



2024-2027 Service Based Budget Overview

Assessment, Taxation and Corporate – Presentation to SPC Finance and Economic Development

March 8, 2024

Agenda

1. Performance Reporting
2. Budget and Strategic Priorities Action Plan Alignment
3. Budget Highlights and Overview
4. Service Based:
 - a. Operating Budget
 - b. Capital Budget
 - c. Reserve Projections
5. Questions

Performance Reporting – Assessment, Taxation and Corporate

Assessment, Taxation and Corporate

Description

Provide timely and accurate property and business valuation, tax billing and collection services. General revenue and corporate expenses/savings that are not attributable directly to any other public or internal service.

Provide sound financial stewardship towards responsible City government by strengthening financial performance, improving information for decision-making and managing risks and exposures.

OurWinnipeg



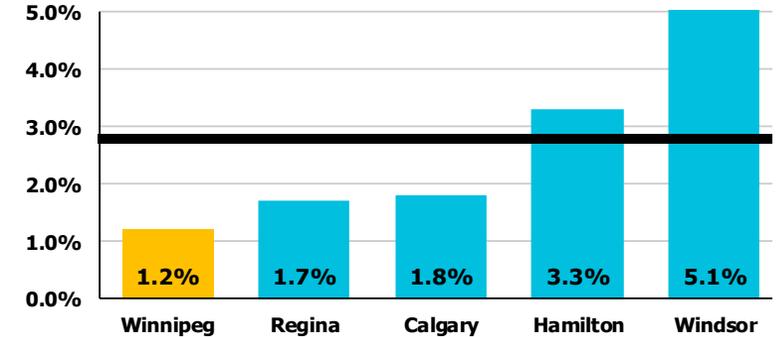
Performance Reporting

Service Goal / Measure Description	2021 Actual	2022 Actual	2022 Target	2023 Target	2024 Target
Goal 1: Deliver timely, accurate tax billing and collection service					
Collections:					
Current	98.20%	97.54%	97.50%	97.50%	97.50%
Arrears	65.70%	65.74%	60.00%	60.00%	60.00%

Source: 2024 - 2027 Multi-Year Budget pages 269 and 270

Effectiveness Measurement

Current Year's Property Tax Arrears as a Percentage of the Current Year Levy (2022)



	2018	2019	2020	2021	2022
Wpg. Trend	1.4%	1.4%	1.5%	1.2%	1.2%

Source: Municipal Benchmarking Network Canada (TXRS135)

Winnipeg's Current Year's Property Tax Arrears as a Percentage of the Current Year Levy remains one of the lowest of comparable municipalities.

2018-2021 restated due to change in methodology.

Budget and Strategic Priorities Action Plan Alignment



Key Theme	SPAP Action Item	Program / Initiative	Outcome / KPIs	Status Update	Outcome / Completion (in years)
A Strong Economy	2.1 Create a new operating and capital funding relationship and model between the provincial and civic governments	Provincial Funding	Fiscal sustainability through increased access to operating and capital funds	In Progress	Gained \$16.7M in operating grant, \$5.3M in public safety grant, and \$14.5M in capital grant, all for 2024.
A Strong Economy	2.2 Review the City's debt policy and compare with other Canadian jurisdictions	Debt Management Policy	Fiscal sustainability through increased access to capital funds	In Progress	Expected to be completed in 2024
A Strong Economy	2.3 Invest in and implement the Sustainable Procurement Action Plan	Sustainable Procurement Program	Increase employment opportunities that foster social and economic equity	In Progress	Ongoing

Source: Supplement to the 2024 Preliminary Budget pages 322 and 324

Budget Highlights

Annual Tax Supported Operating Increase ¹	Expenditure Growth Rate Average ²
Current Budget Cycle (2024 to 2027)	Assessment and Taxation – 2.5% Financial Management – 2.0% Corporate – 248.8%
Previous Budget Cycle (2020 to 2023)	Assessment and Taxation – 0.4% Financial Management – 0.7% Corporate – (217.9)%

Service	Operating Budget Highlight(s)	Capital Budget Highlight(s)	SPAP
Assessment Taxation and Corporate	<ul style="list-style-type: none"> • Increase in provision for cost increases • Changes in transfer to General Purpose Reserve 	<ul style="list-style-type: none"> • Second year of Computer Aided Mass Appraisal project budget authorization in 2024 	

Notes:

1. Based on expenditures before capital related expenditures.
2. Average expenditure increase for 2024 to 2027 budget and 2020 to 2023 budget.

Source: 2024 – 2027 Multi-Year Budget starting on page 269; Supplement to the 2024 Budget pages 223 and 224.

2024 Budget Overview

(Service Based View)

Service Based Budget (in millions of \$)	FTEs	Mill Rate Support/ (Contribution)	Capital Budget	Reserves, Net Changes
Assessment and Taxation	125.87	(844.6)	8.2	-
Financial Management	82.75	8.5	-	-
Corporate	-	(150.6)	-	6.9
Total	208.62	(986.7)	8.2	6.9

Notes:

1. Contributing departments include - Assessment and Taxation (61%), Corporate Finance (25%), Corporate Accounts (13%) and Innovation and Technology (1%).

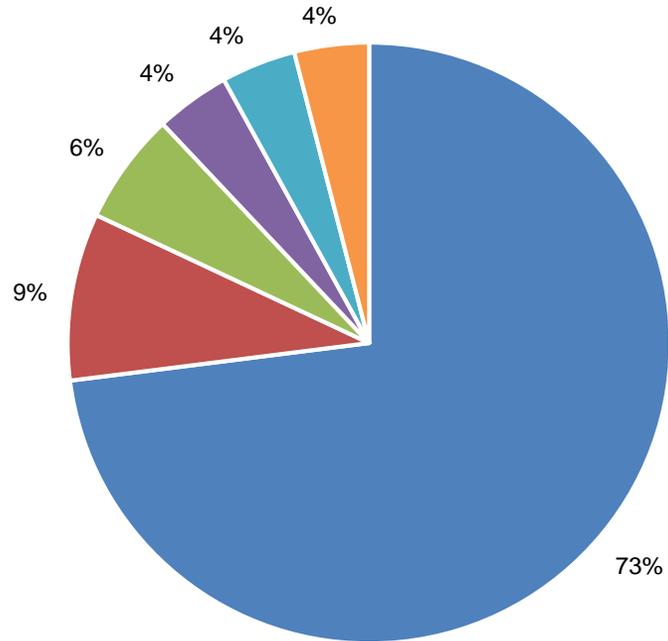
Source: 2024 – 2027 Multi-Year Budget starting on page 269 and 311; Supplement to the 2024 Budget pages 197, 223 and 224.

Service Based Operating Budget

2024 Budget Overview

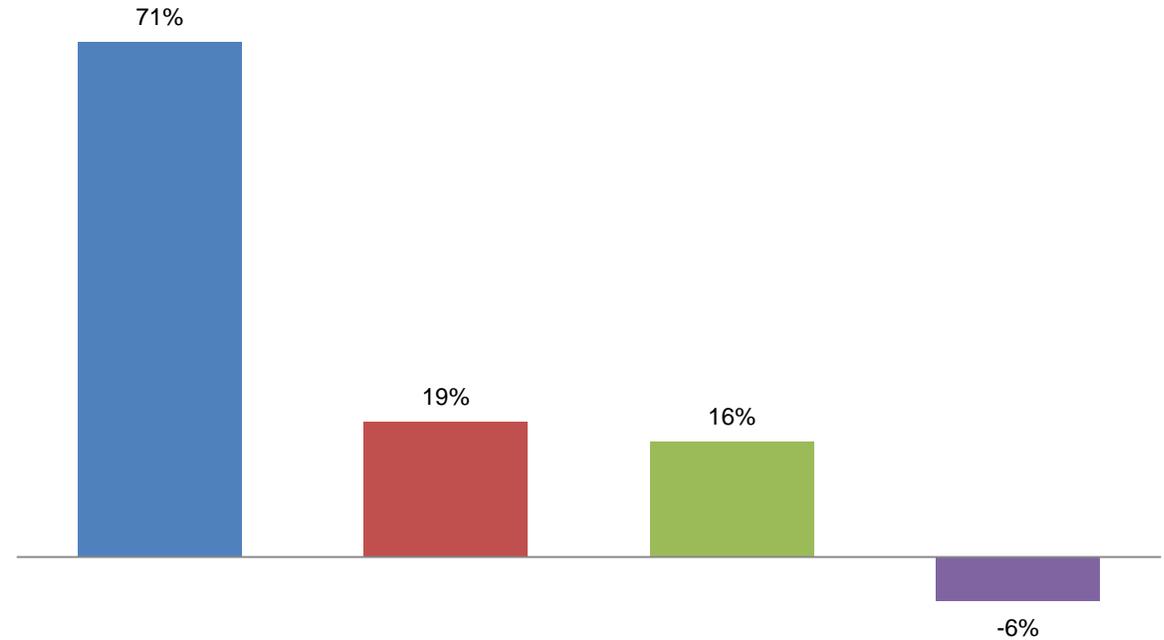
(Service Based View)

Revenues = \$1,020.7 million



- Property Taxation
- Provincial grants
- Business Taxation
- Other Revenue and Taxes
- Utility Dividend
- Other corporate revenue

Expenditures = \$34.0 million



- Salaries & Benefits
- Goods and Services
- Debt and finance charges
- Recoveries

Source: 2024 – 2027 Multi-Year Budget page 272

Comparison of 2023 Adopted Budget to 2024 Preliminary Budget

(Service Based View)

	2023 Adopted Budget	2024 Budget	2024 Increase / (Decrease)			2025 Projection	2026 Projection	2027 Projection
			\$	%	Notes			
In millions of \$								
Revenue	\$ 1,005.9	\$ 1,020.7	\$ 14.8	1.5%		\$ 1,080.6	\$ 1,140.5	\$ 1,143.2
Expenditure	44.7	34.0	(10.7)	-23.8%		43.2	49.7	58.1
Mill Rate (Support)/Contribution	\$ 961.2	\$ 986.7				\$ 1,037.4	\$ 1,090.8	\$ 1,085.1

Notes:

1. Revenue increase is primarily due to increase in property taxes revenue due to 3.5% tax increase and growth in assessment base [\$31.9M], increase in dividends [\$4.0M], planned implementation of a Provincial 9-1-1 tax [\$3.8M], increase in business tax revenue of \$1M; offset by decrease in federal and provincial support funding [\$19.9M], and transfer to reserves [\$6.2M].
2. Expenditure decrease is primarily due to transfer from reserves [\$8.5M], decrease in provision for cost increases [\$3.0M], increase in operating efficiencies held at corporate [\$1.08M], decrease in grant payments for Canadian Museum for Human Rights [\$1.06M] as well as elimination of Unserviced Residential Premises Tax Credit [\$0.3M]; offset by increase in debt and finance charges [\$1.87M].

Source: 2024 - 2027 Multi-Year Budget pages 15, 272 and 273

Salary Budget and Full Time Equivalents (FTEs) / Vacancy Management / FTE Recoveries

(Service Based View)

2024 - 2027 Operating Budget

	2023 Adopted Budget	2024 Budget	Increase / (Decrease)	2025 Projection	2026 Projection	2027 Projection
Full Time Equivalents <i>(number of FTEs)</i>	216.23	208.62	(7.61)	208.62	208.62	208.62
Salaries & Benefits <i>(in millions of \$)</i>	\$ 24.0	\$ 24.3	\$ 0.3	\$ 24.9	\$ 25.6	\$ 26.1

Note 1: Total vacancy management is \$675,633 and 8.19 FTEs. 1 FTE is approximately equivalent to \$82,519 for vacancy management in the 2024 budget.

Note 2: Net decrease of 7.61 FTEs due to deletion of temporary summer students (2.80 FTEs) and Clerk (1.00 FTE), transfer of Clerk to 311 Contact Centre (1.00 FTE) and Finance positions to Innovation and Technology Department (3.84 FTEs), and refinement of service-based view (1.22 FTEs) offset by addition of Field Assistant, GIS Technologist and Sustainable Procurement Liaison (2.25 FTEs).

Source: 2024 - 2027 Multi-Year Budget pages 272 and 273

Service Based Capital Budget

Capital Summary

(Service Based View)

Service (\$000's)	2023 Adopted Budget	2024 Budget	2025 - 2029 Forecast	6-year Total
Assessment, Taxation, and Corporate	2,831	8,179	1,507	9,686
Total Capital Budget	2,831	8,179	1,507	9,686

Source: Supplement to the 2024 Budget pages 197, 223 and 224.

Key Projects in the Funded Capital Submission

(Service Based View)



Assessment Automation

Enables the Innovation and Technology department to ensure systems that operate the City's assessment and taxation systems remain operational and meet regulatory requirements.

Budget Years: 2024-2029

Amount: \$1.8 million

Computer Aided Mass Appraisal System (CAMA)

An automated system used by the Assessment and Taxation Department for maintaining property data and valuing all real and business properties within the City of Winnipeg for the purpose of ensuring equitable taxation.

Budget Year: 2024

Amount: \$7.9 million



Source: Supplement to the 2024 Budget pages 197, 223 and 224

Capital Budget Changes

(Service Based View)

Description (\$000's)	Expln.	Changes from Forecast						2029 Forecast	6-year Total	SPAP Action Items
		2024 Budget	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2024 to 2028 Total			
Council Approved Forecast		8,179	312	350	245	300	9,386	-	9,386	
<i>Increase / (Decrease) From Forecast:</i>										
2029 Submission							-	300	300	
Total Changes		-	-	-	-	-	-	300	300	
PRELIMINARY CAPITAL BUDGET		8,179	312	350	245	300	9,386	300	9,686	

Source: Supplement to the 2023 Adopted Budget pages 187, 187 and 188; Supplement to the 2024 Budget pages 197, 223 and 224

Reserve Projections

(Service Based View)

In Millions of \$	2023 Forecast Balance	2024 Activities	2024 Balance	2025 Balance	2026 Balance	2027 Balance
Financial Stabilization Reserve	\$ 8.6	\$ 9.4	\$ 18.0	\$ 12.4	\$ 11.4	\$ 30.4
General Purpose Reserve	3.8	(3.1)	0.7	0.7	0.8	0.8
Commitment Reserve	3.5	0.3	3.8	3.8	3.3	3.2
Insurance Reserve	2.7	0.1	2.8	2.9	3.0	3.1
Workers Compensation Reserve	4.2	0.2	4.4	4.5	4.7	4.9
TOTAL	\$ 22.8	\$ 6.9	\$ 29.7	\$ 24.3	\$ 23.2	\$ 42.4

Notes:

1. On March 23, 2015, Council adopted the 2015 Operating Budget which includes a change in the target balance for the Financial Stabilization Reserve from 8% to 6% of tax-supported expenditures based on 2023 adopted budget.
2. The 2013 Reserve Review Report by KPMG recommends a sustainable balance for the Insurance Reserve in the range of \$3.5 million to \$4.5 million.
3. The 2013 Reserve Review Report by KPMG indicates that the sustainable balance for the Workers Compensation Reserve is in the range of \$2.5 million to \$3.5 million. This guideline was reviewed with the Fund Manager and the Corporate Risk Manager at a meeting on May 2, 2015 and it was determined that it should be updated to \$3.0 million to \$4.0 million.

Source: 2024 - 2027 Multi-Year Budget pages 274 and 311

