Minute No. 243
Report - Executive Policy Committee - March 16, 2005

Item No. 1 2005 and 2006 Operating Budget
File FE(2005)

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the 2005 Operating Budget as tabled at the Executive Policy Committee meeting of February 25, 2005, and amended by Recommendation 2, be adopted.

2. That the following additions to the Tax-Supported Operating Budget be made, namely:

   A. That the 2005 Community Services Department budget be increased by $100,000 for library materials;

   B. That the 2005 Public Works Department budget be increased by $200,000 as a contribution toward the City's costs to relocate the Manitoba Hydro transmission lines in the vicinity of Whittier Park;

   C. That the City Clerk's Department budget be increased by $30,000 in 2005 and 2006 to increase Local Per Capita Grants;

   with offsetting reductions in corporate costs.

3. That the 2006 Projection as outlined in the financial summary tabled at the Executive Policy Committee meeting of February 25, 2005, as amended by Recommendation 2 above, be adopted in principle.

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

5. 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.

Report - Executive Policy Committee - March 16, 2005

COUNCIL DECISION (continued)

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

   A. Ten (10) tickets be reduced from $12.00 to $9.00;

   B. A Super Pass (Monday to Sunday) be reduced from $12.00 to $9.00; and

   C. A monthly bus pass be reduced from $46.20 to $34.65.

7. 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 expenditures be authorized 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 Capital Budget.

Report - Executive Policy Committee - March 16, 2005

COUNCIL DECISION (continued)

8. That 2005 funding of $940,000 for the City's Affordable Housing Initiative be provided from the General Purpose Reserve to the Housing Rehabilitation Investment Reserve for the following programs:

   A. $140,000 for Flora Place Redevelopment

   B. $200,000 for Aboriginal Housing

   C. $600,000 for the 4 Housing Improvement Zones ($150,000 each for William Whyte, Spence, North Point Douglas and West Broadway)

9. 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.

10. 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.

11. 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.

12. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary by-law(s) to implement the above recommendations.

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

Report - Executive Policy Committee - March 16, 2005

DECISION MAKING HISTORY:

Moved by His Worship Mayor Katz,

That the recommendation of the Executive Policy Committee be adopted.

In amendment,

Moved by Councillor Gerbasi,
Seconded by Councillor Thomas,

WHEREAS the Mayor has committed 2.1 million dollars to be given as a business tax cut in the proposed 2005 Operating Budget;

AND WHEREAS it is inequitable to exclude businesses based on geography as a business near and around the downtown also deserves the same benefit;

AND WHEREAS any tax cuts should be given first to those businesses that would benefit the most, such as mom and pop operations, rather than large profitable businesses;

AND WHEREAS Provincial Bill 4, *The City of Winnipeg Charter Amendment Act (Differential Business Tax Rates)*, allows for new categories of business tax rates to be created as opposed to a uniform business tax rate;

AND WHEREAS the Chamber of Commerce in their brief to the Standing Committee on Fiscal Issues on September 25, 2001 recommended that Council give threshold exemptions based on assessed rental property values starting with the smallest businesses;

THEREFORE BE IT RESOLVED that Council not proceed with a geographic based tax cut as in the proposed budget;

AND BE IT FURTHER RESOLVED that Council utilize it's authority given under Bill 4 to give the smallest businesses, on a city-wide basis a tax reduction up to a ceiling of 2.1 million dollars in 2005.

The amendment proposed by Councillors Gerbasi and Thomas was put.

Report - Executive Policy Committee - March 16, 2005

DECISION MAKING HISTORY (continued)

Councillor O'Shaughnessy called for the yeas and nays, which were as follows:

Yea: Councillors Gerbasi, Smith and Thomas. 3

Nay: His Worship Mayor Katz, Councillors Eadie, Clement, De Smedt, Magnifico, Pagtakhan, Steeves, Wyatt, Lazarenko and O'Shaughnessy. 10

and the amendment was declared lost.

In amendment,

Moved by Councillor Smith,
Seconded by Councillor Gerbasi,

WHEREAS "our urban forest" is a very important part of this City's character and quality of life;

AND WHEREAS the current pruning program only ensures that all elms are pruned once every 44 years;

AND WHEREAS pruning every 5 to 7 years is critical for keeping trees healthy;

THEREFORE BE IT RESOLVED that the operating budget be amended by adding $300,000 to the forestry budget for pruning.

The amendment proposed by Councillors Smith and Gerbasi was put.

Councillor O'Shaughnessy called for the yeas and nays, which were as follows:

Yea: Councillors Gerbasi, Smith and Thomas. 3

Nay: His Worship Mayor Katz, Councillors Eadie, Clement, De Smedt, Magnifico, Pagtakhan, Steeves, Wyatt, Lazarenko and O'Shaughnessy. 10

and the amendment was declared lost.

Report - Executive Policy Committee - March 16, 2005

DECISION MAKING HISTORY (continued)

The motion for the adoption of the recommendation of the Executive Policy Committee was put.

Councillor O'Shaughnessy called for the yeas and nays, which were as follows:

Yea: His Worship Mayor Katz, Councillors Eadie, Clement, De Smedt, Gerbasi, Magnifico, Pagtakhan, Steeves, Thomas, Wyatt, Lazarenko and O'Shaughnessy. 12

Nay: Councillors Smith 1

and the recommendation of the Executive Policy Committee was declared carried.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 16, 2005, the Executive Policy Committee concurred in the Preliminary 2005 and 2006 Operating Budget, as amended, and submitted the following to Council, namely:

- Add the following as Recommendations 1, 2, 3 and 8:

    1. That the 2005 Operating Budget as tabled at the Executive Policy Committee meeting of February 25, 2005, and amended by Recommendation 2, be adopted.

    2. That the following additions to the Tax-Supported Operating Budget be made, namely:

        A. That the 2005 Community Services Department budget be increased by $100,000 for library materials;

        B. That the 2005 Public Works Department budget be increased by $200,000 as a contribution toward the City's costs to relocate the Manitoba Hydro transmission lines in the vicinity of Whittier Park;

        C. That the City Clerk's Department budget be increased by $30,000 in 2005 and 2006 to increase Local Per Capita Grants;

        with offsetting reductions in corporate costs.

Report - Executive Policy Committee - March 16, 2005

DECISION MAKING HISTORY (continued)

3. That the 2006 Projection as outlined in the financial summary tabled at the Executive Policy Committee meeting of February 25, 2005, as amended by Recommendation 2 above, be adopted in principle.

8. That 2005 funding of $940,000 for the City's Affordable Housing Initiative be provided from the General Purpose Reserve to the Housing Rehabilitation Investment Reserve for the following programs:

   A. $140,000 for Flora Place Redevelopment

   B. $200,000 for Aboriginal Housing

   C. $600,000 for the 4 Housing Improvement Zones ($150,000 each for William Whyte, Spence, North Point Douglas and West Broadway)

- Concur in Recommendation Nos. 3 to 10 and 12 as outlined in the Preliminary 2005 and 2006 Operating Budget tabled at the Executive Policy Committee on February 25, 2005, and renumber the recommendations accordingly.

On February 25, 2005, the Executive Policy Committee tabled the Preliminary 2005 and 2006 Operating Budget and 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, on February 25, 2005, 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