



2023 Balanced Budget Update

2020 – 2023 Multi-Year Budget Winnipeg Fleet Management Agency

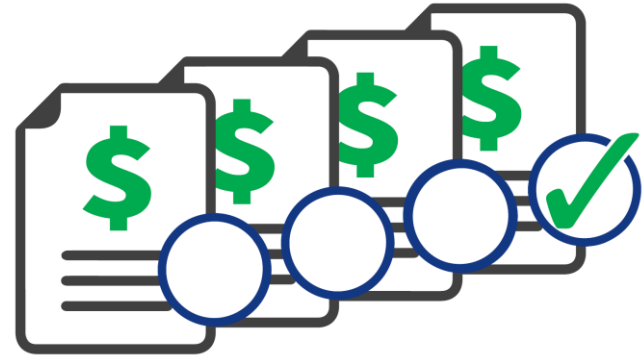


Standing Policy Committee on Public Works

March 3, 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. Questions



What We Do

Services Provided*

Winnipeg Fleet Management Agency (WFMA) provides economical, state-of-the-art, safe and eco-friendly fleet vehicle, equipment and other asset management services to The City of Winnipeg and other public sector organizations, in support of their service delivery. The Agency delivers the following comprehensive fleet management services to City of Winnipeg departments:

1. Specification, inspection and procurement
2. Insurance, licensing and registration
3. Manufacturing and fabrication
4. Vehicle and equipment leases, seasonal and short-term rentals
5. Surplus fleet asset disposal
6. Fuel
7. Repair and maintenance



Economic
Prosperity (EP)



Environmental
Resilience (ER)





Leadership and
Good Governance (LG)

* Source: 2023 Preliminary Budget Operating and Capital Volume 2

How We Did

Performance Measurements – Fleet Management Agency*

Performance Reporting

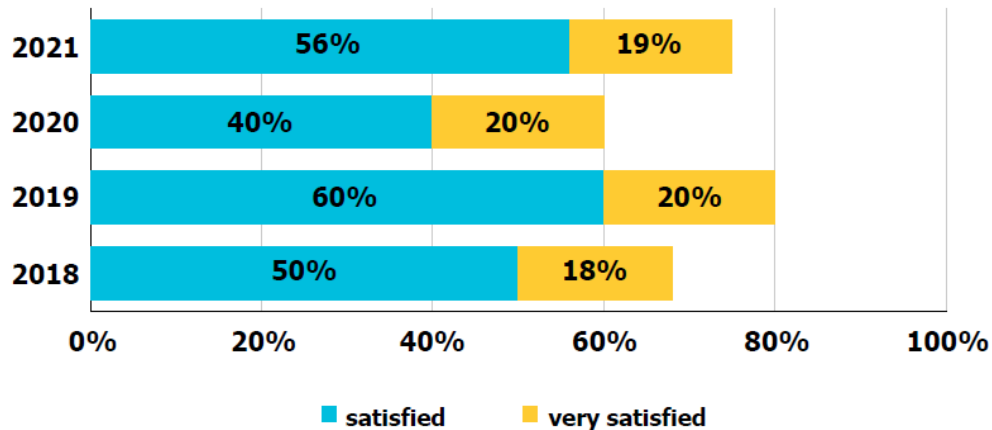
	Service Goal / Measure Description	2020	2021	2022	2023
		Actual	Actual	Target	Target
	Develop innovative strategies and efficiencies through the introduction of new technologies and business processes that enhance fleet services across WFMA				
	Operating cost per vehicle kilometre	\$ 0.50	\$ 0.58	\$ 0.63	\$ 0.65
	To be a leader in environmental stewardship through the management of WFMA fueling infrastructure and promote fleet emission reductions				
	Number of alternate fuel vehicles and equipment	72	75	75	75

* Source: 2023 Preliminary Budget Operating and Capital Volume 2

How We Did

Performance Measurements – Fleet Management Agency*

City Departments' Satisfaction with Fleet Management Services (2021)



Winnipeg Fleet Management Agency conducted a customer survey and approximately 75% of the customers were satisfied with Fleet Management services.

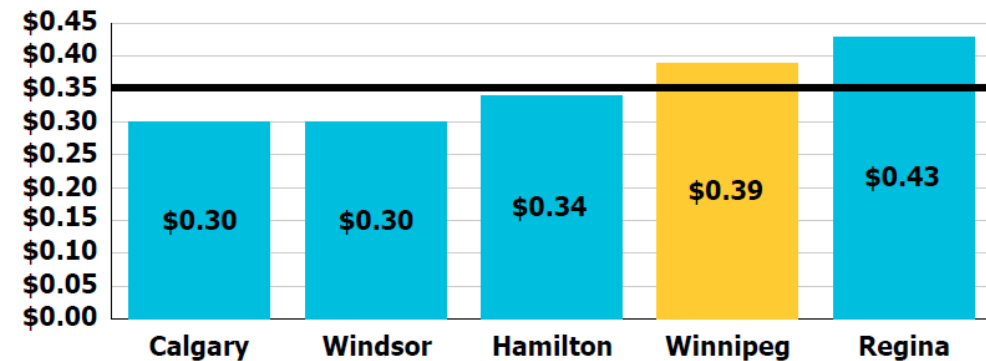
	2018	2019	2020	2021
Wpg. Trend	68%	80%	60%	75%

* Source: 2023 Preliminary Budget Operating and Capital Volume 2

How We Did

Performance Measurements – Fleet Management Agency*

Direct Cost per Light Vehicle Kilometer (Municipal Equipment) (2021)



Winnipeg's direct cost per kilometre for Light Fleet is comparable to other Municipalities.

Direct costs exclude Transit, Winnipeg Police Service and Winnipeg Fire Paramedic Service.

Direct cost accounts for work order costs (labour, parts, external repairs), and fuel costs. Costs exclude depreciation, license, insurance, and other indirect costs such as training.

	2017	2018	2019	2020	2021
Wpg. Trend	\$0.37	\$0.41	\$0.39	\$0.34	\$0.39

Source: Municipal Benchmarking Network Canada (FLET327)

* Source: 2023 Preliminary Budget Operating and Capital Volume 2

Budget Overview

Budget Overview

(Service Based View)

Preliminary 2023 Budget Update					
Service Based Budget (in millions of \$)	FTEs	% Contribution to Service Based Budget	Surplus/ (Deficit)	Capital Budget	Reserves, Net Income
Fleet Management Agency	110.2	100.0	(0.5)	16.6	n/a
Total	110.2		(0.5)	16.6	n/a

Notes:

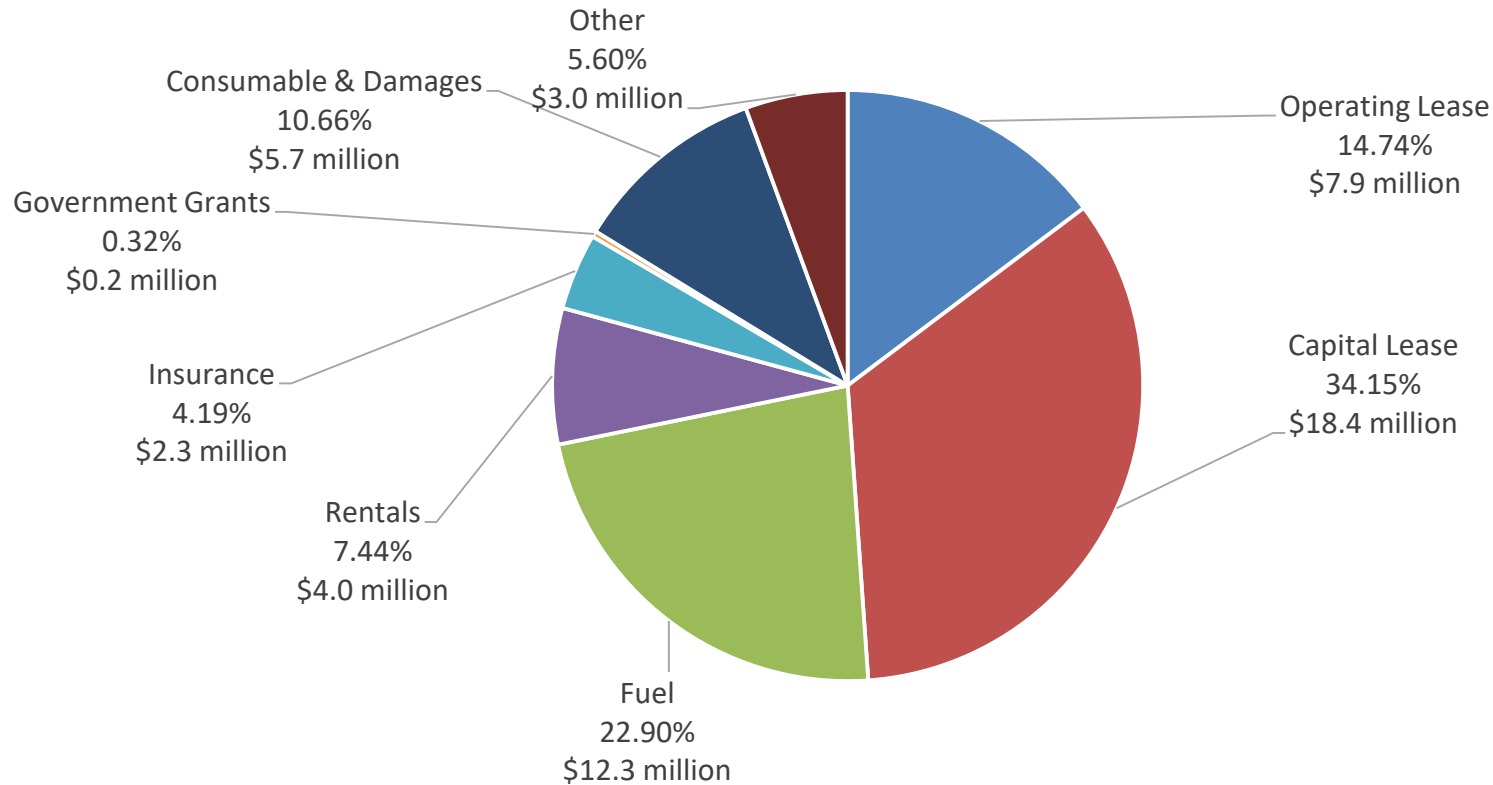
1. Forecasted revenues are approximately \$53.8M while forecasted expenses are \$54.3M.
2. This includes the operating impact of the Snow clearing and Ice Control policy approved by Council July 21, 2022.

Operating Budget

Operating Budget Revenue Overview

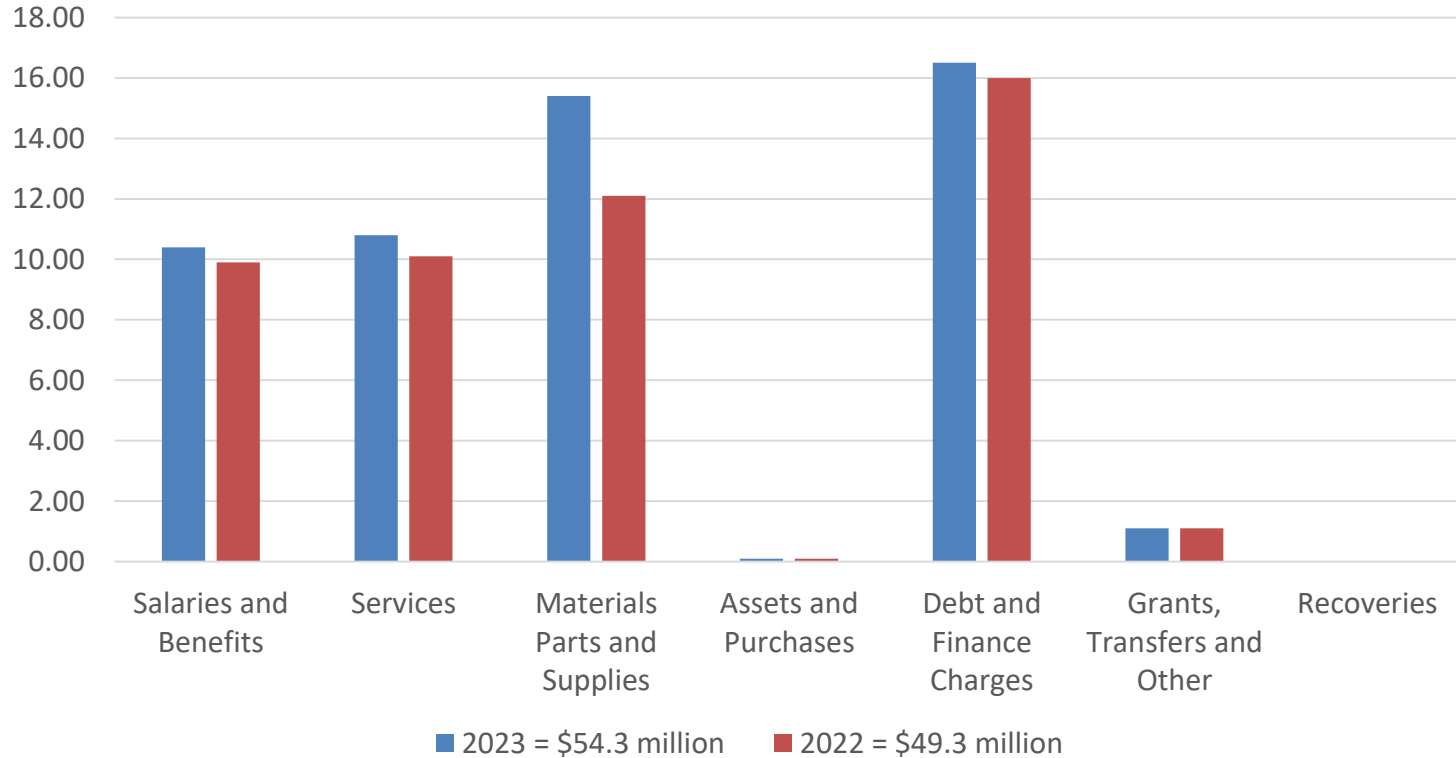
(Departmental View)

2023 Preliminary Budget Revenue = \$53.8 million



Operating Budget Expenditures Overview (Departmental View)

Budgeted Expenditures in millions of \$54.3M
(including capital related)



Operating Budget Changes

Operating Budget (In millions of \$)	MYB Criteria	2023 Budget
Surplus/(Deficit) - Council Approved 2023 Projection from 2022 Budget Process (a)		-
<i>Increase (Decrease) From Forecast*:</i>		
<i>Revenue:</i>		
Increase in fuel revenue due to projected rates	REV/COST	2.9
Increase in services and parts revenue primarily due to accounting adjustment	HOUSEKEEP	0.3
Increase in fleet leases primarily due to Snow Clearing and Ice Control Policy	COUNCIL	0.3
Revenue Net Change (b)		3.5
<i>Expenditures:</i>		
Increase in fuel expense due to projected rates	REV/COST	2.7
Increase in amortization due to timing of purchases	REV/COST	0.4
Increase in services primarily due to accounting adjustment	HOUSEKEEP	0.4
Increase in salary & benefits due to collective agreements	REV/COST	0.3
Increase in debt and finance charges due to interest rates	REV/COST	0.2
Expenditures Net Change (c)		4.0
Surplus/(Deficit) - Preliminary Budget (a+b-c)		(0.5)

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

	2020 Adopted Budget	2021 Adopted Budget	2022 Adopted Budget	2023 Preliminary Budget	Increase / (Decrease) vs. 2022
Full Time Equivalents <i>(number of FTEs)</i>	118.67	109.19	109.19	110.19	1.00
Salaries & Benefits <i>(in millions of \$)</i>	\$ 10.2	\$ 9.7	\$ 9.9	\$ 10.4	\$ 0.5
Vacancy Management included in Salaries & Benefits <i>(in millions of \$)</i>	\$ (0.150)	\$ (0.146)	\$ (0.145)	\$ (0.149)	\$ (0.004)

Notes:

1. 2019 FTEs total = 129.14
2. 2023 FTEs increased by 1 in comparison to 2022 due to additional Garage Mechanic for Snow Clearing and Ice Control Policy.
3. 1 FTE is approximately equivalent to \$82,200 for vacancy management in the 2023 preliminary budget.

Capital Budget

Capital Summary – By Service

Service (\$000's)	2022 Adopted Budget	2023 Preliminary Budget	2024 - 2028 Forecast	6-year Total
Fleet Management Agency	16,793.0	16,552.0	82,664.0	99,216.0
Total Capital Submission	16,793.0	16,552.0	82,664.0	99,216.0

Key Project in the Funded Capital Submission



Fleet Asset Acquisitions

Replacement of fleet vehicles and equipment to provide essential services.

Budget Year(s): Annual program

Amount: \$15.67 million



Listing of Capital Projects

Project Name	2023 Preliminary Budget	2024 - 2028 Forecast	6-Year Total
Shop Tools & Equipment Upgrades	\$ 100.0	\$ 1,249.0	\$ 1,349.0
Power Tools	-	500.0	500.0
Building Renovations	782.0	1,965.0	2,747.0
Fleet Asset Acquisitions	15,670.0	78,350.0	94,020.0
Fuel Site Upgrades and Improvements	-	600.0	600.0
Total Preliminary Budget	\$ 16,552.0	\$ 82,664.0	\$ 99,216.0

The 2023 Budget includes capital programs (100%)

Capital Budget Changes

Projects (\$000's)	MYB Criteria	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2023 to 2027 Total	2028 Forecast	6-year Total
Council Approved Forecast		16,552.0	16,876.0	16,447.0	16,447.0	16,447.0	82,769.0	-	82,769.0
Increase / (Decrease) From Forecast:									
Shop Tools and Equipment	REV/COST	(200.0)	(31.0)	(40.0)	(25.0)	(25.0)	(321.0)		(321.0)
Power Tools	REV/COST	(125.0)	-	(125.0)	-	-	(250.0)		(250.0)
Building Renovations	REV/COST	325.0	31.0	165.0	25.0	25.0	571.0		571.0
Fleet Asset Acquisitions									
2028 Forecast*	REV/COST							16,447.0	16,447.0
Total Changes		-	-	-	-	-	-	16,447.0	16,447.0
PRELIMINARY CAPITAL BUDGET		16,552.0	16,876.0	16,447.0	16,447.0	16,447.0	82,769.0	16,447.0	99,216.0

* 2028 amount consistent with the 2023 to 2027 capital forecast

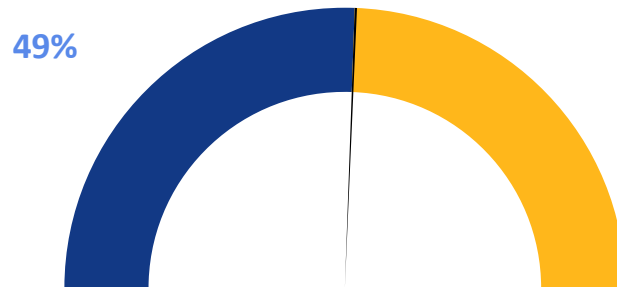
Capital Budget Referrals

Referral Name	Referral Wording	SPC/Council and Date	Included in the Budget	2023	2024	2025	2026	2027	2028
			Y/N						
Painting Pedestrian and Cycle Crossings	The Standing Policy Committee on Infrastructure Renewal and Public Works referred the matter to the 2023 Budget Review process for consideration. Winnipeg Fleet Management Agency would require a \$909,500 increase to the agency's 2023 capital budget and a corresponding increase to the agency's borrowing authority/debt ceiling raised to account for purchase of an additional line painting truck.	IRPW June 9, 2022	N	909.50	-	-	-	-	-

Budget Challenges

Budget Outlook

6-Year Infrastructure Funding Level



Planned Investment
Total Potential Capital

=

\$99.216 million
\$202.570 million

=

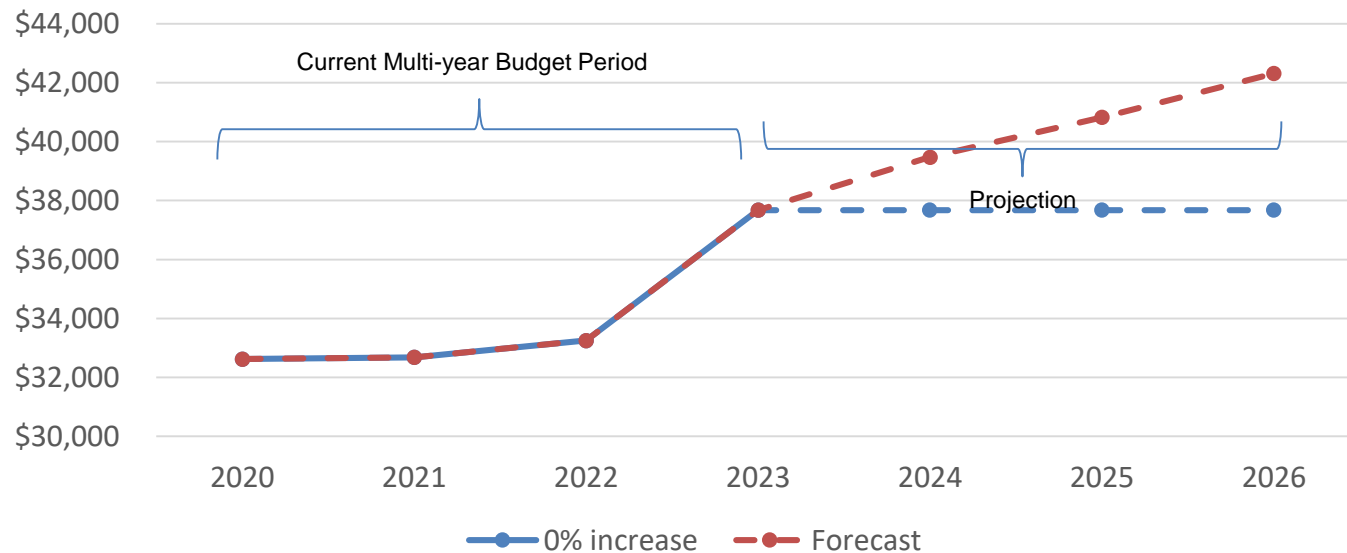
49% Funded

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

Budget Outlook

2024 to 2026 Expenditure Projections

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



Note: The 2024 to 2026 Forecast assumes increases to fuel prices and other expenses

