Minutes - Executive Policy Committee - November 29, 2006

Minute No 63
Report - Standing Committee on Fiscal Issues - November 21, 2006

Item No. 1 Transfer of Funds - Fiscal Stabilization Reserve
File F-1

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Committee on Fiscal Issues and submits the following to Council:

1. That any transfer required to the Fiscal Stabilization Reserve in respect of net supplementary taxes in 2006 be reduced by the actual deficit incurred in the General Revenue Fund at year-end.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Minutes - Executive Policy Committee - November 29, 2006

Report - Standing Committee on Fiscal Issues - November 21, 2006

DECISION MAKING HISTORY:

Moved by Councillor O'Shaughnessy,
That the recommendation of the Standing Committee on Fiscal Issues be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 21, 2006, the Standing Committee on Fiscal Issues concurred in the administrative recommendation and recommended that any transfer required to the Fiscal Stabilization Reserve in respect of net supplementary taxes in 2006 be reduced by the actual deficit incurred in the General Revenue Fund at year-end, and submitted the matter to the Executive Policy Committee and Council.

STANDING COMMITTEE DECISION:

On November 21, 2006, the Standing Committee on Fiscal Issues concurred in the administrative recommendation, namely, that the Financial Status Report and Forecast to September 30, 2006, be received as information.

RE: Financial Status Report and Forecast to September 30, 2006

FOR SUBMISSION TO: Standing Committee on Fiscal Issues

ORIGINAL REPORT SIGNED BY: Acting Chief Financial Officer

REPORT DATE: November 8, 2006

RECOMMENDATION:

- That the Financial Status Report and Forecast to September 30, 2006 be received as information and circulated to All Members of Council.
- That any transfer required to the Fiscal Stabilization Reserve in respect of net supplementary taxes in 2006 be reduced by the actual deficit incurred in the General Revenue Fund at year-end.

Report Summary

Key Issues:

As at September 30, 2006 the City is forecasting a General Revenue Fund deficit of $0.4 million for the year ending December 31, 2006.

Implications of the Recommendation(s):

General Implications

( ) None
(X) For the organization overall and/or for other departments
( ) For the community and/or organizations external to the City
( ) Involves a multi-year contract

Comment(s):

Policy Implications

(X) No
( ) Yes
Comment(s):

Regulatory Implications

(X) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(X) No

( ) Yes

Comment(s):

Human Resources Implications

(X) No

( ) Yes

Comment(s):

Financial Implications

( ) Within approved current and/or capital budget

(X) Current and/or capital budget adjustment required

Comment(s): A deficit has been forecasted for the General Revenue Fund, which may result in budget adjustments.

Report

REASON FOR THE REPORT:

On December 17, 1997, Council approved clause 1 of the report of the Standing Committee on Fiscal Issues, which requires that a periodic report be approved on a quarterly basis by the Standing Committee on Fiscal Issues.

HISTORY:

DISCUSSION:

The Corporate Finance Department has prepared a report showing forecasted revenues and expenses to December 31, 2006, for the General Revenue Fund, Service Funds and Utility Funds. This information was obtained from departments and was based on actual data as at September 30, 2006.

As at September 30, 2006, the City is forecasting a General Revenue Fund deficit of $0.4 million. The reasons for the deficit are indicated in the schedule entitled “Budget Variances Arising from the September 30, 2006 Forecast”.

Financial Impact Statement — Date: November 8, 2006

Project Name: **First Year of Program** **2006**

Financial Status Report and Forecast to September 30, 2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: This report is prepared for information purposes.

Pat Bodnar
Senior Financial Accountant

5006

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

All City Departments.

External Consultation With:

THIS REPORT SUBMITTED BY:

Corporate Finance Department
Corporate Controller's Division
Prepared by: Pat Bodnar
File No.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
FINANCIAL STATUS REPORT AND FORECAST

Actual for the nine month period ended September 30, 2006
forecasted for the year ending December 31, 2006
(in thousands of dollars)
(unaudited)

	2006 Adopted Budget		2006 Forecast	Variance From Budget	2006 Sept 30 Actual
REVENUES					
Taxation	$ 457,645		$ 458,431	$ 786	$ 351,998
Government grants	79,919	*	80,478	559	68,957
Sale of goods and services	65,720		66,859	1,139	54,409
Transfers from other funds	45,557		45,439	(118)	29,364
Payments-in-lieu of taxes	31,581		31,575	(6)	23,054
Regulation fees	23,573		27,402	3,829	20,924
Interest	7,796		8,656	860	6,358
Other	1,097		1,013	(84)	512
Total Revenues	712,888		719,853	6,965	555,576
EXPENSES					
Audit	1,066		1,001	65	627
CAO secretariat	3,015		2,967	48	2,041
City clerks	11,256		11,256	-	9,346
Community services	88,588		88,419	169	68,433
Corporate	58,931	*	62,495	(3,564)	47,066
Corporate finance	9,832		9,826	6	7,355
Corporate information technology	16,918		16,960	(42)	12,428
Corporate services	9,571	*	9,524	47	7,054
Council	2,645		2,645	-	1,862
EPC secretariat	1,488		1,488	-	1,007
Fire paramedic service	108,753		110,510	(1,757)	82,081
Mayor's office	493		493	-	371
Museums	726		752	(26)	579
Planning, property and development	35,146		35,972	(826)	27,046
Police services	157,212	*	158,158	(946)	117,654
Property assessment	11,413		10,631	782	7,996
Public works	163,695		165,281	(1,586)	126,730
Water and waste	32,140		31,840	300	23,364
Total Expenses	712,888		720,218	(7,330)	543,040
(DEFICIT)	$ -		$ (365)	$ (365)	$ 12,536

* The "adopted budget" has been adjusted in the categories noted as follows: government grants has been reduced by $8,072 thousand; police services has been increased by $3,900 thousand, which represents the negotiated settlement of the collective agreement; corporate services has been increased by $300 thousand and corporate has been reduced by $12,272 thousand, which represents the balance.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
BUDGET VARIANCES ARISING FROM THE
SEPTEMBER 30, 2006 FORECAST
FOR THE YEAR ENDING DECEMBER 31, 2006

(in millions of dollars)
(unaudited)

Corporate expenses are anticipated to be $3.6 million over budget for various reasons including unrealized alternative service delivery initiative savings, provincial payroll taxes, and increased disability premiums. Included in the over expenditure is a $0.5 million increase in entertainment tax that is offset by related revenue.	$	**(3.1)**
Net revenue from the photo radar program.		**2.1**
Public Works departmental expenses are anticipated to be over budget due mainly to road maintenance during the winter and flood costs.		**(1.6)**
Fire Paramedic Services departmental expenses are anticipated to be $1.8 million in excess of budget mainly due to salary and employee benefit costs to maintain staffing levels and increased rehabilitation employment costs. This is offset by improved revenues of $0.8 million.		**(1.0)**
Other departmental revenues and expenses		**3.2**
Forecasted General Revenue Fund Deficit	$	**(0.4)**

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
RECONCILIATION OF JUNE TO SEPTEMBER FORECAST
FOR THE YEAR ENDING DECEMBER 31, 2006

(in millions of dollars)
(unaudited)

Forecasted General Revenue Fund Deficit - June 30, 2006	$	**(4.3)**
Fire Paramedic Services departmental expenses increased mainly due to overtime costs and increased rehabilitation employment costs, net of improved revenues.		**(1.2)**
Increase in revenue from photo radar program.		**1.1**
Public Works departmental expenses have declined due to deficit avoidance and vacancy management initatives.		**1.0**
Other departmental revenues and expenses.		**3.0**
Forecasted General Revenue Fund Deficit - September 30, 2006	$	**(0.4)**

THE CITY OF WINNIPEG - SUMMARY BY FUND
FINANCIAL STATUS REPORT AND FORECAST

Actual for the nine month period ended September 30, 2006
forecasted for the year ending December 31, 2006
(in thousands of dollars)
(unaudited)

	2006 Adopted Budget		2006 Forecast	Variance From Budget	2006 Sept 30 Actual
General Revenue Fund					
Revenues	$ 712,888	*	$ 719,853	$ 6,965	$ 555,576
Expenditures	712,888	*	720,218	(7,330)	543,040
(Deficit)	$ -		$ (365)	$ (365)	$ 12,536
Transit System					
Revenues	$ 78,447		$ 84,087	$ 5,640	$ 62,470
Expenditures	109,178		111,701	(2,523)	79,937
	(30,731)		(27,614)	3,117	(17,467)
Transfer to Reserve	(6,530)		(6,534)	(4)	(6,534)
Transfer from General Revenue Fund	37,261		34,478	(2,783)	27,733
Surplus	$ -		$ 330	$ 330	$ 3,732
Waterworks System					
Revenues	$ 76,517		$ 76,542	$ 25	$ 55,919
Expenditures	52,698		50,283	2,415	35,288
	23,819		26,259	2,440	20,631
Transfer to Reserve	(10,167)		(10,065)	102	(7,369)
Transfer to General Revenue Fund	(12,123)		(12,123)	-	(8,515)
Surplus	$ 1,529		$ 4,071	$ 2,542	$ 4,747
Sewage Disposal System					
Revenues	$ 101,678		$ 101,865	$ 187	$ 75,090
Expenditures	64,006		59,475	4,531	48,396
	37,672		42,390	4,718	26,694
Transfer to Reserve	(8,688)		(8,601)	87	(6,431)
Transfer to General Revenue Fund	(14,660)		(14,932)	(272)	(12,266)
Surplus	$ 14,324		$ 18,857	$ 4,533	$ 7,997

* The "adopted budget" has been adjusted as explained on page 6.

THE CITY OF WINNIPEG - SUMMARY BY FUND
FINANCIAL STATUS REPORT AND FORECAST

Actual for the nine month period ended September 30, 2006
forecasted for the year ending December 31, 2006
(in thousands of dollars)
(unaudited)

	2006 Adopted Budget	2006 Forecast	Variance From Budget	2006 Sept 30 Actual
Solid Waste Disposal				
Revenues	$ 17,950	$ 16,314	$ (1,636)	$ 8,910
Expenditures	16,374	15,998	376	8,829
	1,576	316	(1,260)	81
Transfer to Reserve	(177)	(182)	(5)	(134)
Transfer to General Revenue Fund	(1,976)	(1,141)	835	(1,292)
(Deficit)	$ (577)	$ (1,007)	$ (430)	$ (1,345)
Civic Accommodations Fund				
Revenues	$ 31,854	$ 31,605	$ (249)	$ 23,777
Expenditures	18,464	18,171	293	13,148
	13,390	13,434	44	10,629
Transfer to:				
Building Services Fund	(9,890)	(10,040)	(150)	(7,159)
General Revenue Fund	(3,500)	(3,394)	106	(2,546)
Surplus	$ -	$ -	$ -	$ 924
Building Services Fund				
Revenues	$ 27,516	$ 27,957	$ 441	$ 19,151
Expenditures	27,484	27,957	(473)	20,387
	32	-	(32)	(1,236)
Transfer to General Revenue Fund	(32)	-	32	-
(Deficit)	$ -	$ -	$ -	$ (1,236)