease in other interest and debt charges recoverable. | | (64,001) |
| | Total | **$** | **(2,264,001)** |

**THE CITY OF WINNIPEG**

**2005 Preliminary Operating Budget**

***TAX-SUPPORTED REVENUE - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | Change |
|---|---|---|
| **9** | **Transfers from other funds** | |
| | Increases / (decreases) in transfers from utilities and other funds as follows: | |
| | - Fleet Management Agency | $ 2,919,467 |
| | - Water Utility | 603,366 |
| | - Sewer Utility | 558,313 |
| | - Solid Waste Disposal Utility | 492,295 |
| | - Civic Accommodations Fund | 396,719 |
| | - Assiniboine Park Enterprise Fund | 117,012 |
| | - Glacial Sand and Gravel Special Operating Agency | 50,575 |
| | - Winnipeg Golf Services Special Operating Agency | 19,554 |
| | - Facilities Maintenance | 15,337 |
| | - General Purpose Reserve | (2,000,000) |
| | Total | **$ 3,172,638** |
| **10** | **Other revenue** | **$ (68,037)** |
| **Total Revenue Variance** | | **$ 12,765,474** |

**THE CITY OF WINNIPEG**

**2005 Preliminary Operating Budget**

***TAX-SUPPORTED EXPENDITURES - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | Change |
|---|---|---|
| **11** | **Public Works** | |
| | Increase in funding for Council's Strategic Infrastructure Reinvestment Policy. | $ 1,922,289 |
| | Increase in salaries and benefits. | 1,844,868 |
| | Increase in fleet charges. | 342,447 |
| | Increase in athletic field maintenance as approved by Council on November 24, 2004. | 270,000 |
| | Decrease in debt and finance charges. | (1,774,652) |
| | GST savings due to full rebate. | (715,698) |
| | Miscellaneous. | 69,571 |
| | Total | **$ 1,958,825** |
| **12** | **Police Service** | |
| | Increase in salaries and benefits. | $ 7,415,161 |
| | Decrease due to completion of radio purchases in 2004. | (525,808) |
| | GST savings due to full rebate. | (427,667) |
| | Savings in maintenance costs due to delay in new computerized dispatch system implementation. | (338,578) |
| | Miscellaneous. | 2,670 |
| | Total | **$ 6,125,778** |
| **13** | **Fire Paramedic Service** | |
| | Increase in salaries and benefits. | $ 1,121,206 |
| | Inflationary increase for operational costs. | 868,703 |
| | Decrease in fleet charges due to discontinuance of advance payments. | (1,234,772) |
| | Decrease in debt and finance charges. | (135,141) |
| | Total | **$ 619,996** |

**THE CITY OF WINNIPEG**

**2005 Preliminary Operating Budget**

***TAX-SUPPORTED EXPENDITURES - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | Change |
|---|---|---|
| **14** | **Community Services** | |
| | Increase in salaries and benefits. | $ 1,551,169 |
| | Increase in transfer to Public Works for facilities maintenance. | 528,931 |
| | Increase in debt and finance charges. | 240,307 |
| | Increase in transfer to Library Reserve. | 186,435 |
| | Other operational cost increases. | 176,751 |
| | Total | **$ 2,683,593** |
| **15** | **Planning, Property and Development** | |
| | Fund Heritage Investment Reserve from year end surpluses. | $ (1,200,000) |
| | GST savings due to full rebate. | (599,158) |
| | Non-recurring land transfer costs / real property purchases. | (520,000) |
| | Increase in salaries and benefits. | 964,265 |
| | Increase in debt and finance charges. | 347,915 |
| | Additional funding to review Zoning By-law. | 200,000 |
| | Other operational cost increases. | 243,108 |
| | Total | **$ (563,870)** |
| **16** | **Water and Waste** | |
| | Decrease in debt and finance charges for land drainage. | $ (512,163) |
| | Decrease in fleet charges for garbage collection due to discontinuance of advance payments. | (477,304) |
| | Increase in salaries and benefits. | 314,928 |
| | Other operational cost increases. | 640,065 |
| | Total | **$ (34,474)** |
| **17** | **Street Lighting** | **$ (87,982)** |
| | Miscellaneous adjustments. | |

**THE CITY OF WINNIPEG**

**2005 Preliminary Operating Budget**

***TAX-SUPPORTED EXPENDITURES - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | Change |
|---|---|---|
| **18** | **Corporate Information Technology** | |
| | Transfer in responsibility for sustainment of new enterprise resource planning system, net of savings from decommissioning of the mainframe. | $ 1,109,513 |
| | Increase in salaries and benefits. | 392,987 |
| | Decrease in debt and finance charges. | (934,655) |
| | Net operational cost decreases, including increased recoveries for service. | (308,600) |
| | Total | **$ 259,245** |
| **19** | **Corporate Finance** | |
| | Decrease in costs, primarily due to transfer of responsibility for sustainment of new enterprise resource planning system. Responsibility rests with Corporate Information Technology and Corporate Services. | $ (1,958,455) |
| | Transfer funding for Emergency Preparedness function to CAO Secretariat as approved by Council. | (253,739) |
| | Increase in debt and finance charges. | 115,924 |
| | Total | **$ (2,096,270)** |
| **20** | **Property Assessment** | |
| | Increase in salaries and benefits. | $ 235,187 |
| | Increase in debt and finance charges. | 117,481 |
| | Other operational cost increases, primarily facilities costs. | 92,388 |
| | Total | **$ 445,056** |

**THE CITY OF WINNIPEG**

**2005 Preliminary Operating Budget**

***TAX-SUPPORTED EXPENDITURES - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | | Change |
|---|---|---|---|
| **21** | **Corporate Services** | | |
| | Transfer in negotiated CUPE training funds from corporate accounts. | $ | 1,000,000 |
| | Transfer in responsibility for sustainment of new enterprise resource planning system for human resource components. | | 202,259 |
| | Other operational cost increases. | | 5,358 |
| | Total | **$** | **1,207,617** |
| **22** | **CAO Secretariat** | | |
| | Transfer in Emergency Preparedness function as approved by Council. | $ | 253,739 |
| | Transfer funding for Coordinator of Environmental Initiatives from EPC Secretariat as approved by Council. | | 78,340 |
| | Reduce staffing and operational costs. | | (211,951) |
| | Total | **$** | **120,128** |
| **23** | **City Clerks** | | |
| | Increase in funding for the Winnipeg Arts Advisory Council. | $ | 500,000 |
| | Increase in Board of Revision costs related to the 2006 reassessment process. | | 394,025 |
| | Grant to the Manitoba Theatre for Young People as approved by Council. | | 25,000 |
| | Reduce other festivals funding. | | (150,000) |
| | Other operational cost decreases. | | (8,209) |
| | Total | **$** | **760,816** |

**THE CITY OF WINNIPEG**

**2005 Preliminary Operating Budget**

***TAX-SUPPORTED EXPENDITURES - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | | Change |
|---|---|---|---|
| **24** | **Other departments** | | |
| | Funding for administration of the Winnipeg Partnership Agreement. | $ | 250,000 |
| | Increase in funding for Audit Department. | | 112,576 |
| | Increase in funding for Seven Oaks Museum as recommended by Lord Selkirk-West Kildonan Community Committee. | | 2,000 |
| | Transfer funding for Coordinator of Environmental Initiatives from EPC Secretariat to CAO Secretariat as approved by Council. | | (78,340) |
| | Other increases. | | 24,656 |
| | Total | **$** | **310,892** |
| **25** | **Debt and finance charges** | **$** | **(1,982,779)** |
| | Decrease in Corporate debt and finance charges. | | |
| **26** | **Taxes** | **$** | **123,000** |
| | Increase in payroll and other taxes. | | |
| **27** | **Insurance and damage claims** | **$** | **118,550** |
| | Increase in budget for insurance premiums and damage claims. | | |
| **28** | **Corporate employee benefits** | | |
| | Transfer negotiated CUPE training funds to Corporate Services budget. | $ | (1,000,000) |
| | Reduced benefit costs, primarily sick leave and other severance pay requirements. | | (778,911) |
| | Total | **$** | **(1,778,911)** |

**THE CITY OF WINNIPEG**

**2005 Preliminary Operating Budget**

***TAX-SUPPORTED EXPENDITURES - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | | Change |
|---|---|---|---|
| **29** | **Contribution to Transit** | **$** | **(1,623,471)** |
| | Decrease in contribution to Transit (refer to variance explanation #6 under "Utility Operations" section of this document for additional information on Transit). | | |
| **30** | **Grants/payments to other authorities *** | | |
| | Increase in entertainment and business taxes rebated. | $ | 841,400 |
| | Net change in other grants and payments to other authorities, including non-recurring, one-time funding in 2004 of $275,000 for the Junos. | | (480,716) |
| | Total | **$** | **360,684** |
| **31** | **Other** | | |
| | Allocate GST rebate to departments as savings will occur in departmental budgets. | $ | 7,000,000 |
| | Reduce other corporate expenditures, primarily provisions for doubtful accounts and cost increases. | | (1,160,949) |
| | Total | **$** | **5,839,051** |
| | **Total Expenditure Variance** | **$** | **12,765,474** |

* Note: See page 11 for list of grants and payments to other authorities included in the 2005 Preliminary Operating Budget.

**THE CITY OF WINNIPEG**

**2005 Preliminary Operating Budget**

**Listing of Grants and Payments to Other Authorities**

| | | 2005 |
|---|---|---|
| **Corporate Grants and Payments to Other Authorities** | | |
| Children's Museum | $ | 67,000 |
| Convention Centre | | 2,200,000 |
| Corporate Grants - Minimal Municipal Services | | 300,000 |
| Destination Winnipeg | | 1,228,000 |
| Elmwood Cemetery | | 103,000 |
| True North - Business Tax Grant | | 400,000 |
| True North - Refund of Entertainment Tax | | 1,500,000 |
| Winnipeg Enterprises - Refund of Entertainment Tax | | 660,000 |
| Winnipeg Enterprises Amateur Use | | 75,000 |
| Winnipeg Goldeyes - Property Tax Grant | | 82,800 |
| Winnipeg Goldeyes - Refund of Entertainment Tax | | 345,930 |
| Winnipeg Harvest | | 50,000 |
| Winnipeg Library Board | | 65,482 |
| **Subtotal** | **$** | **7,077,212** |
| **Other Grants and Payments to Other Authorities** | | |
| Age and Opportunity Centre | $ | 89,000 |
| Art City | | 100,000 |
| Block Parents | | 17,165 |
| Broadway Neighbourhood Centre | | 115,000 |
| CentreVenture | | 250,000 |
| Citizens for Crime Awareness | | 31,795 |
| Citizenship Council of Manitoba | | 27,000 |
| Cultural Grants | | 3,674,552 |
| Festival Du Voyageur | | 40,000 |
| Fort Whyte Centre | | 40,000 |
| Heritage Winnipeg Corporation | | 9,000 |
| Housing and Urban Renewal | | 109,900 |
| Les Jeux de la Francophonie Canadienne | | 200,000 |
| Local Grants | | 111,090 |
| Main Street Project | | 96,000 |
| Manitoba Refugee Sponsorship Assurance Program | | 30,000 |
| Manitoba Theatre for Young People | | 25,000 |
| Manitoba Wildlife Federation | | 5,000 |
| Mediation Services | | 5,000 |
| National Volleyball Teams | | 75,000 |
| Pavilion | | 70,000 |
| Pritchard Place Drop In Centre | | 40,000 |
| Promotional Pins, etc. | | 25,000 |
| Rossbrook House | | 224,339 |
| Senior Citizen Directorate | | 17,850 |
| Street Festivals | | 150,000 |
| Take Pride Winnipeg | | 180,000 |
| Winnipeg Housing Rehabilitation Corporation | | 200,000 |
| **Subtotal** | **$** | **5,957,691** |
| **Total Grants and Payments to Other Authorities** | **$** | **13,034,903** |

# THE CITY OF WINNIPEG
## 2005 and 2006 Preliminary Operating Budget
## *UTILITY OPERATIONS*

| | 2004 Adopted Budget | 2005 Preliminary Budget | Variance | Expl. No. | 2006 Projection |
|---|---|---|---|---|---|
| | $ | $ | $ | | $ |
| **Civic Accommodations** | | | | | |
| Revenue | 29,925,481 | **30,983,908** | 1,058,427 | | 31,687,305 |
| Expenditure | 29,925,481 | **30,983,908** | 1,058,427 | | 31,687,305 |
| Surplus/(Deficit) | - | **-** | - | 1 | - |
| **Facilities Maintenance** | | | | | |
| Revenue | 25,764,509 | **26,436,552** | 672,043 | | 26,979,573 |
| Expenditure | 25,764,509 | **26,436,552** | 672,043 | | 26,979,573 |
| Surplus/(Deficit) | - | **-** | - | 2 | - |
| **Sewage Disposal** | | | | | |
| Revenue | 85,055,933 | **95,084,007** | 10,028,074 | | 111,497,622 |
| Expenditure | 81,240,608 | **84,468,922** | 3,228,314 | | 92,738,848 |
| Surplus/(Deficit) | 3,815,325 | **10,615,085** | 6,799,760 | 3 | 18,758,774 |
| **Solid Waste Disposal** | | | | | |
| Revenue | 14,714,079 | **15,898,483** | 1,184,404 | | 16,570,500 |
| Expenditure | 16,600,151 | **17,510,231** | 910,080 | | 15,837,993 |
| Surplus/(Deficit) | (1,886,072) | **(1,611,748)** | 274,324 | 4 | 732,507 |
| **Waterworks** | | | | | |
| Revenue | 75,174,628 | **75,675,765** | 501,137 | | 76,000,170 |
| Expenditure | 70,223,575 | **70,596,280** | 372,705 | | 72,022,273 |
| Surplus/(Deficit) | 4,951,053 | **5,079,485** | 128,432 | 5 | 3,977,897 |
| **Transit** | | | | | |
| Revenue | 107,483,821 | **107,928,927** | 445,106 | | 113,409,924 |
| Expenditure | 107,483,821 | **107,928,927** | 445,106 | | 113,409,924 |
| Surplus/(Deficit) | - | **-** | - | 6 | - |
| **Total** | | | | | |
| **Revenue** | **338,118,451** | **352,007,642** | **13,889,191** | | **376,145,094** |
| **Expenditures** | **331,238,145** | **337,924,820** | **6,686,675** | | **352,675,916** |
| **Surplus/(Deficit)** | **6,880,306** | **14,082,822** | **7,202,516** | | **23,469,178** |

**THE CITY OF WINNIPEG**
**2005 Preliminary Operating Budget**
***UTILITY OPERATIONS - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | | Change |
|---|---|---|---|
| **1** | **Civic Accommodations** | | |
| | Revenue Changes: | | |
| | Full cost recovery from client departments. | $ | 1,058,427 |
| | Expenditure Changes: | | |
| | Increase in debt and finance charges. | $ | 654,088 |
| | Increase in salaries and benefits. | | 67,783 |
| | Other operational cost increases, primarily related to facility maintenance. | | 336,556 |
| | | $ | 1,058,427 |
| | Variance | **$** | **-** |
| **2** | **Facilities Maintenance** | | |
| | Revenue Changes: | | |
| | Full cost recovery from client departments. | $ | 672,043 |
| | Expenditure Changes: | | |
| | Operational cost increases including maintenance for recreational facilities. | $ | 523,908 |
| | Increase due to new 7% retail sales tax on certain services. | | 148,135 |
| | | $ | 672,043 |
| | Variance | **$** | **-** |
| **3** | **Sewage Disposal** | | |
| | Revenue Changes: | | |
| | Increase in Sewer services revenue. | $ | 10,103,000 |
| | Decrease in other revenue. | | (74,926) |
| | | $ | 10,028,074 |
| | Expenditure Changes: | | |
| | Increase in municipal taxes. | $ | 1,300,000 |
| | Increase in salaries and benefits. | | 643,162 |
| | Increase in debt and finance charges. | | 503,589 |
| | Increase in sewage treatment plant operating costs. | | 360,000 |
| | Other operational cost increases, primarily engineering support. | | 421,563 |
| | | $ | 3,228,314 |
| | Increase in Surplus | **$** | **6,799,760** |

**THE CITY OF WINNIPEG**
**2005 Preliminary Operating Budget**
***UTILITY OPERATIONS - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | | Change |
|---|---|---|---|
| **4** | **Solid Waste Disposal** | | |
| | Revenue Changes: | | |
| | Increase in recycling revenues. | $ | 880,081 |
| | Increase in landfill revenues. | | 221,250 |
| | Miscellaneous. | | 83,073 |
| | | $ | 1,184,404 |
| | Expenditure Changes: | | |
| | Increase in cost of recycling contracts. | $ | 1,168,112 |
| | Decrease in debt and finance charges. | | (319,285) |
| | Other operational cost increases. | | 61,253 |
| | | $ | 910,080 |
| | Decrease in Deficit | **$** | **274,324** |
| **5** | **Waterworks** | | |
| | Revenue Changes: | | |
| | Increase in Water sales revenue. | $ | 252,000 |
| | Other revenue, primarily interest income. | | 249,137 |
| | | $ | 501,137 |
| | Expenditure Changes: | | |
| | Increase in salaries and benefits. | $ | 1,503,573 |
| | Decrease in transfer to Water Treatment Reserve. | | (1,371,000) |
| | Other operational cost increases including implementation of ultra-violet treatment of the water supply. | | 240,132 |
| | | $ | 372,705 |
| | Increase in Surplus | **$** | **128,432** |

**THE CITY OF WINNIPEG**
**2005 Preliminary Operating Budget**
***UTILITY OPERATIONS - 2005 Compared to 2004***

| Expl. No. | Variance Explanations | Change |
|---|---|---|
| **6** | **Transit** | |
| | Revenue Changes: | |
| | Increase in passenger revenue, net of implementation of further reduced fares for seniors' tickets and passes. Seniors are those passengers aged 65 and over. | $ 2,040,000 |
| | Decrease in contribution from tax support required. | (1,623,471) |
| | Miscellaneous. | 28,577 |
| | | $ 445,106 |
| | Expenditure Changes: | |
| | Increase in salaries and benefits. | $ 2,081,717 |
| | Increase in diesel fuel and lubricant costs. | 249,493 |
| | Reduced transfer to Bus Replacement Reserve. | (1,060,000) |
| | Decrease in debt and finance charges. | (924,444) |
| | Miscellaneous. | 98,340 |
| | | $ 445,106 |
| | Variance | **$ -** |
| | **Total Increase in Surplus** | **$ 7,202,516** |



Winnipeg