



2020 Operating Budget

Animal Services Agency SOA



November 18, 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) (not applicable)
 - 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: Agency selection report/business plan, performance measures, site and RPO bylaw.

- Agency sustainability through adequate funding via pet licensing revenues and mill rate support.
- A strengthened commitment to public and animal health and safety through increased public awareness and increased pet ownership education and outreach
- An enhanced public image
- Volunteer and learning opportunities for residents including at risk youth, service groups, colleges, and corporations

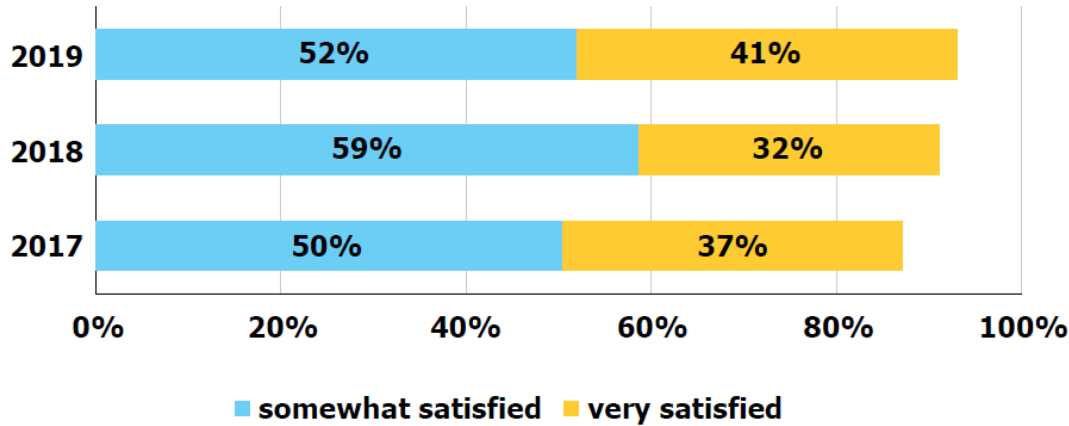
Key Priorities

Source: Agency selection report/business plan, performance measures, site and RPO bylaw.

- Protect both people and animals in our community
- Provide safe and humane care and housing for residents' lost pets
- Reduce euthanization and provide positive outcomes for homeless pets
- Reduce pet over-population through low income spay/neuter initiatives
- Enforcement of the Responsible Pet Ownership By-Law
- 24/7 Emergency response to WPS and WFPS incidents involving animals
- 24/7 Emergency veterinary care for stray sick and injured pets
- Proactively educate the community to improve responsible pet ownership

Performance Measurement

Citizen Satisfaction with Animal Services



In 2019, 93% of respondents indicated they were satisfied with the provision of animal services.

	2015	2016	2017	2018	2019
Total Satisfied	89%	86%	87%	91%	93%

Source: City of Winnipeg Annual Citizen Survey

Recommended Target to Balance the Budget

1. Departmental Operating Budget – 0% annual budget growth rates based on 2019 expenditures

2. Cash to capital funding levels:

Department	2020	2021	2022	2023	2024	2025
Animal Services SOA	-	-	-	-	-	-

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 – Animal Services

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	0.027	0.028	0.027	(0.001)			0.027	0.027	0.027
SERVICE AND OTHER	3.938	3.276	3.359	0.083			3.874	3.889	3.904
TOTAL REVENUE	3.965	3.304	3.387	0.083	2%	1	3.901	3.916	3.931
SALARIES & BENEFITS	1.587	1.913	2.000	0.088			2.038	2.088	2.133
SERVICES	0.363	0.461	0.381	(0.080)			0.359	0.360	0.362
MATS PARTS & SUPPLIES	0.138	0.127	0.135	0.007			0.135	0.135	0.135
ASSETS & PURCHASES	0.042	0.009	0.009	-			0.009	0.009	0.009
GRANTS, TRANSFERS & OTHER	1.258	1.247	1.201	(0.046)			1.201	1.201	1.191
TOTAL OPERATIONAL EXPENDITURES	3.388	3.758	3.727	(0.031)	-1%		3.742	3.793	3.830
DEBT & FINANCE CHARGES	0.057	0.057	0.046	(0.011)			0.044	0.039	0.039
TOTAL EXPENDITURES	3.445	3.814	3.772	(0.042)	-1%	2	3.786	3.832	3.869
Surplus / (Deficit) **	0.520	(0.510)	(0.386)	0.125			0.115	0.085	0.062
Options to Achieve Operating Budget Target:									
a. Reduce advertising			(0.0208)				(0.0208)	(0.0208)	(0.0208)
b. Eliminate prospective low income spay/neuter program for dogs			(0.0500)				(0.0500)	(0.0500)	(0.0500)
c. Eliminate conversion of exam room into vet clinic (depreciation)			(0.0050)				(0.0050)	(0.0050)	(0.0050)
d. Reduce postage to account for email renewal savings			(0.0050)				(0.0050)	(0.0050)	(0.0050)
e. Reduce transfer to CMS - Strategic Support Services			(0.0300)				(0.0300)	(0.0300)	(0.0300)
Total Options to Achieve the Target			(0.1108)	-	-	-	(0.1108)	(0.1108)	(0.1108)
EPC Recommended Target to Balance			(0.0680)	-	-	-	(0.0820)	(0.1280)	(0.1650)
Variance (Shortfall from the Target)			0.0428	-	-	-	0.0288	(0.0173)	(0.0543)

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 in citation revenue.	\$ 0.067			
- Increase in transfer from General Revenue Fund.		0.500		
- Miscellaneous adjustments.	0.016	0.015	0.015	0.015
Net Revenue Change	\$ 0.083	\$ 0.515	\$ 0.015	\$ 0.015
2) <i>Expenditure change due to the following:</i>				
- Increase in salaries and benefits.	\$ 0.088	\$ 0.038	\$ 0.050	\$ 0.045
- Target Reduction - Prospective low income spay/neuter program for dogs.	\$ (0.050)			
- Target Reduction - CMS Strategic Support.	\$ (0.030)			
- Target Reduction - Advertising.	\$ (0.021)			
- Miscellaneous adjustments.	(0.019)	(0.024)	(0.004)	(0.008)
- Target Reduction - Vet Clinic and Postage.	\$ (0.010)			
Net Expenditure Change	\$ (0.042)	\$ 0.014	\$ 0.046	\$ 0.037

Implications of the Recommended Target to Balance Operating Budget

a. Advertising is used to inform the public about pet licensing. Pet licensing is the primary source of revenue for Animal Services. With reduced advertising, some residents will not know of the licensing requirement. This will likely reduce revenue. Tickets for no pet license will also likely increase.

b. This was a program in development to provide funds to help low income residents get their dogs fixed. Animal Services already provides funding for similar cat spay/neuter programming. Spay/neuter helps reduce overpopulation and reduces euthanization in animal shelters.

c. This was part of a long term plan to create a spay/neuter clinic at Animal Services, similar to the clinic at the Winnipeg Humane Society. Without this, Animal Services will continue to use local vet clinics for spay/neuter surgeries.

d./e. No implications

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>	27.31	27.14	(0.17)	27.15	27.15	27.16
Salaries & Benefits <i>(in millions of \$)</i>	\$ 1.743	\$ 1.793	\$ 0.050	\$ 1.831	\$ 1.881	\$ 1.925
Vacancy Management included in Salaries & Benefits <i>(in millions of \$)</i>	\$ (0.035)	\$ (0.036)	\$ (0.001)	\$ (0.037)	\$ (0.038)	\$ (0.039)

* 2020 Draft Budget and 2021 to 2023 Draft Projections. The Agency's options to achieve the operating budget target do not include FTE reductions.

Operating Budget Summary

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

(in millions of \$)

	2019 Approved Budget	2020 Projection (from 2019)	2020 Draft Budget	2021 Draft Projection	2022 Draft Projection	2023 Draft Projection
Expenditure Budget*	3.81	3.85	3.77	3.78	3.83	3.86
EPC Recommended Expenditure Target			3.81	3.81	3.81	3.81
Variance (Shortfall from Target)			0.04	0.03	(0.02)	(0.05)

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

Questions?