2021 Budget Update

2020 – 2023 Multi-Year Budget
Planning, Property and Development – Economic Development

Standing Policy Committee on Innovation and Economic Development
December 8, 2020
Agenda

1. Strategic Objectives, Priorities and Performance Measurement

2. Budget Overview

3. Operating Budget
   – Highlights
   – Changes
   – Reserve Summary
   – Referrals (not applicable)
   – Other Important Information (not applicable)

4. Capital Budget (not applicable)
   – Key Projects
   – Changes
   – Summary
   – Referrals
   – Other Important Information

5. Questions
What We Do

**Strategic Objectives***

- Build a strong economic climate for Winnipeg.
- Facilitate strategic economic development incentives through delivery of Council-approved programs that demonstrate a return on investment to Winnipeg.
- Identify opportunities to respond to critical success factors for industries wanting to do business in Winnipeg through existing City services, incentives and discount programs.
- Capitalize on opportunities to establish inter-governmental and public/private partnerships.
- Identify and recommend, policies, processes and resources required to support Manitoba's economic development strategy and new tax increment financing (TIF) framework.

**Key Priorities***

- Partner with the Province of Manitoba in creation of business development programs and initiatives.
- Support partner agencies including Economic Development Winnipeg and Yes! Winnipeg in business attraction, expansion and retention.
- Support CentreVenture Development Corporation in strategic development initiatives, programs and development projects in the downtown.
- Coordinate interdepartmental responses to confidential and high profile strategic economic incentive requests to attract new business.
- Report and make recommendations to Council regarding economic development initiatives and tax increment financing programs to support local business and economic growth and prosperity of Winnipeg.
- Administer Council approved tax increment financing (TIF) programs

Source: 2021 Community Trends and Performance Report, Volume 1
How We Did (Performance Measurements)

Citizen Satisfaction with City's Effort in Promoting Economic Development to Attract Businesses and Major Events

- **2020**: 57% somewhat satisfied, 20% very satisfied
- **2019**: 62% somewhat satisfied, 18% very satisfied
- **2018**: 66% somewhat satisfied, 16% very satisfied
- **2017**: 62% somewhat satisfied, 18% very satisfied

Satisfaction with the City's efforts in attracting business and major events remains high.

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Satisfied</td>
<td>74%</td>
<td>80%</td>
<td>82%</td>
<td>80%</td>
<td>77%</td>
</tr>
</tbody>
</table>

Source: City of Winnipeg Annual Citizen Survey
Budget Overview
Budget Overview
(Service Based View)

<table>
<thead>
<tr>
<th>Service Based Budget (in millions of $)</th>
<th>% Contribution to Department Budget</th>
<th>Operating Budget (Mill Rate Support)</th>
<th>Capital Budget</th>
<th>Reserves Projected Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Development</td>
<td>48.0</td>
<td>(0.7)</td>
<td>-</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Notes:
1. Other contributing departments include City Clerks (36%), and Mayor's Office (16%)
2. Reserve Projected Ending Balance includes the Economic Development Investment Reserve ($1.6M) and the Destination Marketing Reserve Fund ($0.7M)
Budget Overview
(Departmental View)

2021 Preliminary Budget Expenditures

- Salaries & Benefits
- Services
- Grants, Transfers & Other
- Debt & Finance Charges
- Materials Parts Supplies
- Recoveries
Operating Budget
## Operating Budget Highlights

<table>
<thead>
<tr>
<th>Annual Tax Supported Operating Increase&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Average&lt;sup&gt;3&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 Preliminary Budget</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Approved in the Multi-Year Budget&lt;sup&gt;2&lt;/sup&gt;</td>
<td>-1.0%</td>
</tr>
</tbody>
</table>

### Budget Impacted - Approved in MYB<sup>2</sup>

<table>
<thead>
<tr>
<th>Not applicable</th>
</tr>
</thead>
</table>

**Notes:**
1. Based on expenditures before capital related expenditure
2. Adopted Multi-Year Budget (MYB) 2020 Budget and 2021 to 2023 Projections - March 20, 2020
3. Average for 2020 to 2023
### Operating Budget Highlights

#### Budget Impacted – Not Projected in MYB\(^1\), Included in Preliminary Budget

<table>
<thead>
<tr>
<th>Impact of COVID-19(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

**Notes:**

1. Adopted Multi-Year Budget (MYB) 2020 Budget and 2021 to 2023 Projections - March 20, 2020
2. Based on low economic impact scenario
3. Services impacted is not an exhaustive listing
## Operating Budget Changes

<table>
<thead>
<tr>
<th>Operating Budget (In millions of $)</th>
<th>MYB Criteria</th>
<th>2021 Preliminary</th>
<th>2022 Projection</th>
<th>2023 Projection</th>
<th>2021 to 2023 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mill Rate Support - Council Approved Multi-Year Budget 2020 to 2023 (a)</td>
<td></td>
<td>(0.6)</td>
<td>(0.6)</td>
<td>(0.6)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Increase (Decrease) From Forecast:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-time transfer from Economic Development Investment Reserve</td>
<td>REV/EXP</td>
<td>2.0</td>
<td>-</td>
<td>-</td>
<td>2.0</td>
</tr>
<tr>
<td>Revenue Net Change (b)</td>
<td></td>
<td>2.0</td>
<td>-</td>
<td>-</td>
<td>2.0</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>REV/EXP</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>1.5</td>
</tr>
<tr>
<td>GrantsTransfers &amp; Other</td>
<td>REV/EXP</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.6</td>
</tr>
<tr>
<td>Expenditures Net Change (c)</td>
<td></td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Mill Rate Support - Contribution / (Support)</td>
<td></td>
<td>0.7</td>
<td>(1.3)</td>
<td>(1.3)</td>
<td>(1.9)</td>
</tr>
</tbody>
</table>

* Includes housekeeping or fine tuning adjustments.
Reserve Summary

**Reserve Name**
- Economic Development Investment Reserve
- Destination Marketing Reserve *

<table>
<thead>
<tr>
<th>Reserve Name</th>
<th>Beginning Balance</th>
<th>Revenue</th>
<th>Expense</th>
<th>Forecasted Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Development Investment</td>
<td>3.5</td>
<td>1.8</td>
<td>3.8</td>
<td>1.6</td>
</tr>
<tr>
<td>Destination Marketing Reserve *</td>
<td>3.7</td>
<td>5.0</td>
<td>8.0</td>
<td>0.7</td>
</tr>
</tbody>
</table>

* Administered by Corporate Finance Department
Questions?