

2002 Adopted Current Estimates



Adopted October 25, 2001

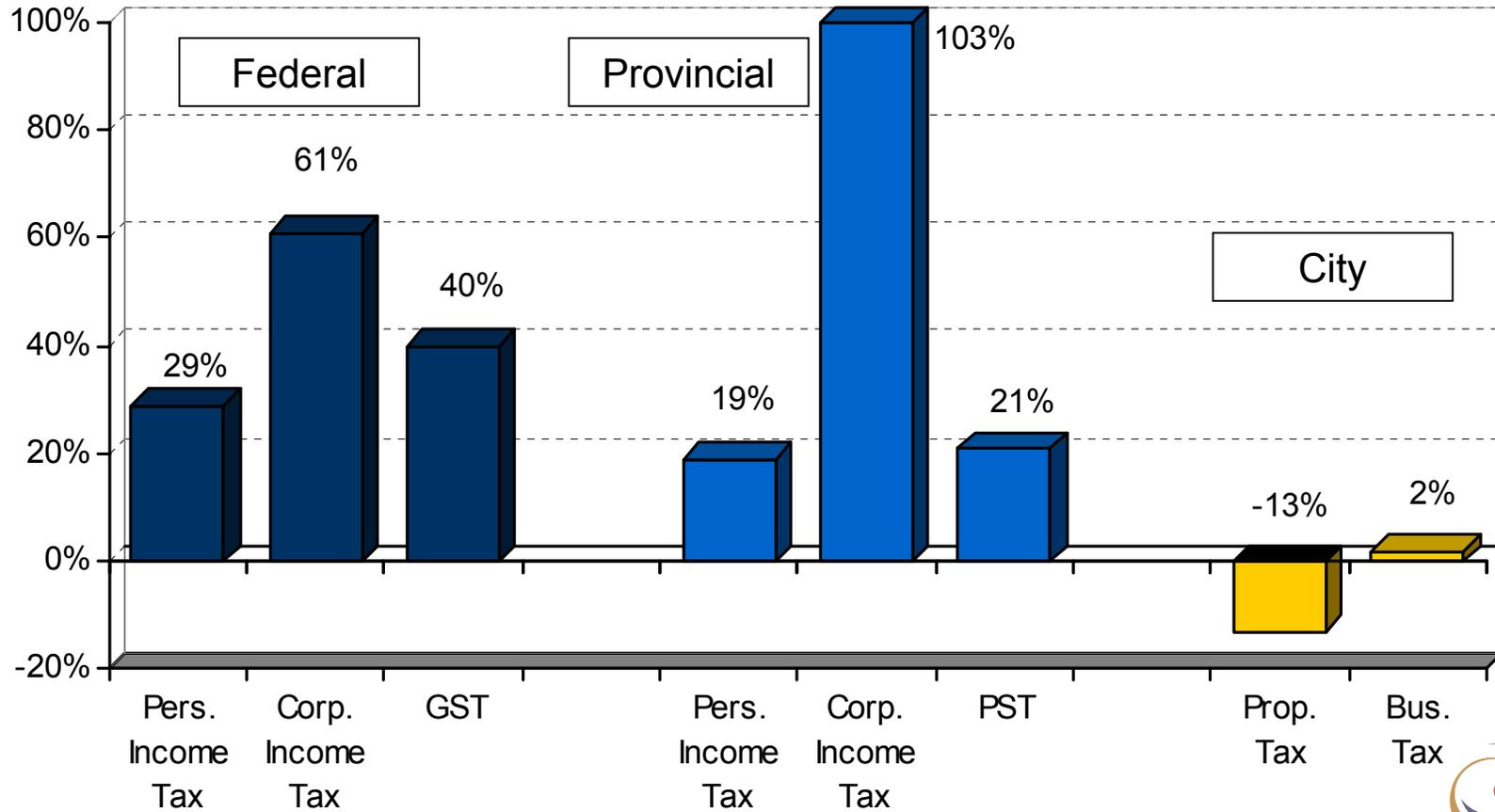
THE CHALLENGES

- reducing property taxes (third year in a row – total of 6%)
- wage pressures
- price increases, e.g. fuel prices
- debt charges at 19.5% of operating budget
- maintaining service levels to meet program needs
- new initiatives
- infrastructure renewal requirements

CHANGES IN TAXATION REVENUES

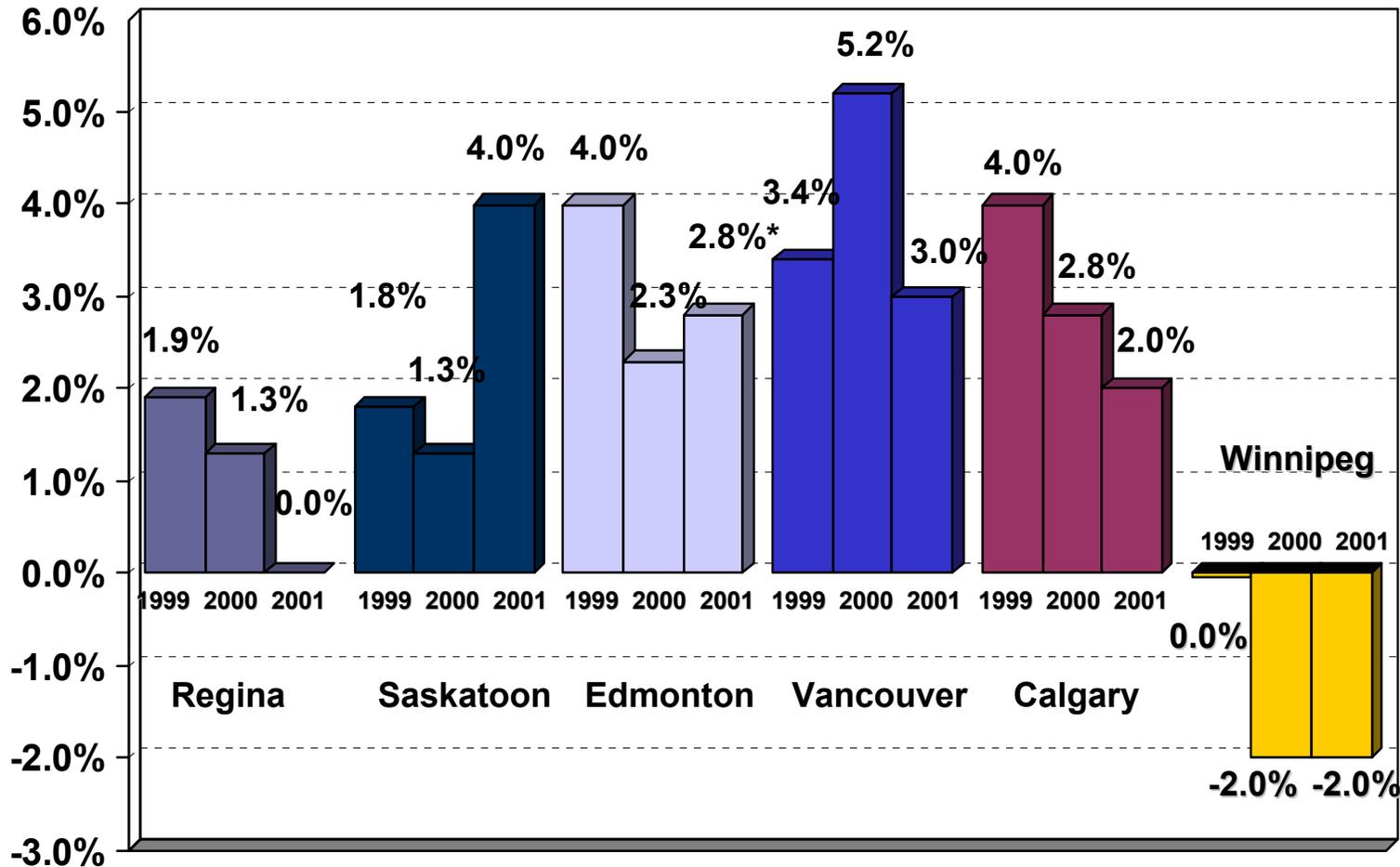
THREE LEVELS OF GOVERNMENT

2001 COMPARED TO 1995 (ADJUSTED FOR INFLATION)



Source: Federal, Provincial, and City of Winnipeg – Corporate Finance Department Documents

RESIDENTIAL PROPERTY TAX RATE CHANGES IN OTHER CITIES



* One time "tax shielding", thus for 2001 taxpayers do not pay increase
 Source: Cities' budget documents and websites

HIGHLIGHTS

3rd year of a three-year plan to achieve a more affordable government:

- **decreases property taxes by 2% for the third year in a row - 6% in total**
- **freezes business tax rate at 1996 levels**
- **protects front line essential services**
- **increases funding for public safety**
- **continued commitment to no new borrowing for capital programs**

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

The 2000 to 2002 budget provides homeowners with a 6% property tax reduction. The inflation-adjusted reduction is much larger.



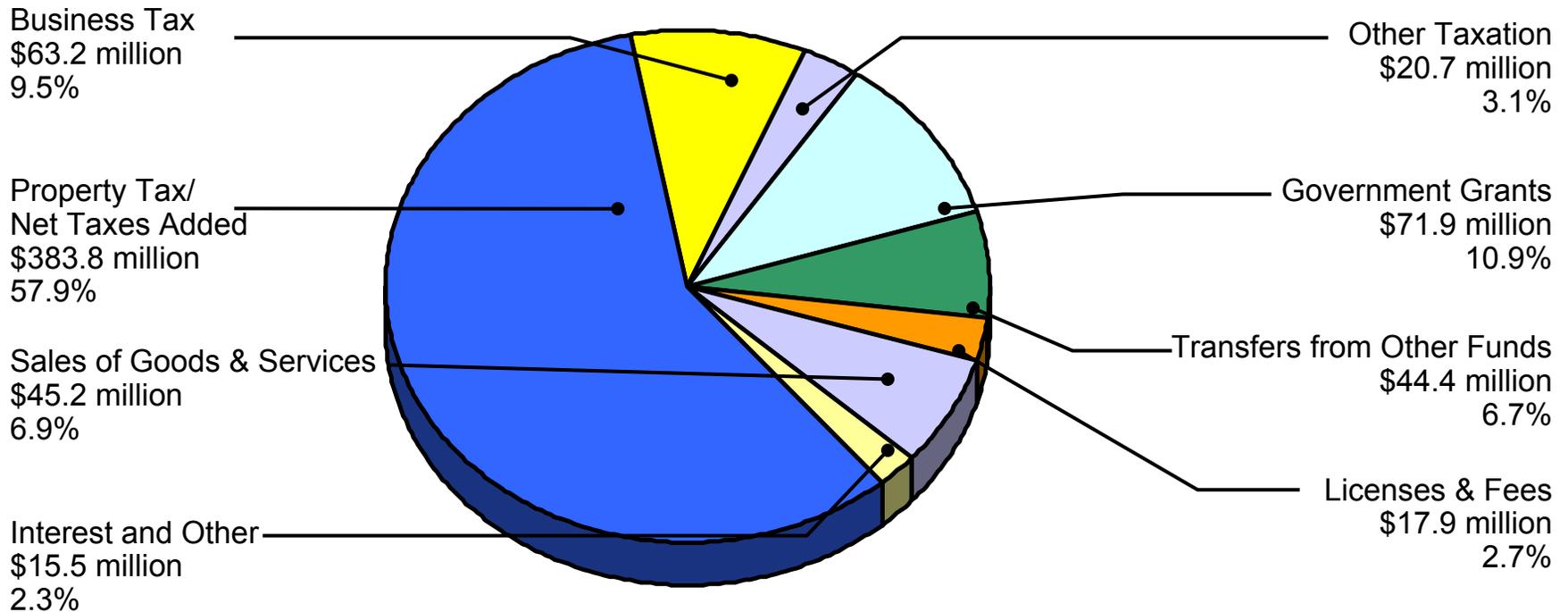
	1999	2000	2001	2002
Municipal property taxes (excludes school taxes):	\$ 1,506	\$ 1,476	\$ 1,446	\$ 1,416
Decrease from 1999:	Amount	\$ (30)	\$ (60)	\$ (90)
	%	-2.0%	-4.0%	-6.0%

BUDGET SUMMARY

IN MILLIONS	1998 ACTUAL	2002 ADOPTED
REVENUE		
Property Tax	\$ 390.8	\$ 379.8
Net Taxes Added	-	4.0
Business Tax/License in Lieu	52.2	63.2
Other	251.1	215.6
TOTAL	\$ 694.1	\$ 662.6
EXPENDITURES		
Departmental	\$ 604.3	\$ 574.6
Corporate	89.0	88.0
TOTAL	\$ 693.3	\$ 662.6
SURPLUS*/(DEFICIT)	\$ 0.8	\$ -

* Surplus transferred to Mill Rate Stabilization Reserve

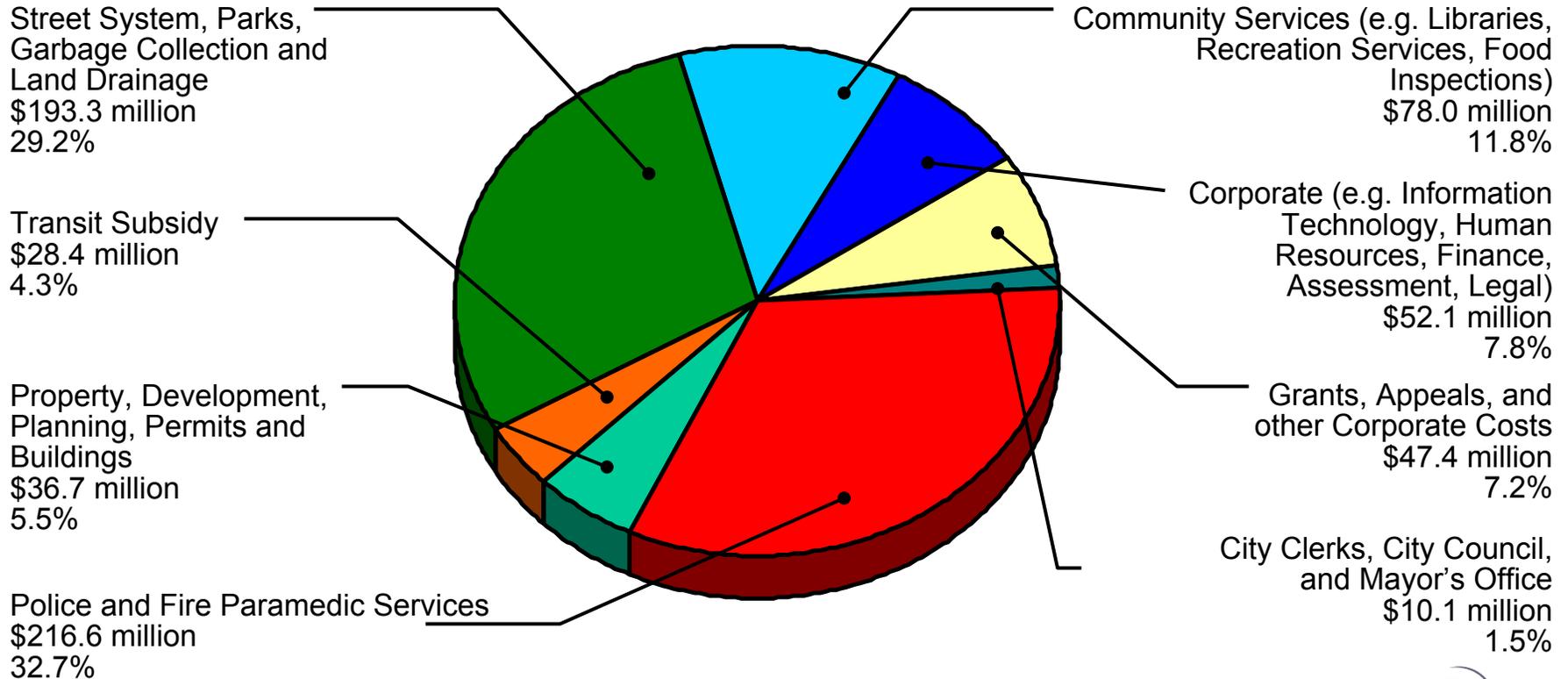
WHERE DOES THE MONEY COME FROM IN THE OPERATING BUDGET?



2002 Adopted Budget - \$662.6 million

Tax-Supported

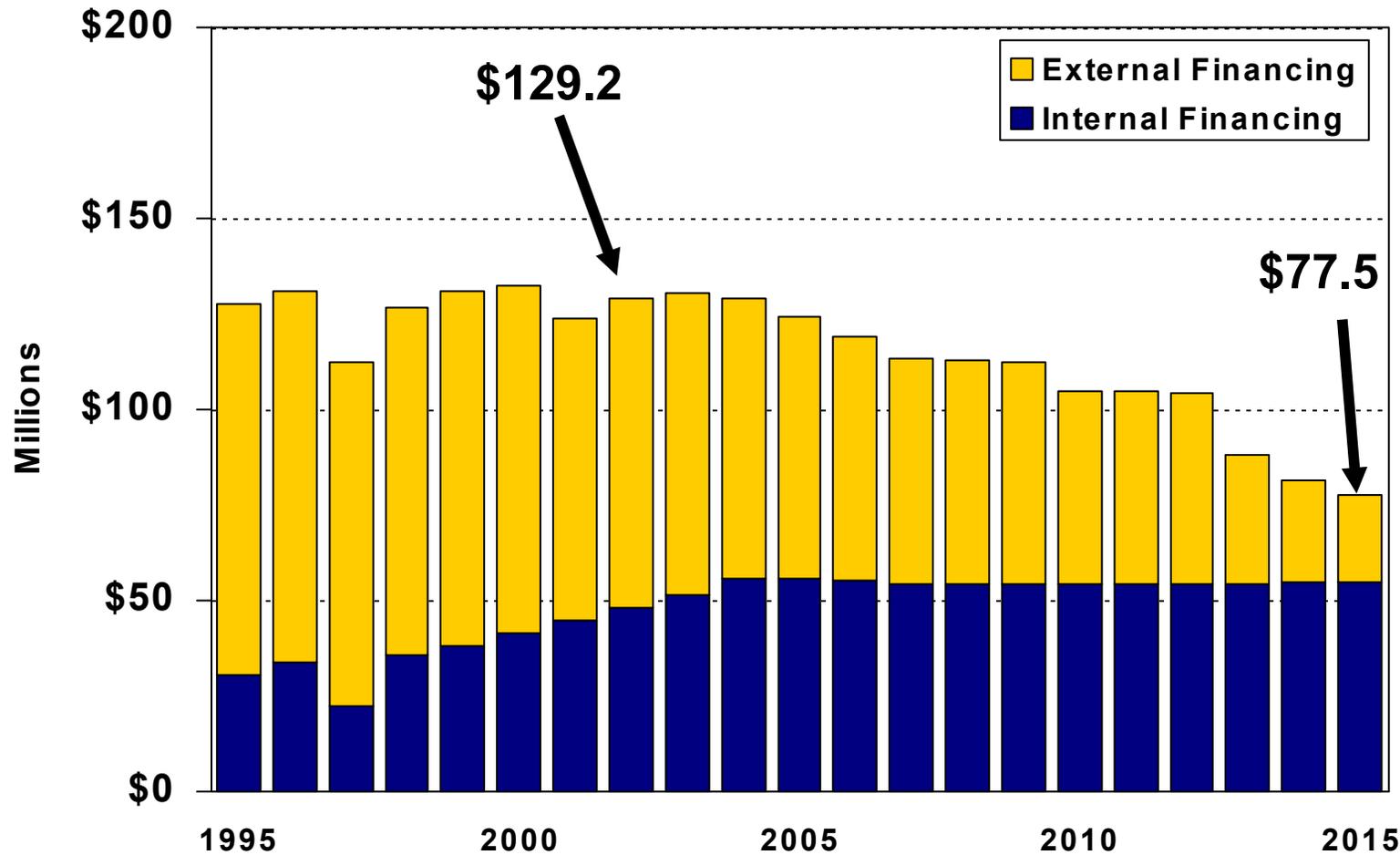
HOW IS THE MONEY SPENT IN THE OPERATING BUDGET?



2002 Adopted Budget - \$662.6 million

Tax-Supported

TAX-SUPPORTED DEBT SERVICING COSTS



Excludes Civic Buildings

COUNCIL ADOPTION OF THE 2002 CURRENT ESTIMATES

On October 25, 2001 Council adopted the following recommendations:

- I. That the 2002 Current Estimates as outlined in Schedule “A” be approved.

Note: The 2002 Current Estimates as outlined in Schedule “A” are based on a 2% property tax decrease, adjusted for growth.
- II. That the City’s business tax rate for 2002 remain frozen at 1996 levels – 9.75%.
- III. That Transit fares be increased by five cents effective January 1, 2002 for both the regular and reduced fare categories (including Handi-Transit), as previously adopted in principle.
- IV. That the transfers to/from utility operations and other funds, as well as the fees and charges outlined in the tax-supported budget submission be approved.
- V. That the Standing Committee on Fiscal Issues be responsible for reviewing and monitoring the operating budgets subsequent to their approval by Council.
- VI. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary by-laws to implement the above recommendations.
- VII. That a further \$500,000.00 be added to the Winnipeg Police Service budget in order to allow the hiring of civilian personnel and the redeployment of police officers with an offsetting reduction in corporate costs. Provision of funding is conditional upon the approval of a Winnipeg Police Service staffing/ civilianization plan at the Standing Policy Committee on Protection and Community Services and at Executive Policy Committee.
- VIII. That an additional \$343,051.00 be added to the Planning, Property and Development budget for 2002 for the addition of:
 - a) increased clerical support from .5 to 1.0 FTE to provide assistance to the public in completing/fulfilling RRAP requirements;
 - b) two (2) full time RRAP inspectors to process the large volume of applications;
 - c) second existing staff for 3 months to assist in processing the current backlog; and
 - d) two (2) plan examiners in housing and mechanical and plumbing to alleviate the backlog of applications resulting from increased housing renovation, conversion and redevelopment in target neighbourhoods and the downtown.
- IX. That the Proper Officers of the City of Winnipeg be authorized to do all things necessary to implement the above recommendations.

Schedule "A"

THE CITY OF WINNIPEG 2002 Adopted Current Estimates TAX-SUPPORTED SUMMARY

	2001 Adopted Budget *	2002 Budget Adopted in Principle *	Proposed Revisions	2002 Adopted Budget
Revenue:				
1. Realty tax/payments in lieu	\$ 383,588,552	\$ 375,806,347	\$ 4,042,037	\$ 379,848,384
2. Net taxes added	-	-	4,000,000	4,000,000
3. Business tax/license in lieu of business	60,070,000	61,760,000	1,403,500	63,163,500
4. Other taxation	19,256,500	19,161,500	1,539,600	20,701,100
5. Government grants	72,835,152	74,582,040	(2,645,855)	71,936,185
6. Regulation fees	17,719,985	25,989,039	(8,094,272)	17,894,767
7. Sale of goods and services	42,329,821	43,886,778	1,319,818	45,206,596
8. Interest/debt charges recoverable	14,450,364	14,181,933	(92,740)	14,089,193
9. Transfers from other funds	39,537,527	49,280,001	(4,864,508)	44,415,493
10. Other	965,789	1,715,819	(415,561)	1,300,258
Total	\$ 650,753,690	\$ 666,363,457	\$ (3,807,981)	\$ 662,555,476
Expenditures:				
Departmental:				
11. CAO Secretariat	\$ 2,740,718	\$ 2,724,826	\$ (295,852)	\$ 2,428,974
12. Corporate Finance	11,760,591	12,651,104	1,057,818	13,708,922
13. Property Assessment	12,304,414	12,241,437	515,100	12,756,537
14. Public Works	149,544,966	156,001,602	(6,496,003)	149,505,599
15. Fire Paramedic Service	89,575,072	92,172,127	910,192	93,082,319
16. Winnipeg Police Service	117,903,207	121,907,952	1,637,495	123,545,447
17. Community Services/Museums	74,036,331	75,454,315	2,504,604	77,958,919
18. Corporate Services	8,680,772	8,703,548	(205,835)	8,497,713
19. Corporate Information Technology	15,676,850	15,427,434	(747,259)	14,680,175
20. Planning, Property and Development	37,839,222	37,822,565	(1,164,936)	36,657,629
21. Refuse Collection	16,514,858	16,774,482	(10,485)	16,763,997
22. Land Drainage and Flood Control	18,899,768	20,180,001	(1,214,568)	18,965,433
23. Other	6,246,501	3,964,845	2,123,118	6,087,963
Sub-total Departmental	\$ 561,723,270	\$ 576,026,238	\$ (1,386,611)	\$ 574,639,627
Corporate:				
24. Corporate debt and finance charges	\$ 18,393,340	\$ 18,455,043	\$ (520,445)	\$ 17,934,598
25. Taxes/insurance/damage claims	9,498,581	9,672,024	(577,704)	9,094,320
26. Corporate Employee Benefits	5,191,243	2,191,243	1,211,512	3,402,755
27. Contribution to Transit	29,579,879	28,379,879	(25,200)	28,354,679
28. Grants/payments to other authorities	10,664,027	9,600,320	348,543	9,948,863
Transfers to Pension Reserves	62,205	-	-	-
29. Other corporate costs	15,641,145	22,038,710	(2,858,076)	19,180,634
Sub-total Corporate	\$ 89,030,420	\$ 90,337,219	\$ (2,421,370)	\$ 87,915,849
Total	\$ 650,753,690	\$ 666,363,457	\$ (3,807,981)	\$ 662,555,476
Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -

* Restated to reflect organizational changes.

THE CITY OF WINNIPEG
2002 Adopted Current Estimates
TAX-SUPPORTED REVENUE

Expl. No.	<u>Explanation</u>	2002 <u>Revisions</u>
1	Realty tax / payments in lieu Property tax decrease of 2% offset by assessment base growth.	\$ 4,042,037
2	Net Taxes Added Starting in 2002 any properties added or deleted to the property assessment roll will be directly recorded into general revenue rather than being transferred to the Fiscal Stabilization Reserve, as approved by Council on May 23, 2001.	\$ 4,000,000
3	Business tax / license in lieu of business tax Business tax rate frozen at 1996 level of 9.75% of annual rental values. Increase as a result of projected growth in the assessment base.	\$ 1,403,500
4	Other Taxation Increases in estimated Natural Gas Tax Revenue. Miscellaneous adjustments. Total	\$ 1,553,000 (13,400) <hr style="width: 100%; border: 0.5px solid black;"/> \$ 1,539,600
5	Government grants Requested funding for the Arson Task Force in Winnipeg Police Services of \$390,652 to be reflected as revenue instead of being budgeted as a recovery. Requested funding for the Fire / Arson Investigation Unit in Fire Paramedics of \$396,908 included in the 2002 budget adopted in principle. Request to the Province for both Units totals \$787,560. Other adjustments. Total	\$ 390,652 <hr style="width: 100%; border: 0.5px solid black;"/> \$ (2,645,855)

THE CITY OF WINNIPEG
2002 Adopted Current Estimates
TAX-SUPPORTED REVENUE

Expl. No.	<u>Explanation</u>	2002 <u>Revisions</u>
6	Regulation fees	
	Reduction in projected revenue from new traffic enforcement initiatives.	\$ (8,000,000)
	Miscellaneous adjustments.	(94,272)
	Total	<u>\$ (8,094,272)</u>
7	Sale of goods and services	
	Increased revenue related to Ambulance user fees due to increased call volume.	\$ 903,665
	New revenue for Tipping Fees due to the introduction of small commercial collection as part of the waste minimization strategy adopted by Council on May 23, 2001.	270,000
	Miscellaneous adjustments.	146,153
	Total	<u>1,319,818</u>
8	Interest / debt charges recoverable	\$ (92,740)
	Miscellaneous adjustments, mainly Sinking Fund revenue.	
9	Transfers from other funds	
	The 2002 budget adopted in principle assumed that a transfer from the Fiscal Stabilization Reserve (net taxes added) would be made. However, the new reserve policy adopted by Council on May 23, 2001 directs that net taxes added flow directly into general revenue and not through the Reserve. (See Explanation Number 2 - Net Taxes Added.)	\$ (4,195,970)
	Miscellaneous adjustments.	(668,538)
	Total	<u>\$ (4,864,508)</u>
10	Other Revenue	<u>\$ (415,561)</u>
Total Revenue Revisions		<u><u>\$ (3,807,981)</u></u>

THE CITY OF WINNIPEG
2002 Adopted Current Estimates
TAX-SUPPORTED EXPENDITURES

Expl. No.	<u>Explanation</u>	2002 <u>Revisions</u>
11	CAO Secretariat Transfer of Emergency Preparedness to Corporate Finance and transfer of Special Events position to EPC Secretariat.	\$ (295,852)
12	Corporate Finance Increase in debt and finance charges. Transfer in Emergency Preparedness from the CAO Secretariat. Miscellaneous adjustments. Total	\$ 792,748 239,887 25,183 <hr/> \$ 1,057,818
13	Property Assessment Transfer in funding for expediting appeals from "Other Corporate Costs". Miscellaneous adjustments. Total	\$ 500,000 15,100 <hr/> \$ 515,100
14	Public Works Decrease in debt and finance charges. Increase in heating and motive fuel costs. Miscellaneous adjustments. Total	\$ (6,939,736) 570,428 (126,695) <hr/> \$ (6,496,003)
15	Fire Paramedic Service Increase in salaries and benefits. New equipment including thermal imaging cameras. Decrease in debt and finance charges. Miscellaneous adjustments. Total	\$ 1,279,814 186,650 (514,633) (41,639) <hr/> \$ 910,192

THE CITY OF WINNIPEG
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TAX-SUPPORTED EXPENDITURES

Expl. No.	<u>Explanation</u>	2002 <u>Revisions</u>
16	Winnipeg Police Service	
	Increase in staffing levels in Police Communications Centre to address "911" service demands and other initiatives.	\$ 500,000
	Increase in civilian personnel to allow redeployment of police officers. Provision of funding is conditional upon the approval of a Winnipeg Police Service staffing/civilianization plan at the Standing Policy Committee on Protection and Community Services and at Executive Policy Committee.	500,000
	Increase in sick leave severance costs due to high attrition rate.	416,415
	Increase in radio equipment replacements.	181,869
	Miscellaneous adjustments.	39,211
	Total	<u>\$ 1,637,495</u>
17	Community Services / Museums	
	Increased heating fuel costs, primarily for pools.	\$ 1,653,569
	Increased costs for the Insect Control Branch for biological insecticides.	626,957
	Reinstatement of temporary salaries to the Library Services Division.	203,511
	Decrease in debt and finance charges.	(172,306)
	Miscellaneous adjustments.	192,873
	Total	<u>\$ 2,504,604</u>
18	Corporate Services	\$ (205,835)
	Miscellaneous adjustments including savings in salaries and benefits.	

THE CITY OF WINNIPEG
2002 Adopted Current Estimates
TAX-SUPPORTED EXPENDITURES

Expl. No.	<u>Explanation</u>	2002 <u>Revisions</u>
19	Corporate Information Technology	
	Decrease in debt and finance charges.	\$ (703,841)
	Miscellaneous adjustments.	(43,418)
	Total	<u>\$ (747,259)</u>
20	Planning, Property and Development	
	Decrease in debt and finance charges.	\$ (2,302,386)
	One-time increase of \$343,051 in 2002 for 4.5 FTEs:	343,051
	☞ increased clerical support from .5 to 1.0 FTE to provide assistance to the public in completing/fulfilling Residential Rehabilitation Assistance Program (RRAP) requirements;	
	☞ two (2) full time RRAP inspectors to process the large volume of applications;	
	☞ second existing staff for 3 months to assist in processing the current backlog; and	
	☞ two (2) plan examiners in housing and mechanical and plumbing to alleviate the backlog of applications resulting from increased housing renovation, conversion, and redevelopment in target neighbourhoods and the downtown.	
	Increased uptake in the 2001 Home Renovation Tax Assistance Program.	275,195
	Funding for the Pantages Playhouse Theatre management agreement.	103,000
	Miscellaneous adjustments.	416,204
	Total	<u>\$ (1,164,936)</u>

THE CITY OF WINNIPEG
2002 Adopted Current Estimates
TAX-SUPPORTED EXPENDITURES

<u>Expl.</u>	<u>No.</u>	<u>Explanation</u>	2002
			<u>Revisions</u>
	21	Refuse Collection	\$ (10,485)
		Miscellaneous adjustments.	
	22	Land Drainage and Flood Control	
		Decrease in debt and finance charges.	\$ (1,206,509)
		Miscellaneous adjustments.	(8,059)
		Total	<u>\$ (1,214,568)</u>
	23	Other	
		Provision for increased heating and motive fuel costs.	\$ 2,000,000
		Establishment of a Civic Environment Committee.	69,000
		Miscellaneous adjustments.	54,118
		Total	<u>\$ 2,123,118</u>
	24	Corporate debt and finance charges	\$ (520,445)
		Decreased charges.	
	25	Taxes / insurance / damage claims	\$ (577,704)
		Miscellaneous adjustments.	
	26	Corporate Employee Benefits	\$ 1,211,512
		Increase in corporate employee benefit costs primarily related to sick leave severance costs due to attrition.	
	27	Contribution to Transit	\$ (25,200)
		Contribution to Transit adjusted to reflect more recent projections. (See Utility operations).	

THE CITY OF WINNIPEG
2002 Adopted Current Estimates
TAX-SUPPORTED EXPENDITURES

<u>Expl.</u>		2002
<u>No.</u>	<u>Explanation</u>	<u>Revisions</u>
28	Grants / payments to other authorities	
	Street Festivals.	\$ 300,000
	Increase grant to National Volleyball Teams from \$40,000 to \$75,000.	35,000
	Net change in grants and payments to other authorities. (See attached list).	13,543
	Total	<u>\$ 348,543</u>
29	Other corporate costs:	
	Reduction in Strategic Implementation Contingency.	\$ (2,234,876)
	Funding for expediting appeals transferred to Property Assessment.	(500,000)
	Reduced provision for doubtful accounts.	(150,000)
	Miscellaneous changes to specific initiatives.	26,800
	Total	<u>\$ (2,858,076)</u>
Total Expenditure Revisions		<u><u>\$ (3,807,981)</u></u>

THE CITY OF WINNIPEG
2002 Adopted Current Estimates

Listing of Corporate Grants and Payments to Other Authorities:

Organization	2002 Adopted Budget
Age & Opportunity Centre Inc.	\$ 87,000
Andrews Street Family Centre	38,000
Broadway Neighbourhood Centre	100,000
Centre Venture	250,000
Children's Museum	65,000
Children's Theater	6,880
Citizenship Council of Manitoba	27,000
Convention Centre	2,199,353
Corporate Grants-Minimal Municipal Services	285,000
Cultural Grants	1,974,552
Street Festivals	300,000
Economic Development Winnipeg	706,286
Elmwood Cemetery	109,691
Festival Du Voyageur	40,000
Heritage Winnipeg Corporation	9,000
Housing & Urban Renewal	192,831
Local Grants	111,090
Main Street Project	110,000
Mediation Services	5,000
National Volleyball Teams	75,000
Pavilion	70,000
Promotional Pins, Etc.	25,000
Rossbrook House	214,328
Tourism Winnipeg	742,692
Winnipeg Enterprises - Entertainment Tax	1,500,000
Winnipeg Enterprises Amateur Use	75,000
Winnipeg Goldeyes - Entertainment Tax and Property Tax Grant	370,464
Winnipeg Housing Rehabilitation Corporation	198,000
Winnipeg Library Board	61,696
	\$ 9,948,863

Schedule "A"

THE CITY OF WINNIPEG 2002 Adopted Current Estimates UTILITY OPERATIONS

	2001 Adopted Budget	2002 Budget Adopted in Principle	Proposed Revisions	2002 Adopted Budget
	\$	\$	\$	\$
1. Equipment & Material Services				
Revenue	35,714,866	36,184,259	(1,679,334)	34,504,925
Expenditure	35,090,009	35,519,547	(1,460,715)	34,058,832
Surplus/(Deficit)	624,857	664,712	(218,619)	446,093
2. Hydro Electric System				
Revenue	131,565,644	133,524,460	(446,500)	133,077,960
Expenditure	111,770,696	113,195,954	(179,797)	113,016,157
Surplus/(Deficit)	19,794,948	20,328,506	(266,703)	20,061,803
3. Transit System				
Revenue	97,669,235	98,127,802	65,093	98,192,895
Expenditure	97,669,235	98,127,802	65,093	98,192,895
Surplus/(Deficit)	-	-	-	-
4. Waterworks System				
Revenue	76,603,103	76,910,073	(273,500)	76,636,573
Expenditure	70,093,055	70,329,538	1,458,302	71,787,840
Surplus/(Deficit)	6,510,048	6,580,535	(1,731,802)	4,848,733
5. Sewage Disposal				
Revenue	78,578,693	78,502,898	(557,126)	77,945,772
Expenditure	74,570,040	73,963,881	550,240	74,514,121
Surplus/(Deficit)	4,008,653	4,539,017	(1,107,366)	3,431,651
6. Solid Waste Disposal				
Revenue	12,425,569	12,618,512	1,804,743	14,423,255
Expenditure	13,233,838	13,321,391	661,329	13,982,720
Surplus/(Deficit)	(808,269)	(702,879)	1,143,414	440,535
7. Civic Accommodations				
Revenue	28,351,993	28,351,993	1,504,008	29,856,001
Expenditure	28,351,993	28,351,993	1,504,008	29,856,001
Surplus/(Deficit)	-	-	-	-
8. Public Works - Facilities				
Revenue	23,551,167	23,551,167	1,759,039	25,310,206
Expenditure	23,551,167	23,551,167	1,759,039	25,310,206
Surplus/(Deficit)	-	-	-	-
Total				
Revenues	484,460,270	487,771,164	2,176,423	489,947,587
Expenditures	454,330,033	456,361,273	4,357,499	460,718,772
Surplus/(Deficit)	30,130,237	31,409,891	(2,181,076)	29,228,815

THE CITY OF WINNIPEG
2002 Adopted Current Estimates
UTILITY OPERATIONS

Expl.		2002
<u>No.</u>	<u>Explanation of Changes in Surplus / (Deficit) Position</u>	<u>Revisions</u>
1	Equipment & Material Services	
	Revenue changes:	
	Reduce budget for Primary Materials to reflect new special operating agency.	\$ (2,608,145)
	Increase Sale of Goods and Services in Equipment and Shops Services partially offset by decrease in Tools and Supplies Services.	902,664
	Miscellaneous adjustments.	26,147
		<u>(1,679,334)</u>
	Expenditure changes:	
	Reduce budget for Primary Materials to reflect new special operating agency.	\$ (2,555,084)
	Increase in Materials, Parts and Supplies primarily in Equipment Services and Shops Services.	604,577
	Miscellaneous adjustments.	489,792
		<u>(1,460,715)</u>
	Surplus / (Deficit)	<u>\$ (218,619)</u>
2	Hydro Electric System	\$ (266,703)
	Miscellaneous adjustments.	
3	Transit System	
	Revenue changes:	
	Miscellaneous adjustments.	<u>\$ 65,093</u>
	Expenditure changes:	
	One-time reduced contribution to the Bus Replacement Reserve to reflect one-time funding in 2001 of \$1 million received from the Province for bus replacements, offset by bus price increases.	\$ (900,000)
	Increase in diesel fuel costs.	924,300
	Service extensions in Swindon Way and Royalwood Development.	50,500
	Miscellaneous adjustments.	(9,707)
		<u>65,093</u>
	Surplus / (Deficit)	<u>\$ -</u>

THE CITY OF WINNIPEG
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UTILITY OPERATIONS

Expl.		2002
<u>No.</u>	<u>Explanation of Changes in Surplus / (Deficit) Position</u>	<u>Revisions</u>
4	Waterworks System	
	Revenue changes:	
	Decrease in water sales.	\$ (273,000)
	Miscellaneous adjustments.	(500)
		<u>(273,500)</u>
	Expenditure changes:	
	Increase in transfer to Aqueduct Renewal Reserve	\$ 905,000
	Miscellaneous adjustments.	553,302
		<u>1,458,302</u>
	Surplus / (Deficit)	<u>\$ (1,731,802)</u>
5	Sewage Disposal	
	Revenue changes:	
	Decrease in sewer sales.	\$ (320,000)
	Decrease in Industrial Waste Surcharge.	(500,000)
	Miscellaneous adjustments.	262,874
		<u>(557,126)</u>
	Expenditure changes:	
	Increased expenditures partially offset by reduced debt and finance charges.	\$ 550,240
	Surplus / (Deficit)	<u>\$ (1,107,366)</u>
6	Solid Waste Disposal	
	Revenue changes:	
	Increase in revenue from residential recycling.	\$ 1,783,000
	Miscellaneous adjustments.	21,743
		<u>1,804,743</u>
	Expenditure changes:	
	Decrease in debt and finance charges.	\$ (606,202)
	Decrease in transfer to General Revenue Fund.	(280,485)
	Expansion of family recycling program.	1,745,033
	Miscellaneous adjustments.	(197,017)
		<u>661,329</u>
	Surplus / (Deficit)	<u>\$ 1,143,414</u>

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UTILITY OPERATIONS

Expl.		2002
<u>No.</u>	<u>Explanation of Changes in Surplus / (Deficit) Position</u>	<u>Revisions</u>
7	Civic Accommodations	
	Increased heating fuel costs of approximately \$0.75 million fully recovered from client departments.	\$ -
8	Public Works - Facilities	
	Increased heating fuel costs of \$1.1 million fully recovered from client departments.	\$ -
Total Revisions		<u>\$ (2,181,076)</u>