



2020 Operating and Capital Budget

Planning, Property and Development



November 15, 2019

Agenda

1. Strategic Objectives and Priorities
2. Performance Measurement
3. Operating Budget (including options to achieve target)
 - Operating Budget (Departmental or Service Based Basis)
 - Year over Year Variance Explanations
 - Implications of the Recommended Target to Balance the Operating Budget
 - Salaries and benefits, FTEs, and vacancy management and options to achieve target
4. Capital Budget (including options to achieve target)
 - Capital Budget
 - Implications of the Recommended Target for the Capital Budget
 - Capital Forecast to Submission Reconciliation
5. Operating and Capital Budget Referrals
6. Budget Summary
7. Questions

Strategic Objectives and Priorities

Strategic Objectives

Source: OurWinnipeg

- Proper land use planning and development to ensure land use, transportation and infrastructure planning efforts are aligned to identify where growth will be accommodated and how it will be serviced.
- Orderly, sustainable development by promoting compact urban form and economical and environmentally-sound servicing.
- Efficient and focused civic administration through innovation and streamlining service delivery.
- Prudent management of real property assets .

Key Priorities

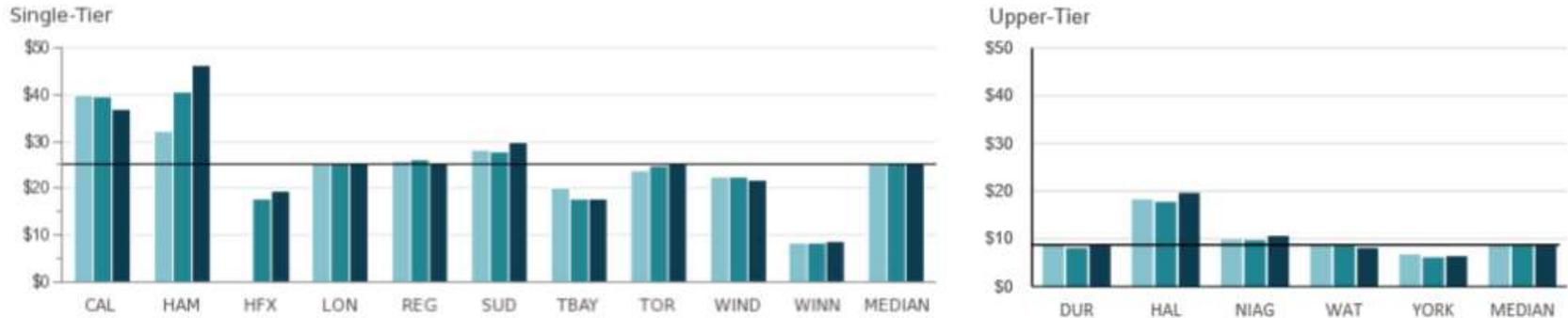
Source: OurWinnipeg

- Develop and maintain an urban structure planning tool and use the urban structure framework as the basis for integrated transportation and infrastructure planning.
- Promote the extension of municipal services such as piped water, piped waste water, piped drainage and urban standard roadway, only in an environmentally- sound, economically and timely manner.
- Improve permitting and other regulatory processes to ensure projects meet national and local building codes, while recognizing advances in construction and development-related technologies.
- Continue to implement life-cycle costing for capital projects and consider all relevant financing and delivery options.

Planning

Figure 24.1 Total Cost for Planning per Capita

This measure reflects the total cost to provide planning services. The amount spent on planning-related activities and application processing can vary significantly from municipality to municipality based on the types of applications, different organizational structures and legislation, and priorities established by local Councils.



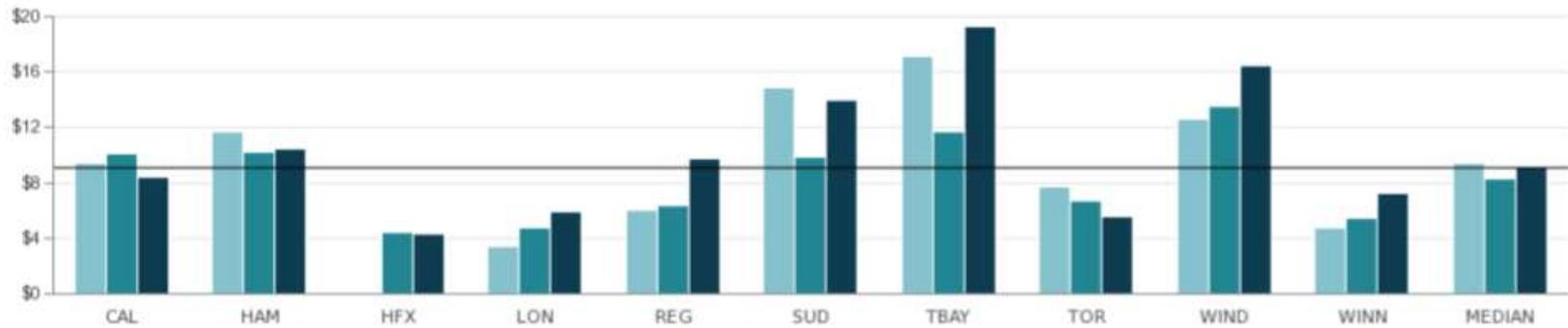
2016	\$39.97	\$32.22	N/A	\$25.60	\$25.78	\$28.06	\$20.22	\$23.72	\$22.55	\$8.43	\$25.60	\$8.66	\$18.27	\$9.86	\$8.62	\$6.75	\$8.66
2017	\$39.54	\$40.58	\$17.91	\$25.29	\$26.03	\$27.94	\$17.61	\$24.84	\$22.30	\$8.44	\$25.07	\$8.08	\$17.73	\$9.70	\$8.60	\$6.12	\$8.60
2018	\$37.02	\$46.32	\$19.29	\$25.28	\$25.24	\$29.73	\$17.63	\$25.40	\$21.77	\$8.69	\$25.26	\$8.60	\$19.64	\$10.60	\$8.08	\$6.37	\$8.60

Source: PLNG250T (Service Level)

Building Permits & Inspections

Figure 2.3 Operating Cost of Building Permits and Inspection Services per \$1,000 of Residential and ICI (Industrial, Commercial and Institutional) Construction Value

This measure represents the operating costs associated with the provision of building permits and inspection services. The fluctuation in year over year results is impacted by the value of residential and ICI construction activity. **IMPORTANT:** In 2017, the definition for this measure was changed to exclude "other building permits". In most cases, the removal of "other building permits" was not material; however the variance between 2017 results and that of prior years may be due to this change.



2016	\$9.38	\$11.75	N/A	\$3.36	\$6.04	\$14.92	\$17.22	\$7.69	\$12.64	\$4.78	\$9.38
2017	\$10.11	\$10.17	\$4.45	\$4.72	\$6.38	\$9.93	\$11.72	\$6.65	\$13.48	\$5.49	\$8.29
2018	\$8.36	\$10.48	\$4.30	\$5.86	\$9.75	\$13.97	\$19.34	\$5.55	\$16.54	\$7.25	\$9.06

Source: BLDG325 (Efficiency) Formerly BLDG325M

Montreal: Does not track.

Sudbury: The result reflects near-double increase in construction value in 2017, mostly in the mining sector.

Thunder Bay: Overall downturn in permit activity.

Windsor: While the number of permits being issued is robust, the overall value of construction compared to previous years is significantly less due to the small size of the typical project, which has impacted the 2018 results.

Recommended Target to Balance the Budget

1. Planning, Property and Development Operating Budget – 0% annual budget growth rates, net of capital expenditures, based on 2019 expenditures

2. Cash-to-capital funding levels (\$ millions):

Department	2020	2021	2022	2023	2024	2025
Planning, Property and Development	0.706	0.573	0.326	0.228	0.337	0.302

3. Key assumptions for multi-year budget:

These proposed recommended targets present a balanced tax-supported operating budget from 2020 to 2023:

- a. Property Tax Increases: 2.33% annually (road renewal and southwest rapid transit (stage 2))
- b. Fees and Charges: Inflationary increases annually
- c. Natural Assessment Base Growth: 1.2% annually
- d. Efficiencies/Vacancy Management: \$17 Million annually
- e. Additional Transfers/Savings: \$32.5 million in 2020 growing to \$40 million by 2023
- f. Provincial Operating Grants: Flat at \$149.7 million annually (2016 level)
- g. Utility dividend rate: 11% of Water and Sewer Sales
- h. Remaining Tax Supported Debt Room: \$150 million in total

Operating Budget (Departmental Basis)

2020 Draft Operating Budget and 2021 to 2023 Projections in millions of \$	2018 Actual	2019 Budget	2020 Draft Budget *	Year over Year Increase / (Decrease)	%	Exp. No.	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
GOVERNMENT GRANTS	-	-	-	-			-	-	-
SERVICE AND OTHER	46.291	47.053	43.615	(3.438)			44.237	44.583	45.042
TOTAL REVENUE	46.291	47.053	43.615	(3.438)	-7%	1	44.237	44.583	45.042
SALARIES & BENEFITS	26.624	27.742	27.907	0.165			28.507	28.305	28.368
SERVICES	3.298	4.111	4.068	(0.043)			4.066	4.079	4.090
MATS PARTS & SUPPLIES	0.299	0.216	0.245	0.029			0.248	0.249	0.249
ASSETS & PURCHASES	0.112	0.121	0.121	-			0.121	0.121	0.118
GRANTS, TRANSFERS & OTHER	11.169	12.260	12.041	(0.219)			11.375	11.581	11.284
RECOVERIES	(2.013)	(2.516)	(2.448)	0.068			(2.469)	(2.401)	(2.421)
TOTAL OPERATIONAL EXPENDITURES	39.489	41.934	41.934	(0.000)	0%		41.848	41.934	41.688
DEBT & FINANCE CHARGES	0.394	1.058	1.012	(0.046)			1.012	1.012	1.011
TRANSFER TO CAPITAL	1.474	1.120	0.706	(0.414)			0.573	0.326	0.228
TRANSFER TO WINNIPEG GOLF SERVICES	-	-	1.000	1.000			-	-	-
TOTAL EXPENDITURES	41.357	44.112	44.652	0.540	1%	2	43.433	43.272	42.927
Mill Rate Support / (Contribution)	(4.934)	(2.941)	1.037	3.978			(0.804)	(1.311)	(2.115)

Operating Budget (Departmental Basis)

2020 Draft Operating Budget and 2021 to 2023 Projections in millions of \$	2020 Draft Budget *	Year over Year Increase / (Decrease)	%	Exp. No.	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
Options to Achieve Operating Budget Target:							
a. Eliminate positions: Economic Development Administrator**, Cemeteries Customer Service Representative, Finance Clerk, Neighbourhood Economic Development Officer and Commercial Inspector.	(0.398)				(0.445)	(0.455)	(0.462)
b. Eliminate operating grant to Winnipeg Housing Rehabilitation Corporation	(0.180)				(0.180)	(0.180)	(0.180)
c. Municipal Accommodations expenditure reductions	(0.178)				(0.083)	(0.158)	(0.471)
d. Eliminate Zoning Field Officer position.						(0.084)	(0.086)
e. Eliminate additional Zoning Field Officer position.							(0.086)
f. Eliminate positions: Senior Urban Designer, five Permit Intake Scanning Clerks, three Housing Inspectors, two Technical Assistants, Historical Buildings Officer (offset by recovery from Heritage Investment Reserve) and Real Estate Officer.						(0.816)	(0.832)
g. Eliminate positions: Delete two supervisory positions, two Permit Technicians & three Inspections Scheduling Clerks and Clerk B - Zoning & Permits.							(0.542)
Total Options to Achieve the Target	(0.756)	-	-	-	(0.708)	(1.693)	(2.659)
EPC Recommended Target to Balance - PPD Fund 001	(0.756)	-	-	-	(0.622)	(1.693)	(2.413)
EPC Recommended Target to Balance - MA Fund 554	-	-	-	-	-	-	(0.246)
Variance (Excess over the Target)	-	-	-	-	0.086	-	-

* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating target.

** Position falls under the Economic Development service. Budget authority lies with SPC on Innovation & Economic Development.

Year over Year Variance Explanations

(in millions)

Year over year (increase) / decrease	2020 Draft Budget	2021 Draft Projection	2022 Draft Projection	2023 Draft Projection
1) <i>Revenue change due to the following:</i>				
- Net decrease in transfers from reserves	\$ (2.509)	\$ -	\$ -	\$ -
- Inflationary increase in fees	0.747	0.741	0.511	0.618
- Decrease in transfer from Municipal Accommodations	(1.694)	(0.165)	(0.212)	(0.207)
- Miscellaneous adjustments.	0.018	0.046	0.047	0.048
Net Revenue Change	\$ (3.438)	\$ 0.622	\$ 0.346	\$ 0.459
2) <i>Expenditure change due to the following:</i>				
- Net increase/(decrease) in salaries & benefits	\$ 0.165	\$ 0.600	\$ (0.202)	\$ 0.063
- Decrease in cash-to-capital transfer	(0.414)	(0.133)	(0.247)	(0.098)
- Net increase/(decrease) in transfers to other funds	1.031	(1.631)	0.070	(0.463)
- Decrease in grants	(0.180)	-	-	-
- Miscellaneous adjustments.	(0.062)	(0.055)	0.218	0.153
Net Expenditure Change	\$ 0.540	\$ (1.219)	\$ (0.161)	\$ (0.345)

Implications of the Recommended Target to Balance Operating Budget

- a. Economic Development Administrator* - increased reliance on external agencies such as Economic Development Winnipeg and CentreVenture, redistribution of duties to other management positions; Zoning Field Officer - reduced capacity for field inspections of complaints, potential lack of enforcement of plan approvals, increased non-compliance; Customer Service Representative - service to Cemeteries customers will continue to be delivered from the Brookside location only; may result in lost sales opportunities at St. Vital & Transcona Cemeteries; Neighbourhood Economic Development Officer - limited impact to Business Improvement Zones ("BIZ") streetscaping funding administration given virtual elimination of related capital budget, coordination of the Mayor's Annual BIZ Awards deferred to the Mayor's Office, deferring all BIZ inquiries related to by-law compliance to City Clerks and Legal Services (PPD would no longer be a liaison between the City and BIZ's).
- b. Elimination of grants may have an adverse effect upon the organizations impacted should they be unable to access alternative funding .
- c. Impact of reductions included in Municipal Accommodations budget presentation.
- d. Zoning Field Officer - will further reduce capacity for field inspections of complaints and enforcement of plan approvals, increased non-compliance.

** Position falls under the Economic Development service. Budget authority lies with SPC on Innovation & Economic Development.*

Implications of the Recommended Target to Balance Operating Budget

Note: *Reductions to permits & inspections positions in 2022 & 2023 requires a fundamental shift in the delivery of permits/inspections services, involving the implementation of realigned processes and responsibilities within Development & Inspections, that is contingent upon requisite investments in technology in 2020 & 2021. It is anticipated that the Permit Reserve will fund these investments. There is risk associated with this source of funding.*

e. Housing Inspectors - longer wait times for inspections, increased aged permits, increased response time to complaints; Permit Clerks and Technical Assistant - decreased intake capacity to be addressed by stand-alone computer terminals and "self-serve" approach; Finance Clerk - may result in decreased responsiveness to both internal and external customers; Historical Buildings Officer - increased permit and grant application processing times for listed buildings and those in Heritage Conservation Districts; Real Estate Officer - increased timelines for processing sales and acquisitions; Technical Assistant - elimination of the digitizing of analogue records (digitization of these records allows efficient search capabilities, aiding process improvement); Senior Urban Planner - increased processing time for downtown development applications, reduced participation in project planning with Public Works and Transit projects (i.e. bike lanes, street renewal, transit stops and corridor design).

Implications of the Recommended Target to Balance Operating Budget

Note: *Reductions to permits & inspections positions in 2022 & 2023 requires a fundamental shift in the delivery of permits/inspections services, involving the implementation of realigned processes and responsibilities within Development & Inspections, that is contingent upon requisite investments in technology in 2020 & 2021. It is anticipated that the Permit Reserve will fund these investments. There is risk associated with this source of funding.*

f. Supervisory positions - limited impact contingent upon successful implementation of permits/inspections service delivery 'shift' noted above; Scheduling Clerks - mitigated by on-line inspection scheduling as part of moving to digital processing for all services; Permit Technicians - decreased level of service for 'technology-challenged' applicants.

Salary Budget and Full Time Equivalents (FTEs) / Vacancy Management / Options to Achieve the Target

2020 Draft Operating Budget

	2019 Adopted Budget	2020 Draft Budget*	Increase / (Decrease)	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
Full Time Equivalents <i>(number of FTEs)</i>	321.08	316.08	(5.00)	315.08	301.75	294.16
Salaries & Benefits <i>(in millions of \$)</i>	\$ 27.742	\$ 27.907	\$ 0.165	\$ 28.507	\$ 28.305	\$ 28.368
Vacancy Management included in Salaries & Benefits <i>(in millions of \$)</i>	\$ (2.244)	\$ (2.314)	\$ (0.070)	\$ (2.353)	\$ (2.415)	\$ (2.460)

* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating budget target

Capital Budget

PLANNING, PROPERTY AND DEVELOPMENT
Capital Investment Plan - Authorization
(\$000's)

List of Capital Projects:

- 1 Computer Automation
- 2 Riverbank Greenway Programs**
- 3 Cemeteries - Improvements
- 4 Downtown Enhancement Program
- 5 BIZ Zones, Image Routes and Neighbourhood Main Streets
- 6 Public Art Strategy
- 7 Land Acquisition for General Unspecified Purposes
- 8 Developer Payback
- 9 Riverbank Stabilization - Physical Asset Protection**

TOTAL PLANNING, PROPERTY & DEVELOPMENT PROJECTS

2019 Adopted	2020 Draft Budget*	Authorization					6-Year Total
		Forecast					
		2021	2022	2023	2024	2025	
133	106	100	-	-	100	-	306
205	-	-	-	-	-	-	-
940	1,048	936	150	-	-	-	2,134
333	-	-	100	228	237	151	716
332	152	-	126	-	-	151	429
250	200	-	-	-	-	-	200
-	-	-	-	-	-	-	-
292	-	137	100	-	-	-	237
500	1,641	100	-	-	-	-	1,741
2,985	3,147	1,273	476	228	337	302	5,763

* 2020 Draft Budget and Five Year Draft Forecast include the options to achieve the capital target

** Program budget falls under Land Drainage and Flood Control service. Budget authority lies with SPC on Water and Waste, Riverbank Management and the Environment.

Capital Budget

PLANNING, PROPERTY AND DEVELOPMENT
Capital Investment Plan - Authorization
(\$000's)

Options to Achieve the Target		2020	2021	2022	2023	2024	2025	6-Year Total
a.	Reduce Compter Automation program.	(13)	(43)	-	-	-	(100)	(156)
b.	Eliminate Riverbank Greenways program**	(375)	(212)	-	-	(129)	(114)	(830)
c.	Reduce Cemeteries - Improvements	-	-	(236)	(242)	(240)	(240)	(958)
d.	Reduce Downtown Enhancement program Reduce BIZ Zones, Image Routes and Neighbourhood Main Streets	(200)	(200)	(100)	28	10	(54)	(516)
e.	program	(48)	(200)	(74)	(200)	(226)	(54)	(802)
f.	Eliminate Public Art Strategy Eliminate Land Acquisition for General Unspecified Purposes	(50)	(500)	(500)	(500)	(500)	(450)	(2,500)
g.	program	-	-	(256)	-	(199)	(100)	(555)
h.	Reduce Developer Paybacks	(274)	(143)	(181)	-	(225)	(212)	(1,035)
i.	Reduce Riverbank Stabilization Physical Asset Protection program**	(352)	(423)	(500)	-	(405)	(386)	(2,066)
Total Options to Achieve the Target *		(1,312)	(1,721)	(1,847)	(914)	(1,914)	(1,710)	(9,418)
EPC Recommended Target to Balance		(1,312)	(1,721)	(1,847)	(914)	(1,914)	(1,710)	(9,418)
Variance (Shortfall from Target)		-	-	-	-	-	-	-

* 2020 Draft Budget and Five Year Draft Forecast include the options to achieve the capital target

** Program budget falls under Land Drainage and Flood Control service. Budget authority lies with SPC on Water and Waste, Riverbank Management and the Environment.

Implications of the Recommended Target for the Capital Budget

- a. Computer hardware and software will remain in use well beyond generally acceptable lifecycles resulting in increased risk of hardware failures, security vulnerabilities, obsolete/inadequate applications, and poor performance.
- b. No dedicated funding for acquisition of riverbank lands for the City's linear parkway system or to facilitate public access to rivers and riverbank lands (e.g. boat/canoe launches, active transportation initiatives, accessibility improvements, etc.). Planned land acquisition and improvement projects will be cancelled. Progress on riverbank greenways will be possible only if aspects are incorporated into other departments' (primarily Public Works and Water and Waste) capital projects involving riverbanks.
- c. Capital works will be limited to refurbishment of the Field of Honour at Brookside Cemetery as the City must match every \$3 of VAC funding with \$1 City funding. Capital acquisitions such as columbaria and mausoleums, which generate net revenue, will not be possible. Repairs and maintenance work on the customer reception/administration building at Brookside will be deferred.
- d. Investments in functional and aesthetic improvements and upgrades in the Downtown will be limited as will partnership opportunities for public/private development and redevelopment projects (previous example is the Manitoba Hydro Tower streetscaping).
- e. Contributions to BIZ's, which are used to leverage other funding, for streetscaping initiatives will be reduced to two or three BIZ's, at most, every three to four years.
- f. The Public Art Strategy will be discontinued effective 2021.

Implications of the Recommended Target for the Capital Budget

g. General provision for the acquisition of land for purposes other than regional streets and riverbank property will be eliminated. Should an unforeseen opportunity arise to acquire a property desired by the City, an alternative funding source will need to be identified.

h. Risk that insufficient funding will be available to meet legal obligations to reimburse developers 52% of park development costs (related to applications received from older development agreements due to the ongoing build out in the City). Timing and amounts are subject to estimate and will vary from that included in the budget.

i. Riverbank Stabilization Program will effectively cease. No stabilization works will be undertaken and only limited erosion protection measures will be possible. Monitoring of at-risk riverbanks could continue subject to funding (capital and/or operating) availability. Any future riverbank projects (stabilization or erosion protection) would be possible only if funded entirely by other departments' (i.e. Public Works and Water and Waste) capital budgets.

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED	ADOPTED IN		
	BUDGET	PRINCIPLE	CHANGES	DRAFT BUDGET
	2019	2020	2020	2020
<u>PLANNING, PROPERTY AND DEVELOPMENT</u>				
Computer Automation	133	119	(13)	106
Riverbank Greenway Programs	205	227	(227)	
Cemeteries - Improvements	940	1,048		1,048
Downtown Enhancement Program	333	200	(200)	
BIZ Zones, Image Routes and Neighbourhood Main Streets	332	200	(48)	152
Public Art Strategy	250	250	(50)	200
Land Acquisition for General Unspecified Purposes				
Developer Payback	292	274	(274)	
Riverbank Stabilization - Physical Asset Protection	500	500	1,141	1,641
TOTAL PLANNING, PROPERTY AND DEVELOPMENT	2,985	2,818	329	3,147

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED IN PRINCIPLE		DRAFT	ADOPTED IN PRINCIPLE		DRAFT
	FORECAST	CHANGES	FORECAST	FORECAST	CHANGES	FORECAST
	2021	2021	2021	2022	2022	2022
<u>PLANNING, PROPERTY AND DEVELOPMENT</u>						
Computer Automation	143	(43)	100			
Riverbank Greenway Programs	212	(212)				
Cemeteries - Improvements	936		936	386	(236)	150
Downtown Enhancement Program	200	(200)		200	(100)	100
BIZ Zones, Image Routes and Neighbourhood Main Streets	200	(200)		200	(74)	126
Public Art Strategy	500	(500)		500	(500)	
Land Acquisition for General Unspecified Purposes				256	(256)	
Developer Payback	280	(143)	137	281	(181)	100
Riverbank Stabilization - Physical Asset Protection	523	(423)	100	500	(500)	
TOTAL PLANNING, PROPERTY AND DEVELOPMENT	2,994	(1,721)	1,273	2,323	(1,847)	476

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY (in Thousands of \$)	ADOPTED IN PRINCIPLE			ADOPTED IN PRINCIPLE				6 YEAR TOTAL
	FORECAST	CHANGES	DRAFT FORECAST	FORECAST	CHANGES	DRAFT FORECAST	DRAFT FORECAST	
	2023	2023	2023	2024	2024	2024	2025	2020-2025
<u>PLANNING, PROPERTY AND DEVELOPMENT</u>								
Computer Automation				100		100		306
Riverbank Greenway Programs				129	(129)			
Cemeteries - Improvements	242	(242)		240	(240)			2,134
Downtown Enhancement Program	200	28	228	227	10	237	151	716
BIZ Zones, Image Routes and Neighbourhood Main Streets	200	(200)		226	(226)		151	429
Public Art Strategy	500	(500)		500	(500)			200
Land Acquisition for General Unspecified Purposes				199	(199)			
Developer Payback				225	(225)			237
Riverbank Stabilization - Physical Asset Protection				405	(405)			1,741
TOTAL PLANNING, PROPERTY AND DEVELOPMENT	1,142	(914)	228	2,251	(1,914)	337	302	5,763

Capital Budget Referrals

Capital Budget Referrals			2020	2021	2022	2023	2024	2025
Sale of Vacant Land West of 100 Villa Maria Place (St. Norbert - Seine River Ward	The Winnipeg Public Service investigate the possibility of purchasing 22.5 acres of privately owned property west of 100 Villa Maria Place.	SPC PDHDD (January 7, 2019)	x	x	x	x	x	x

Included in the budget	✓
Not budgeted	x

Operating Budget Summary

Recommended target – 4 year budget – **annual budget growth rate of 0%**

(in millions of \$)

	2019 Approved Budget	2020 Projection (from 2019)	2020 Draft Budget	2021 Draft Projection	2022 Draft Projection	2023 Draft Projection
Expenditure Budget*	44.112	46.750	44.652	43.433	43.272	42.927
EPC Recommended Expenditure Target			44.652	43.433	43.186	42.927
Variance (Excess over Target)			-	-	0.086	-

* Note: Draft budget and projections include the options to achieve the EPC recommended targets to balance.

- The impact on service of the options to achieve the EPC recommended targets include:
 - Increased non-compliance with approved building plans due to decreased enforcement
 - Increase response times to public complaints on permits and zoning matters
 - Increased processing time for real property sales and acquisitions, heritage permits and grants, and downtown development applications
 - Reduced collaboration with Public Works & Transit on downtown project planning

Capital Budget Summary

(in millions of \$)

	2019 Approved Capital Budget	2020 Draft Budget	Draft Forecast				
			2021	2022	2023	2024	2025
Cash to Capital Budget*	2.985	0.706	0.573	0.326	0.228	0.337	0.302
EPC Recommended Capital Target		0.706	0.573	0.326	0.228	0.337	0.302
Variance (Shortfall from Target)		-	-	-	-	-	-

* Note: Draft budget and forecast include the options to achieve the EPC recommended targets to balance.

- The impact of the reduction in cash-to-capital funding to achieve the EPC recommended targets include:
 - Elimination of Riverbank Greenways*, Riverbank Stabilization*, Public Art Strategy, Land Acquisition for General Unspecified Purposes capital programs
 - Significant reduction to BIZ, Image Routes and Neighbourhood Main Streets, Downtown Enhancement, Cemeteries Improvements and Computer Automation capital programs
 - Increased risk of insufficient funding availability to meet developer payback legal obligations

* Capital program budget authority lies with SPC on Water and Waste, Riverbank Management and the Environment

Questions?



2020 Operating and Capital Budget

Planning, Property and Development – Municipal Accommodations



November 15, 2019

Agenda

1. Strategic Objectives and Priorities
2. Performance Measurement
3. Operating Budget (including options to achieve target)
 - Operating Budget (Departmental or Service Based Basis)
 - Year over Year Variance Explanations
 - Implications of the Recommended Target to Balance the Operating Budget
 - Salaries and benefits, FTEs, and vacancy management and options to achieve target
4. Capital Budget (including options to achieve target)
 - Capital Budget
 - Implications of the Recommended Target for the Capital Budget
 - Capital Forecast to Submission Reconciliation
5. Operating and Capital Budget Referrals (not applicable)
6. Budget Summary
7. Questions

Strategic Objectives and Priorities

Strategic Objectives

Source: 2020 Community Trends and Performance Report, Volume 1

- Optimize infrastructure condition through a Physical Asset Management Program for City buildings.
- Provide effective facilities management.
- Develop and implement environmental stewardship policies and programs to guide the management and maintenance of all new and existing City facilities.

Key Priorities

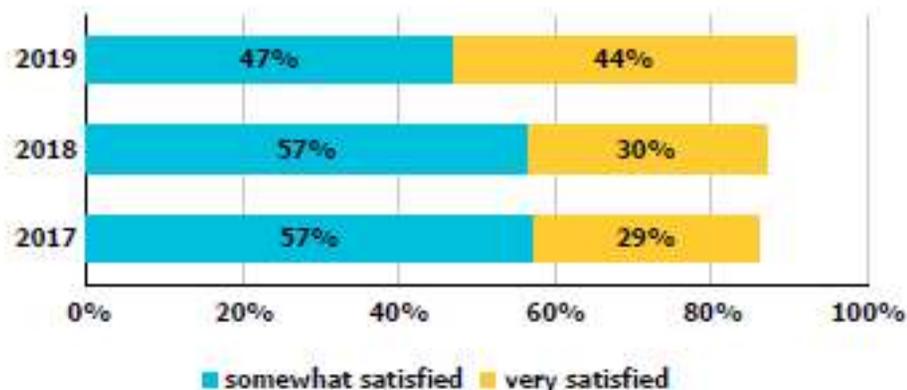
Source: Asset Management Plan, Section 3 – State of Local Infrastructure

- Act as the building advocate providing asset management, identifying need and remedial strategies required in order to preserve the City's buildings for current and future needs of the citizens of Winnipeg.
- Accommodations Planning – assist with planning for future accommodation and rationalization of existing accommodations for the Civic Building portfolio.
- Provide design, construction, and project management services, associated with new construction, conversion, and renovation projects and programs.
- Plan, implement, and administer the maintenance or upgrades of HVAC, mechanical, structural, locksmith, envelope, or electrical required to conform to any existing code and legislative requirements to meet customer needs.

Citizen Satisfaction with Overall City Services

Effectiveness Measurements

Citizen Satisfaction with the Condition of Recreation Facilities



	2015	2016	2017	2018	2019
Total Satisfied	82%	82%	86%	87%	91%

Source: City of Winnipeg Annual Citizen Survey

For those respondents who use City recreation facilities, 91% of citizens surveyed were either satisfied or very satisfied with the condition of recreation facilities in 2019.

This question refers to City of Winnipeg operated facilities only and does not include community centre facilities.

Recommended Target to Balance the Budget

1. Municipal Accommodations Operating Budget – 0% annual budget growth rates, net of capital expenditures, based on 2019 expenditures

2. Cash-to-capital funding levels (\$ millions):

Department	2020	2021	2022	2023	2024	2025
Municipal Accommodations	0.113	1.122	0.632	-	-	0.943

3. Key assumptions for multi-year budget:

These proposed recommended targets present a balanced tax-supported operating budget from 2020 to 2023:

- a. Property Tax Increases: 2.33% annually (road renewal and southwest rapid transit (stage 2))
- b. Fees and Charges: Inflationary increases annually
- c. Natural Assessment Base Growth: 1.2% annually
- d. Efficiencies/Vacancy Management: \$17 Million annually
- e. Additional Transfers/Savings: \$32.5 million in 2020 growing to \$40 million by 2023
- f. Provincial Operating Grants: Flat at \$149.7 million annually (2016 level)
- g. Utility dividend rate: 11% of Water and Sewer Sales
- h. Remaining Tax Supported Debt Room: \$150 million in total

Operating Budget (Departmental Basis)

2020 Draft Operating Budget and 2021 to 2023 Projections in millions of \$	2018 Actual	2019 Budget	2020 Draft Budget *	Year over Year Increase / (Decrease)	%	Exp. No.	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
GOVERNMENT GRANTS	0.357	0.359	0.359	-			0.359	0.359	0.359
SERVICE AND OTHER	70.773	72.084	72.129	0.045			71.893	72.706	74.394
TOTAL REVENUE	71.130	72.443	72.488	0.045	0%	1	72.252	73.065	74.753
SALARIES & BENEFITS	20.275	20.441	20.716	0.275			21.000	21.432	21.678
SERVICES	26.280	30.486	30.392	(0.094)			29.892	30.509	31.686
MATS PARTS & SUPPLIES	7.877	6.250	6.239	(0.011)			6.246	6.318	6.389
ASSETS & PURCHASES	0.018	0.030	0.030	-			0.030	0.030	0.030
GRANTS, TRANSFERS & OTHER	14.622	11.411	12.197	0.786			11.156	11.360	12.127
RECOVERIES	(3.707)	(3.260)	(3.158)	0.102			(3.153)	(3.175)	(3.149)
TOTAL OPERATIONAL EXPENDITURES	65.365	65.358	66.416	1.058	2%		65.171	66.474	68.761
DEBT & FINANCE CHARGES	4.753	4.829	4.903	0.074			4.903	4.903	4.903
TRANSFER TO CAPITAL	1.012	2.256	1.169	(1.087)			2.178	1.688	1.089
TOTAL EXPENDITURES	71.130	72.443	72.488	0.045	0%	2	72.252	73.065	74.753
Surplus / (Deficit)	-	-	-	0.000			-	-	-
Options to Achieve Operating Budget Target:									
a. Eliminate two Project Officer positions (one is offset by recoveries from capital)			(0.082)				(0.083)	(0.085)	(0.087)
b. Eliminate supervisory position									(0.151)
c. Defer repairs and maintenance of building portfolio assets			(0.096)					(0.073)	(0.233)
Total Options to Achieve the Target			(0.178)	-	-	-	(0.083)	(0.158)	(0.471)
EPC Recommended Target to Balance			-	-	-	-	-	-	(0.246)
Variance (Excess over the Target)**			0.178	-	-	-	0.083	0.158	0.225

* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating target.

** EPC targets actually exceeded by \$0.178, \$0.083, \$0.158 and \$0.225 from 2020 to 2023 respectively. Excess reductions reflected in PPD Fund

Year over Year Variance Explanations

(in millions)

Year over year (increase) / decrease	2020 Draft Budget	2021 Draft Projection	2022 Draft Projection	2023 Draft Projection
1) <i>Revenue change due to the following:</i>				
- Increase/(decrease) in transfer from CmS for capital	\$ (0.477)	\$ -	\$ -	\$ -
- Increase in transfer from CmS for operating	0.791	0.516	0.531	0.463
- Increase/(decrease) in transfer from G.R.F. for accommodation charges	0.126	(0.772)	0.229	1.181
- Miscellaneous adjustments.	(0.395)	0.020	0.053	0.044
Net Revenue Change	\$ 0.045	\$ (0.236)	\$ 0.813	\$ 1.688
2) <i>Expenditure change due to the following:</i>				
- Increase/(decrease) in grants, transfers & other	\$ 0.786	\$ (1.041)	\$ 0.204	\$ 0.797
- Increase/(decrease) in transfer to capital	(1.087)	1.009	(0.490)	(0.599)
- Increase/(decrease) in salaries & benefits	0.275	0.284	0.432	0.246
- Increase/(decrease) in debt & finance charges	0.074	-	-	-
- Increase/(decrease) in services	-	(0.539)	0.527	1.177
- Miscellaneous adjustments.	(0.003)	0.051	0.140	0.067
Net Expenditure Change	\$ 0.045	\$ (0.236)	\$ 0.813	\$ 1.688

Implications of the Recommended Target to Balance Operating Budget

a. Potential delays in project delivery associated with prevailing project schedules; will be contingent on Capital Budgets approved; could result in potential impact(s) to Departmental service delivery.

b. As a "self-financing utility enterprise", services are provided to internal clients. Implications to Municipal Accommodations' operating budget are highly dependent on the operating and capital budgets of client departments, utilities and SOA's; most significantly that of the Community Services Department and Winnipeg Police Service.

Salary Budget and Full Time Equivalents (FTEs) / Vacancy Management / Options to Achieve the Target

2020 Draft Operating Budget

	2019 Adopted Budget	2020 Draft Budget*	Increase / (Decrease)	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
Full Time Equivalents <i>(number of FTEs)</i>	289.43	287.43	(2.00)	287.43	287.43	286.43
Salaries & Benefits <i>(in millions of \$)</i>	\$ 20.441	\$ 20.716	\$ 0.275	\$ 21.000	\$ 21.432	\$ 21.678
Vacancy Management included in Salaries & Benefits <i>(in millions of \$)</i>	\$ (0.777)	\$ (1.067)	\$ (0.290)	\$ (1.077)	\$ (1.094)	\$ (1.112)

* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating budget target

Capital Budget

PLANNING, PROPERTY AND DEVELOPMENT - MUNICIPAL ACCOMMODATIONS

Capital Investment Plan - Authorization

(\$000's)

	2019 Adopted	2020 Draft Budget*	Authorization					6-Year Total
			Forecast					
			2021	2022	2023	2024	2025	
List of Capital Projects:								
1 General Building Renovation and Refurbishing	180	-	-	-	-	-	-	-
2 Public Safety Building and Civic Parkade	10,460	-	-	-	-	-	-	-
3 Accommodation Facilities	2,019	-	-	-	-	-	-	-
4 Fire / Life Safety / Regulatory Upgrades	804	-	-	-	-	-	-	-
5 Energy Conservation	158	-	-	-	-	-	-	-
6 Tenant Improvement Prepayment - Major Department	-	-	-	-	-	-	-	-
7 Historic Buildings	214	-	-	-	-	-	-	-
8 Generator Set Replacement and Upgrades	113	-	-	-	-	-	-	-
9 Security / Building Automation System Initiatives	470	-	-	-	-	-	-	-
10 Community Centres - Refurbishing and Improvements	673	-	-	-	-	-	-	-
11 Arenas	525	-	-	-	-	-	-	-
12 Indoor Aquatic Facilities	1,605	-	-	-	-	-	-	-
13 Outdoor Aquatic Facilities	169	-	-	-	-	-	-	-
14 Recreation & Leisure Centres	106	-	-	-	-	-	-	-
15 Building Asset / Work Management Program	175	-	-	-	-	-	-	-
16 UFF - Hockey Pen Light Standard Replacement	100	-	-	-	-	-	-	-
17 City-Wide Accessibility Program	425	-	-	-	-	-	-	-
18 Carlton Walkways	-	2,344	-	-	-	-	-	2,344
19 Strategic Facilities Master Plan	-	450	250	-	-	-	-	700
20 Health/Life Safety/Emergency Systems Refurbishment Capital Program	-	1,813	3,273	732	1,146	2,660	943	10,567
21 Transcona Centennial Pool	-	100	-	-	-	-	-	100
TOTAL MUNICIPAL ACCOMMODATIONS PROJECTS	18,196	4,707	3,523	732	1,146	2,660	943	13,711

* 2020 Draft Budget and Five Year Draft Forecast include the options to achieve the capital target

Capital Budget

PLANNING, PROPERTY AND DEVELOPMENT - MUNICIPAL ACCOMMODATIONS
Capital Investment Plan - Authorization
(\$000's)

Options to Achieve the Target	2020	2021	2022	2023	2024	2025	6-Year Total
Eliminate General Building Renovation and Refurbishing Public Safety Building and Civic Parkade Accommodation Facilities	(250)	(500)	-	-	(310)	(212)	(1,272)
Eliminate Fire / Life Safety / Regulatory Upgrades	(608)	(704)	(720)	(722)	(712)	(715)	(4,181)
Eliminate Energy Conservation	-	(136)	-	-	(147)	-	(283)
Eliminate Tenant Improvement Prepayment - Major Department	-	(183)	-	-	(183)	-	(366)
Eliminate Historic Buildings	(217)	(220)	(224)	(229)	(221)	(222)	(1,333)
Eliminate Generator Set Replacement and Upgrades	(136)	(123)	(148)	(130)	(130)	(133)	(800)
Eliminate Security / Building Automation System Initiatives	(205)	(255)	(203)	(245)	(276)	(237)	(1,421)
Eliminate Community Centres - Refurbishing and Improvements	(266)	(331)	(327)	(330)	(385)	(328)	(1,967)
Eliminate Arenas	(233)	(267)	(268)	(269)	(312)	(270)	(1,619)
Eliminate Indoor Aquatic Facilities	(1,208)	(2,359)	(1,207)	(1,152)	(1,484)	(1,482)	(8,892)
Eliminate Outdoor Aquatic Facilities	(170)	(342)	(170)	(170)	(204)	(211)	(1,267)
Eliminate Recreation & Leisure Centres	(107)	(109)	(111)	(113)	(109)	(110)	(659)
Eliminate Building Asset / Work Management Program	-	(164)	-	-	(170)	-	(334)
Eliminate UFF - Hockey Pen Light Standard Replacement	(100)	(100)	(100)	(100)	(100)	(100)	(600)
Eliminate City-Wide Accessibility Program	(425)	(425)	(425)	(425)	(425)	(425)	(2,550)
Create Health/Life Safety/Emergency Systems Refurbishment Capital Program	1,813	3,273	732	1,146	2,660	943	10,567
Total Options to Achieve the Target *	(4,562)	(4,720)	(4,149)	(4,583)	(5,437)	(5,347)	(28,798)
EPC Recommended Target to Balance	(4,562)	(4,720)	(4,149)	(4,583)	(5,437)	(5,347)	(28,798)
Variance (Shortfall from Target)	-						

* 2020 Draft Budget and Five Year Draft Forecast include the options to achieve the capital target

Implications of the Recommended Target for the Capital Budget

(a) **FACTS:** On average:

- Municipal Office Buildings: 25 years older than average life expectancy of 50 years.
- Leased building portfolio is aged and significantly beyond life expectancy.
- PP&D assets are on average in D condition= poor to very poor.
- Community Services facilities are in C- condition. They are maintained by PP&D's budget.
- The City average is a B- condition.

Scale Rating:

- ✚ 4-Poor: Infrastructure mostly below standard, with many elements approaching the end of their service life. A large portion of the system exhibits significant deterioration
- ✚ 5- Very Poor: Infrastructure in unacceptable condition with widespread signs of advanced deterioration. Many components in the system exhibit signs of imminent failure.

Source: COW 2018 City Asset Management Plan

(b) The capital targets provided represent a reduction of 72% compared to the 2019 –2024 capital budget/forecast. This will result in a reactionary strategy with increased uncertainty and risk; the likely result being unplanned facility closures. This will lead to substantially reduced levels of service including, in the case of recreation facilities, adverse impacts on community programming.

(c) With reduced capital funding, major asset components will not be replaced, resulting in additional materials and labour costs and all financial resources being spent on reactionary breakdown.

(d) Continual deferred completion of capital investments and preventative maintenance will increase exponentially the erosion of the City's building infrastructure.

In 2018, PPD-MA infrastructure deficit was \$538M (over a 10-year period), structural items not included.

(e) Buildings that provide critical services will take priority.

(f) The full impact of reduced capital budgets likely to be felt in 2021 or 2022 as existing Council-approved capital funding is exhausted.

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED BUDGET	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT BUDGET	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST
	2019	2020	2020	2020	2021	2021	2021	2022	2022	2022
MUNICIPAL ACCOMMODATIONS										
General Building Renovation and Refurbishing	180	250	(250)		500	(500)				
Public Safety Building and Civic Centre Parkade	4,405									
- Transfer from Winnipeg Parking Authority SOA (Proceeds from sale of Winnipeg Square Parkade held in Land Operating Reserve	6,055									
- External Debt										
Total Public Safety Building and Civic Centre Parkade	10,460									
Accommodation Facilities										
- Cash to Capital	19				75	(75)		978	(978)	
- Land Operating Reserve	2,000	1,700	(1,700)		1,700	(1,700)				
Total Accommodation Facilities	2,019	1,700	(1,700)		1,775	(1,775)		978	(978)	
Millennium Library - HVAC and Temperature Control		750	(750)							
Fire / Life Safety / Regulatory Upgrades										
- Cash to Capital	45	608	(608)		704	(704)		720	(720)	
- Internal Financing	759									
Total Fire / Life Safety / Regulatory Upgrades	804	608	(608)		704	(704)		720	(720)	
Energy Conservation										
- Cash to Capital	158				136	(136)				
- Federal Gas Tax										
Total Energy Conservation	158				136	(136)				
Tenant Improvement Prepayment - Major Department					183	(183)				
Historic Buildings										
- Cash to Capital		217	(217)		220	(220)		224	(224)	
- Internal Financing	214									
Total Historic Buildings	214	217	(217)		220	(220)		224	(224)	

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED BUDGET	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT BUDGET	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST
	2019	2020	2020	2020	2021	2021	2021	2022	2022	2022
MUNICIPAL ACCOMMODATIONS										
Generator Set Replacement and Upgrades										
- Cash to Capital		136	(136)		123	(123)		148	(148)	
- Internal Financing	113									
Total Generator Set Replacement and Upgrades	113	136	(136)		123	(123)		148	(148)	
Security / Building Automation System Initiatives										
- Cash to Capital	215	205	(205)		255	(255)		255	(255)	
- Internal Financing	255									
Total Security / Building Automation System Initiatives	470	205	(205)		255	(255)		255	(255)	
Community Centres - Refurbishing and Improvements										
- Cash to Capital		266	(266)		331	(331)		327	(327)	
- Federal Gas Tax / Surplus	299									
- Internal Financing	374									
Total Community Centres - Refurbishing and Improvements	673	266	(266)		331	(331)		327	(327)	
Arenas										
- Cash to Capital		233	(233)							
- Federal Gas Tax					267	(267)		268	(268)	
- Internal Financing	525									
Total Arenas	525	233	(233)		267	(267)		268	(268)	
Indoor Aquatic Facilities										
- Cash to Capital	408	1,208	(1,208)		1,344	(1,344)		141	(141)	
- Federal Gas Tax					1,015	(1,015)		1,066	(1,066)	
- Internal Financing	1,086									
- Transfer from Prior Year Authorization	111									
Total Indoor Aquatic Facilities	1,605	1,208	(1,208)		2,359	(2,359)		1,207	(1,207)	

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED BUDGET	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT BUDGET	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST
	2019	2020	2020	2020	2021	2021	2021	2022	2022	2022
MUNICIPAL ACCOMMODATIONS										
Outdoor Aquatic Facilities										
- Cash to Capital		170	(170)		342	(342)		170	(170)	
- Federal Gas Tax / Surplus	169									
Total Outdoor Aquatic Facilities	169	170	(170)		342	(342)		170	(170)	
Recreation & Leisure Centres (formerly - Community Facilities)										
- Cash to Capital		107	(107)		109	(109)		111	(111)	
- Federal Gas Tax / Surplus	106									
Total Recreation & Leisure Centres	106	107	(107)		109	(109)		111	(111)	
Building Asset / Work Management Program	175				164	(164)				
UFF - Hockey Pen Light Standard Replacement										
- Cash to Capital		100	(100)		100	(100)		100	(100)	
- Internal Financing	100									
Total UFF - Hockey Pen Light Standard Replacement	100	100	(100)		100	(100)		100	(100)	
City-Wide Accessibility Program										
- Cash to Capital		425	(425)		425	(425)		425	(425)	
- Internal Financing	425									
Total City-Wide Accessibility Program	425	425	(425)		425	(425)		425	(425)	
Transcona Centennial Pool										
- Transfer from Prior Year Authorization		100		100						
Total Transcona Centennial Pool		100		100						

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED	ADOPTED IN			ADOPTED IN			ADOPTED IN		
	BUDGET	PRINCIPLE FORECAST	CHANGES	DRAFT BUDGET	PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST	PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST
	2019	2020	2020	2020	2021	2021	2021	2022	2022	2022
MUNICIPAL ACCOMMODATIONS										
Sherbrook Pool Reopening										
- Kinsmen Club of Winnipeg (Sponsor Winnipeg)	95	95		95						
- Interim Financing from General Capital Fund / (Repayment)	(95)	(95)		(95)						
Total Sherbrook Pool Reopening										
Strategic Facilities Master Plan										
- Land Operating Reserve			450	450		250	250			
Total Strategic Facilities Master Plan			450	450		250	250			
Carlton Walkways										
- External Financing			2,344	2,344						
Total Strategic Facilities Master Plan			2,344	2,344						
Health/Life Safety/Emergency Systems Refurbishment										
- Cash to Capital			113	113		1,122	1,122		632	632
- Land Operating Reserve			1,700	1,700		1,700	1,700			
- Federal Gas Tax						451	451		100	100
Total Health/Life Safety/Emergency Systems Refurbishment			1,813	1,813		3,273	3,273		732	732
TOTAL MUNICIPAL ACCOMMODATIONS	18,196	6,475	(1,768)	4,707	7,993	(4,470)	3,523	4,933	(4,201)	732

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST	DRAFT FORECAST	2020-2025 6 YEAR TOTAL
	2023	2023	2023	2024	2024	2024	2025	
MUNICIPAL ACCOMMODATIONS								
General Building Renovation and Refurbishing				310	(310)			
Public Safety Building and Civic Centre Parkade - Transfer from Winnipeg Parking Authority SOA (Proceeds from sale of Winnipeg Square Parkade held in Land Operating Reserve - External Debt								
Total Public Safety Building and Civic Centre Parkade								
Accommodation Facilities - Cash to Capital - Land Operating Reserve	1,844	(1,844)		1,229 1,700	(1,229) (1,700)			
Total Accommodation Facilities	1,844	(1,844)		2,929	(2,929)			
Millennium Library - HVAC and Temperature Control								
Fire / Life Safety / Regulatory Upgrades - Cash to Capital - Internal Financing	722	(722)		712	(712)			
Total Fire / Life Safety / Regulatory Upgrades	722	(722)		712	(712)			
Energy Conservation - Cash to Capital - Federal Gas Tax				147	(147)			
Total Energy Conservation				147	(147)			
Tenant Improvement Prepayment - Major Department				183	(183)			
Historic Buildings - Cash to Capital - Internal Financing	229	(229)		221	(221)			
Total Historic Buildings	229	(229)		221	(221)			

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST	DRAFT FORECAST	2020-2025 6 YEAR TOTAL
	2023	2023	2023	2024	2024	2024	2025	
MUNICIPAL ACCOMMODATIONS								
Generator Set Replacement and Upgrades								
- Cash to Capital	130	(130)		130	(130)			
- Internal Financing								
Total Generator Set Replacement and Upgrades	130	(130)		130	(130)			
Security / Building Automation System Initiatives								
- Cash to Capital	245	(245)		276	(276)			
- Internal Financing								
Total Security / Building Automation System Initiatives	245	(245)		276	(276)			
Community Centres - Refurbishing and Improvements								
- Cash to Capital	330	(330)		84	(84)			
- Federal Gas Tax / Surplus				301	(301)			
- Internal Financing								
Total Community Centres - Refurbishing and Improvements	330	(330)		385	(385)			
Arenas								
- Cash to Capital								
- Federal Gas Tax	269	(269)		312	(312)			
- Internal Financing								
Total Arenas	269	(269)		312	(312)			
Indoor Aquatic Facilities								
- Cash to Capital	1,152	(1,152)		1,484	(1,484)			
- Federal Gas Tax								
- Internal Financing								
- Transfer from Prior Year Authorization								
Total Indoor Aquatic Facilities	1,152	(1,152)		1,484	(1,484)			

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT FORECAST	DRAFT FORECAST	2020-2025 6 YEAR TOTAL
	2023	2023	2023	2024	2024	2024	2025	
MUNICIPAL ACCOMMODATIONS								
Outdoor Aquatic Facilities								
- Cash to Capital	170	(170)		204	(204)			
- Federal Gas Tax / Surplus								
Total Outdoor Aquatic Facilities	170	(170)		204	(204)			
Recreation & Leisure Centres (formerly - Community Facilities)								
- Cash to Capital	113	(113)		109	(109)			
- Federal Gas Tax / Surplus								
Total Recreation & Leisure Centres	113	(113)		109	(109)			
Building Asset / Work Management Program				170	(170)			
UFF - Hockey Pen Light Standard Replacement								
- Cash to Capital	100	(100)		100	(100)			
- Internal Financing								
Total UFF - Hockey Pen Light Standard Replacement	100	(100)		100	(100)			
City-Wide Accessibility Program								
- Cash to Capital	425	(425)		425	(425)			
- Internal Financing								
Total City-Wide Accessibility Program	425	(425)		425	(425)			
Transcona Centennial Pool								
- Transfer from Prior Year Authorization								100
Total Transcona Centennial Pool								100

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED IN		DRAFT	ADOPTED IN		DRAFT	DRAFT	2020-2025 6 YEAR TOTAL	
	PRINCIPLE	CHANGES	FORECAST	PRINCIPLE	CHANGES	FORECAST	FORECAST		
	FORECAST	2023	2023	FORECAST	2024	2024	2025		
MUNICIPAL ACCOMMODATIONS									
Sherbrook Pool Reopening								95	
- Kinsmen Club of Winnipeg (Sponsor Winnipeg)								(95)	
- Interim Financing from General Capital Fund / (Repayment)									
Total Sherbrook Pool Reopening									
Strategic Facilities Master Plan								700	
- Land Operating Reserve									
Total Strategic Facilities Master Plan								700	
Carlton Walkways								2,344	
- External Financing									
Total Strategic Facilities Master Plan								2,344	
Health/Life Safety/Emergency Systems Refurbishment								2,810	
- Cash to Capital							943	5,100	
- Land Operating Reserve					1,700	1,700		2,657	
- Federal Gas Tax		1,146	1,146		960	960			
Total Health/Life Safety/Emergency Systems Refurbishment		1,146	1,146		2,660	2,660	943	10,567	
TOTAL MUNICIPAL ACCOMMODATIONS		5,729	(4,583)	1,146	8,097	(5,437)	2,660	943	13,711

Operating Budget Summary

Recommended target – 4 year budget – **annual budget growth rate of 0%**

(in millions of \$)

	2019 Approved Budget	2020 Projection (from 2019)	2020 Draft Budget	2021 Draft Projection	2022 Draft Projection	2023 Draft Projection
Expenditure Budget*	72.433	75.061	72.488	74.252	73.065	74.753
EPC Recommended Expenditure Target			72.310	74.169	72.907	74.528
Variance (Excess over Target)			0.178	0.083	0.158	0.225

* Note: Draft budget and projections include the options to achieve the EPC recommended targets to balance.

- Deferral of repairs and maintenance expenditures will not help address the building portfolio infrastructure deficit.
- Any expenditure reductions by client departments, utilities and special operating agencies will be reflected in their budget.

Capital Budget Summary

Recommended target for capital

(in millions of \$)

	2019 Approved Capital Budget	2020 Draft Budget	Draft Forecast				
			2021	2022	2023	2024	2025
Cash to Capital Budget*	2.256	0.113	1.122	0.632	-	-	0.943
EPC Recommended Capital Target		0.113	1.122	0.632	-	-	0.943
Variance (Shortfall from Target)		-	-	-	-	-	-

* Note: Draft budget and forecast include the options to achieve the EPC recommended targets to balance.

- Reduced funding level will have an adverse effect on the Department’s ability to address the growing building portfolio infrastructure deficit.
- Programming offered by the Community Services Department will be negatively affected by recreation facility closures.
- Lack of investment in building infrastructure will inevitably lead to closures. It is not a question of “if”; it is only a question of “when”.
- Priority will be given to critical health and life safety expenditures.

Questions?