



# 2023 Balanced Budget Update

## 2020 – 2023 Multi-Year Budget Assets and Project Management

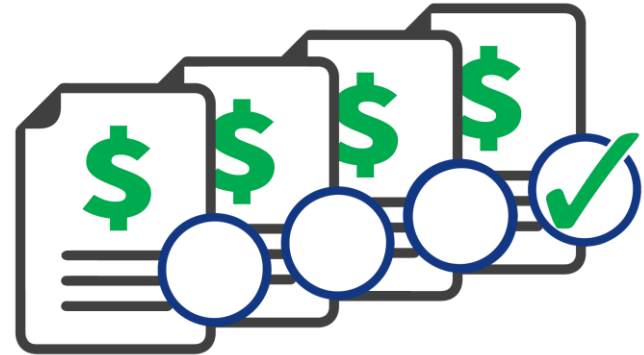


Photo: Kelly Krebs, courtesy Tourism Winnipeg

Standing Policy Committee on Property and Development  
March 9, 2023



# Agenda

1. Service Description, Goals and Performance Measurement
2. Budget Overview and Highlights
3. Operating Budget:
  - Revenue / Expenditures
  - Changes
  - Salaries and FTEs
  - Reserve Summary - not applicable
  - Referrals - not applicable
4. Poverty Reduction Strategy
5. Capital Budget:
  - Summary
  - Projects
  - Changes
  - Referrals
  - Overview of Capital Needs
6. Other Important Information and Questions



# What We Do

## Services Provided\*/\*\*

Services	Description	OurWinnipeg Goals
Property Asset Management	<p>Infrastructure Planning Division*</p> <ul style="list-style-type: none"> <li>• Lead development of the City's infrastructure plan.</li> <li>• Guide investment planning and prioritization.</li> <li>• Administer the Asset Management Program in accordance with the Asset Management Policy.</li> <li>• Provide major capital project oversight.</li> </ul> <p>Municipal Accommodations Division**</p> <ul style="list-style-type: none"> <li>• Plan, develop, operate, maintain, protect and preserves the City's physical building and related asset infrastructure to provide for current and future civic program accommodation needs.</li> <li>• Provide analysis/assessment, design, procurement, and project management for new and existing civic buildings/assets.</li> </ul>	<div>  <p>Economic Prosperity (EP)</p> </div> <div>  <p>City Building (CB)</p> </div>

\* Source: City of Winnipeg Internet site (Departments > Infrastructure Planning Office)

\*\* Source: Community Trends and Performance Report - Volume 1 for 2023 Budget

# How We Did

## Performance Measurements – Property Asset Management – Municipal Accommodations\*

### Performance Reporting

Service Goal / Measure Description	2020 Actual	2021 Actual	2022 Target	2023 Target
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#### Municipal Accommodations



#### Optimize facility asset infrastructure condition

Citizen satisfaction with the Condition of Recreation Facilities (respondents who used recreation facilities) [A]	86%	75%	77%	80%
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Condition of Recreation, Leisure and Library Buildings - Facility Condition Index (FCI) [B]	0.398	0.412	0.425	0.425
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\* Source: 2023 Community Trends and Performance Report, Volume 1

# How We Did

## Performance Measurements – Property Asset Management – Municipal Accommodations\*

### Condition of Recreation Leisure and Library Buildings- Facility Condition Index (FCI)

Facility	FCI 2017	FCI 2018	FCI 2019	FCI 2020	FCI 2021	Investment Required Over 10 Years (2022 to 2031)
Field Houses	0.35	0.33	0.33	0.34	0.36	\$11,605,626
Daycares	0.36	0.41	0.42	0.43	0.43	\$8,472,955
Indoor Pools	0.42	0.41	0.49	0.46	0.51	\$166,463,445
Community Centres/Soccer/Arena Complexes	0.29	0.44	0.31	0.36	0.38	\$248,676,477
Libraries	0.33	0.49	0.36	0.35	0.38	\$88,116,142
Recreation Centres/Leisure Centres	0.43	0.43	0.53	0.54	0.53	\$18,375,806
Arenas	0.56	0.64	0.63	0.65	0.69	\$141,381,774
Wading Pools	0.43	0.20	0.20	0.11	0.10	\$30,645,927
Senior Centres	0.42	0.42	0.43	0.43	0.42	\$6,772,077
Outdoor Pools	0.14	0.27	0.31	0.31	0.32	\$13,875,435
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$734,385,664</b>

The total investment required over 10 years (2022-2031) is consistent with the State of the Infrastructure Report.


Facility Condition Index (FCI) is a ratio of the estimate for identified requirements and system renewals for a five year period, divided by the estimated replacement value for the facility. A FCI of 0 equates to "new" condition and as the condition worsens, the FCI increases to 1.0, the point where refurbishment equals cost of replacement. The City has adopted the Recreation and Leisure Facilities Policy (RALFP) which states the city will strive toward a "managed care" level for existing facilities. Managed care is where the FCI is in the range from 0.1 to 0.2.

\* Source: 2023 Community Trends and Performance Report, Volume 1

# How We Did

## Performance Measurements – Property Asset Management – Municipal Accommodations\*

### Performance Reporting

Service Goal / Measure Description	2020 Actual	2021 Actual	2022 Target	2023 Target
 <b>Provide effective and efficient facilities management</b>				
Cost Comparison of City Buildings Owned and Leased (% difference) [B]	\$12.90 / \$13.88 / -7.6%	\$13.16 / \$14.78 / -12.3%	\$13.16 / \$14.78 / -7.0%	\$13.16 / \$14.78 / -7.0%

\* Source: 2023 Community Trends and Performance Report, Volume 1

# How We Did

## Performance Measurements – Property Asset Management – Municipal Accommodations\*

### Cost Comparison of City Buildings Owned and Leased

	2017	2018	2019	2020	2021
Total City Leased Space Cost per sq. ft.	\$13.83	\$13.88	\$13.67	\$13.88	\$14.78
Total Owned Space Cost per sq. ft.	\$13.28	\$13.05	\$13.32	\$12.90	\$13.16
\$/sq. ft. difference	\$0.55	\$0.83	\$0.34	\$0.98	\$1.62
Percent Difference	-4.2%	-6.4%	-2.6%	-7.6%	-12.3%

Cost comparisons are based on generally accepted cost allocation methods consistent with industry practice.

\* Source: 2023 Community Trends and Performance Report, Volume 1

# Budget Overview

## Property Asset Management

# Budget Overview

## (Service Based View)

### 2023 Average Homeowner's Property Tax Bill

Assets and Project Management services		All other services
Property Asset Management	(6)	1,973
		\$ 1,967

 Total for Planning, Property & Development services =  
-\$13 per year or -0.8%

# Budget Overview

## (Service Based View)

### Preliminary 2023 Budget Update

Service Based Budget (in millions of \$)	FTEs	Contribution to Service Based Budget	Mill Rate Contribution	Capital Budget	Reserves, Net Income
Property Asset Management	291.3	63.8	3.2	6.786	-
Total	291.3		3.2	6.786	-

#### Notes:

1. Other contributing departments include - Planning, Property and Development (36.2% - \$4.9 million in expenditures).
2. % of Contribution from Department Budget is based on service based (tax-supported) budget expenditures.
3. Does not include COVID financial implications.

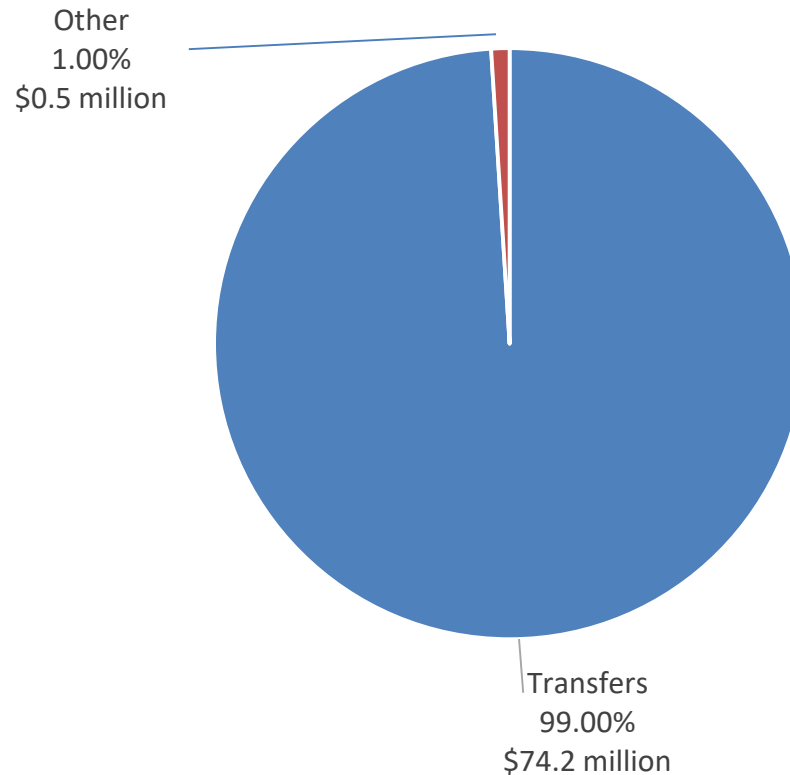
# Operating Budget



# Operating Budget Revenue Overview

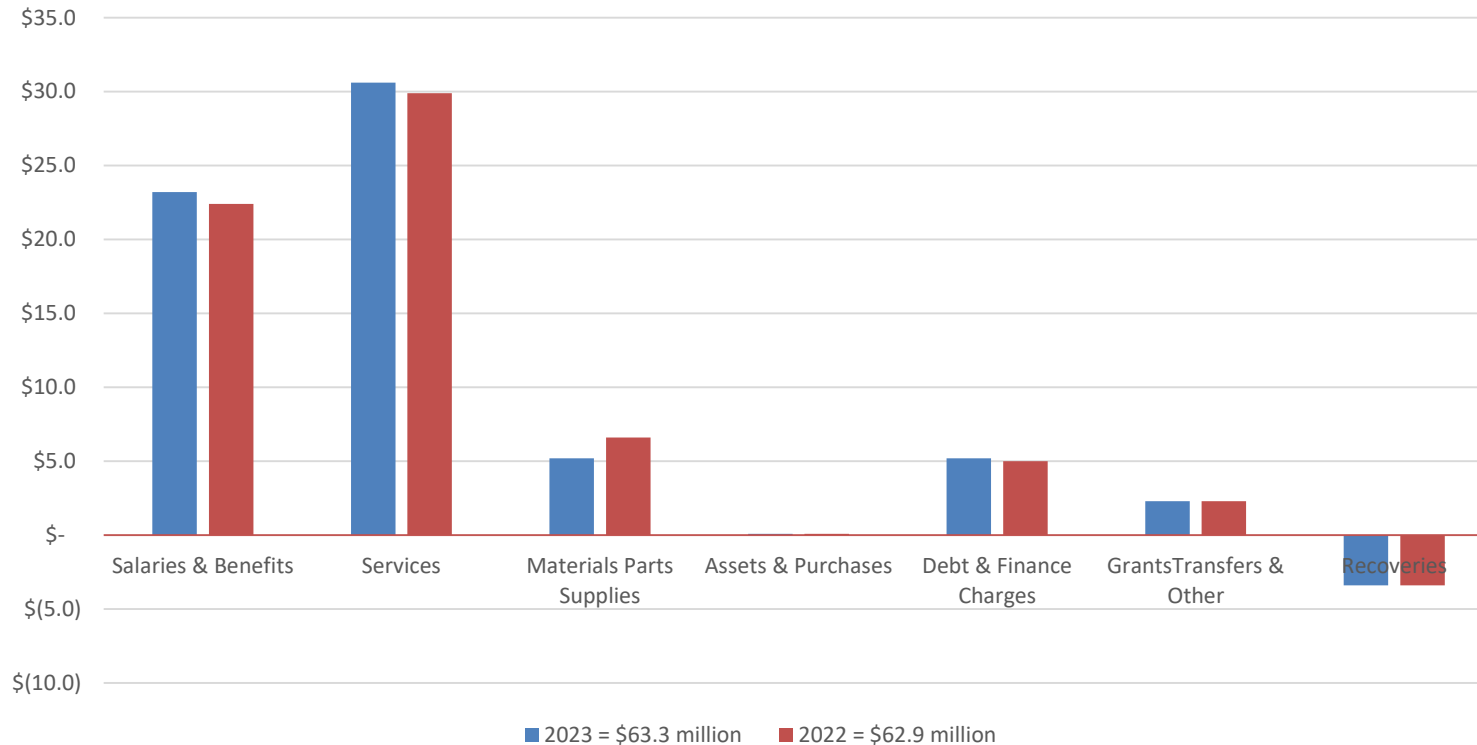
## (Departmental View)

2023 Preliminary Budget Revenue = \$73.8 million



# Operating Budget Expenditures Overview (Departmental View)

Budgeted Expenditures in millions of \$  
(including capital related)



# Operating Budget Changes (Departmental View)

Operating Budget (In millions \$)	MYB Criteria	2023 Preliminary
<b>Mill Rate Contribution - Council Approved from 2023 Projection from 2022 Budget Process (a)</b>		<b>2.4</b>
<i>Increase (Decrease) From Forecast:</i>		
<i>Revenue:</i>		
Decrease in transfer from the General Revenue Fund for Accommodations Charges	REV/COST	(0.6)
Decrease in transfer from the Community Services Department (General Revenue Fund) for facilities operations and maintenance	REV/COST	(0.7)
<b>Revenue Net Change (b)</b>		<b>(1.3)</b>
<i>Expenditures:</i>		
Increase in salaries and benefits due to collective agreements, changes in 2023 rates for CPP, EI, dental and vision.	REV/COST	0.3
Adjustment to Services, primarily costs related to major building systems maintenance (plumbing, heating, roofs, etc.) and maintenance materials	REV/COST	(2.3)
Decrease in debt and finance charges	REV/COST	(0.1)
<b>Expenditures Net Change (c)</b>		<b>(2.1)</b>
<b>Mill Rate Contribution - Preliminary Budget Submission (a+b-c)</b>		<b>3.2</b>

\* Includes housekeeping or fine tuning adjustments.

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

	2020 Adopted Budget	2021 Adopted Budget	2022 Budget Submission	2023 Preliminary	Increase / (Decrease) vs 2022
<b>Full Time Equivalents</b> <i>(number of FTEs)</i>	296.02	296.02	292.74	291.34	(1.40)
<b>Salaries &amp; Benefits</b> <i>(millions of \$)</i>	\$ 22.2	\$ 22.5	\$ 22.4	\$ 23.1	\$ 0.7
<b>Vacancy Management included in Salaries &amp; Benefits</b> <i>(millions of \$)</i>	\$ (1.191)	\$ (1.206)	\$ (1.413)	\$ (1.437)	\$ (0.024)

Notes:

1. 2019 FTEs total = 259.26
2. 2023 FTEs decreased by 1.4 in comparison to 2022 to reduce salaries & benefits budget in accordance with the 2020-2023 balanced budget while addressing project delivery demands.
3. 1 FTE is approximately equivalent to \$83,829 for vacancy management in the 2023 preliminary budget.
4. There are no temporary FTEs in the capital budget not included in operating budget.

# Capital Budget



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## Capital Summary – By Service

Service (\$000's)	2022 Adopted Budget	2023 Preliminary Budget	2024 - 2028 Forecast	6-year Total
Property Asset Management	2,804.0	6,786.0	8,792.0	15,578.0
<b>Total Capital Submission</b>	<b>2,804.0</b>	<b>6,786.0</b>	<b>8,792.0</b>	<b>15,578.0</b>

# Key Projects in the Funded Capital Submission



## **Health/Life Safety/Emergency Systems Refurbishment/City-wide Accessibility**

Ensures health and life safety requirements are met,  
investments to preserve continued facilities operations

Budget Year(s): 2023 to 2028

Amount: \$12.215 million

## **Carlton Street Walkways**

Replacement of exterior cladding maintains the integrity  
of the Weather Protected Walkway System

Budget Year(s): 2023

Amount: \$2.322 million

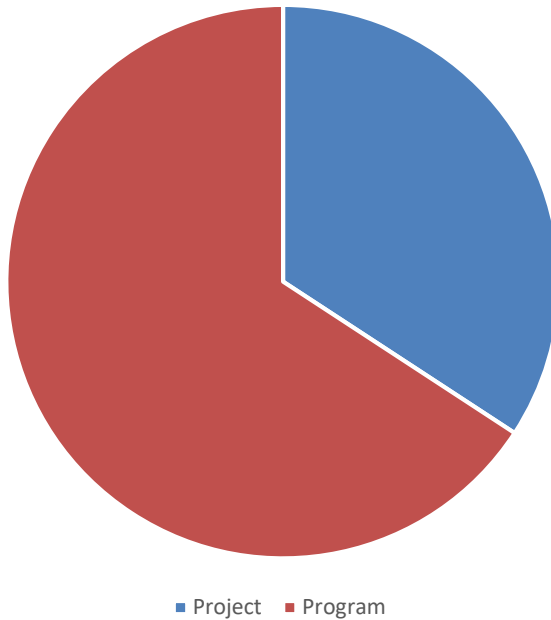


# Listing of Capital Projects

Project Name	2023 Preliminary Budget	2024 - 2028 Forecast	6-Year Total
Health/Life Safety/Emergency Systems Refurbishment/City-wide Accessibility	\$ 3,423	\$ 8,792	\$ 12,215
Carlton Walkways	\$ 2,322		\$ 2,322
Portage & Main Intersection Improvements	\$ 707		\$ 707
Strategic Facilities Master Plan	\$ 334		\$ 334
<b>Total Preliminary Budget</b>	<b>\$ 6,786</b>	<b>\$ 8,792</b>	<b>\$ 15,578</b>

# 2023 Capital Projects – Additional Details (Departmental View)

2023 Budget Composition



The 2023 Budget includes projects (34%) and programs (66%)

Note: Includes one project (Carlton Street Walkways) making up the 34% of 2023 budget and is currently at a Class 1 estimate

# Capital Budget Changes

Projects (\$000's)	MYB Criteria	2023 Preliminary	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2023 to 2027 Total	2028 Forecast	6-year Total
<b>Council Approved Forecast</b>		<b>1,333</b>	<b>2,660</b>	<b>943</b>	<b>2,236</b>	<b>2,311</b>	<b>9,483</b>	<b>-</b>	<b>9,483</b>
Increase From Forecast:									
Health/Life Safety/Emergency Systems Refurbishment/City-wide Accessibility	LEGISLATED, REV / COST	2,090	-	-	-	-	2,090	642	2,732
Carlton Walkways	REV / COST	2,322	-	-	-	-	2,322	-	2,322
Portage and Main Intersection Improvements	REV / COST	707	-	-	-	-	707	-	707
Strategic Facilities Master Plan	LEGISLATED, REV / COST	334	-	-	-	-	334	-	334
Total Changes		5,453	-	-	-	-	5,453	642	6,095
<b>PRELIMINARY CAPITAL BUDGET</b>		<b>6,786</b>	<b>2,660</b>	<b>943</b>	<b>2,236</b>	<b>2,311</b>	<b>14,936</b>	<b>642</b>	<b>15,578</b>

\* 2028 amount consistent with the 2023 to 2027 capital forecast

## Variance from Forecast:

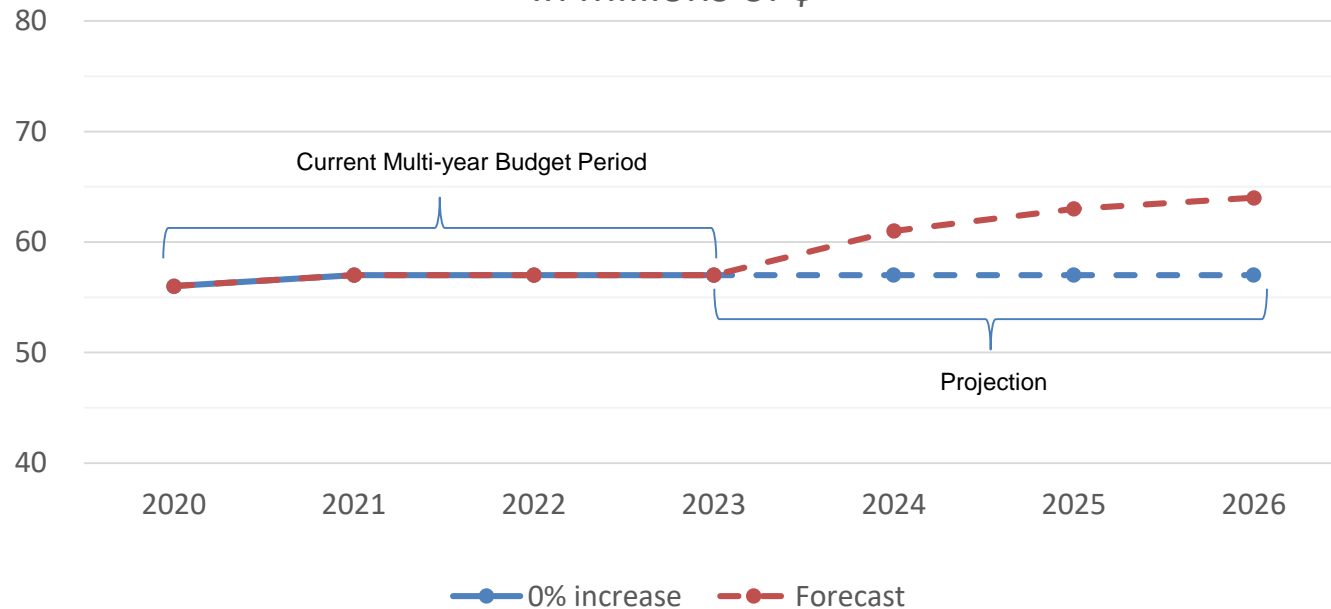
Changes in 2023 represent the re-budgeting of prior years' unspent capital budget (i.e. transfer from prior year authorization). An exception to this is an additional \$0.093M in budget in Health/Life Safety/Emergency Systems Refurbishment/City-wide Accessibility funded by Strategic Infrastructure funding, which will be used to purchase and install a pool accessibility lift and the custom design and fabrication of a bariatric ladder at Elmwood - Kildonan pool.

# Budget Challenges

# Budget Outlook

## 2024 to 2026 Expenditure Projections

Operating Budget Forecast Compared to  
EPC Target in the 2020 to 2023 Multi-Year Budget  
In millions of \$



Note: 2024 to 2026 Forecast is increasing compared to 2023 budget due to inflationary pressures (utilities, repairs & maintenance, materials, supplies)

# Budget Outlook

6-Year Infrastructure Funding Level



Planned Investment  
Total Capital Needs

=

\$ 15.6 million  
\$1,272.0 million

=

1.2% Funded

***City's 2023 to 2028 Infrastructure Funding Gap is \$5.7 billion***

# Capital Budget Referrals

## Municipal Accommodations

Referral Wording	SPC and Date	Included in Budget Y/N	Funding Source	2023	2024	2025	2026	2027	2028
				(\$000's)					
That a “City of Winnipeg Archives Renovation” Capital Project be referred to the 2023 budget process.	PDHDD November 10, 2021	Y	Infrastructure Funding, External Debt	543	12,147	-	-	-	-

# Additional Operating/Capital Items to Discuss

1	Inflationary (operational and construction) pressures
2	Project Management Resources

