Minute No. 43
Report - Executive Policy Committee - December 11, 2002

Item No. 4 Utilization of the 2002 Forecasted General Revenue Fund Surplus
File F-1 (Vol. 16)

COUNCIL DECISION:

Council considered and adopted the Executive Policy Committee motion as follows:

1. That contributions to reserves be approved as follows:

Economic Development Investment Reserve	$1,475,000.00
Heritage Investment Reserve	400,000.00
Housing Rehabilitation Investment Reserve	1,000,000.00

to be funded from any actual 2002 year-end surplus that might arise.

2. That the following grants be approved:

Francophonie Games	$ 50,000.00
Winnipeg Arts Stabilization Fund	200,000.00
Take Pride Winnipeg	22,000.00
World Curling	200,000.00
Night of Lights	96,000.00
Transcona Museum	17,000.00

3. That street works related to the CNR Intermodal terminal relocation be approved.

4. That funding in the amount of $600,000.00 to the Federation of Canadian Municipalities and $150,000.00 to the Canadian Association of Municipal Administrators be approved.

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

Report - Executive Policy Committee - December 11, 2002

DECISION MAKING HISTORY:

Moved by His Worship Mayor Murray,
That the Executive Policy Committee recommendation be adopted.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 11, 2002, the Executive Policy Committee concurred in the motion passed by the Standing Committee on Fiscal Issues.

STANDING COMMITTEE RECOMMENDATION:

On December 10, 2002, the Standing Committee on Fiscal Issues passed the following motion and recommends to the Executive Policy Committee, namely:

WHEREAS the City is forecasting a year-end General Revenue Fund surplus of $3.0 million for the fiscal year ending December 31, 2002, based on financial reports to October 31, 2002;

AND WHEREAS $3 million was provided from the 2001 year-end surplus to fund the Economic Development Investment Reserve, the Heritage Investment Reserve and the Housing Rehabilitation Investment Reserve and no funding has been provided in the 2002 current budget for this purpose;

AND WHEREAS no funding has been provided in the 2002 current budget to fund additional grants required by the Francophonie Games, the Winnipeg Arts Stabilization Fund, Take Pride Winnipeg, the World Curling organization, the Federation of Canadian Municipalities and Canadian Association of Municipal Administrators, the Night of Lights and the Transcona Museum;

AND WHEREAS additional appropriations are required to fund the North End Water Treatment Study, Bois Des Esprits land acquisition, the CNR Intermodal terminal relocation and additional costs relating to the sale of Hydro;

THEREFORE BE IT RESOLVED that the Standing Committee on Fiscal Issues approve the following additional appropriations to be funded from the projected 2002 year-end surplus and any actual 2002 year-end surplus that might arise, namely:

Report - Executive Policy Committee - December 11, 2002

DECISION MAKING HISTORY (continued)

North End Water Treatment Study	$ 70,000.00
Bois des Esprits land acquisition	500,000.00
CNR Intermodal terminal relocation	850,000.00
Costs relating to the sale of Hydro	700,000.00
Costs relating to the burial of Hydro Transmission lines	1,400.000.00

Monies to support the following grants:

Francophonie Games	$ 50,000.00
Winnipeg Arts Stabilization Fund	200,000.00
Take Pride Winnipeg	22,000.00
World Curling	200,000.00
Night of Lights	96,000.00
Transcona Museum	17,000.00

Funding for the following:

Federation of Canadian Municipalities	600,000.00
Canadian Association of Municipal Administrators	150,000.00

AND BE IT FURTHER RESOLVED:

1. That Council approve contributions to reserves as follows:

Economic Development Investment Reserve	$1,475,000.00
Heritage Investment Reserve	400,000.00
Housing Rehabilitation Investment Reserve	1,000,000.00

to be funded from any actual 2002 year-end surplus that might arise.

Report - Executive Policy Committee - December 11, 2002

DECISION MAKING HISTORY (continued)

2. That Council approve the following grants:

Francophonie Games	$ 50,000.00
Winnipeg Arts Stabilization Fund	200,000.00
Take Pride Winnipeg	22,000.00
World Curling	200,000.00
Night of Lights	96,000.00
Transcona Museum	17,000.00

3. That Council approve street works related to the CNR Intermodal terminal relocation.

4. That Council approve funding in the amount of $600,000.00 to the Federation of Canadian Municipalities and $150,000.00 to the Canadian Association of Municipal Administrators.

5. That the Proper Officers of the City of Winnipeg be authorized to do all things necessary to effect the intent of the foregoing.

Re: Financial Status Report and Forecast to October 31, 2002

For submission to: Standing Committee on Fiscal Issues

Submitted by: R. P. Gannon, Chief Financial Officer

In Camera item: **No**

Report date: December 6, 2002

Recommendation:

That the Financial Status Report and Forecast to October 31, 2002, be received as information and circulated to All Members of Council.

Report Summary

Key Issues:
As at October 31, 2002, the City is forecasting a General Revenue Fund surplus of $3.0 million for the year ending December 31, 2002.

Implications of the Recommendation(s):

General Implications

X None

☐ For the organization overall and/or for other departments

☐ For the community and/or organizations external to the City of Winnipeg

☐ Involves a multi-year contract

Comment:

Policy implications

X No

☐ Yes

Comment:

Financial Implications

- ☐ Within approved current and/or capital budget
- ☐ Current and/or capital budget adjustment required

Comment:

Report

Recommendation:
That the Financial Status Report and Forecast to October 31, 2002, be received as information and circulated to All Members of Council.

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.

Discussion:
The Corporate Finance Department has prepared a report showing forecasted revenues and expenses to December 31, 2002, for the General Revenue Fund and Utility Funds. This information was obtained from departments and was based on actual data as at October 31, 2002.

As at October 31, 2002, the City is forecasting a General Revenue Fund surplus of $3.0 million. The reasons for the surplus are indicated in the schedule entitled “Budget Variances Arising from the October 31, 2002 Forecast”.

There remains uncertainty surrounding the forecast and City officials will continue to monitor the situation with the next forecast being for the period ending November 30, 2002.

Financial Impact Statement

Date: December 6, 2002

Project Name:

Financial Status Report and Forecast

First Year of Program **2002**

	2002	2003	2004	2005	2006
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: The Financial Impact Statement has not been completed since this report is prepared for information purposes only.

P. Bodnar
Senior Financial Accountant

In preparing this report, there was consultation with and concurrence by:

This report was prepared based on information supplied by all City of Winnipeg departments.

This Report Submitted By:
Department: Corporate Finance Department
Division: Corporate Controller's Division
Prepared by: P. Bodnar
File No.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND

FINANCIAL STATUS REPORT AND FORECAST

Actual for the ten month period ended October 31, 2002
forecasted for the year ending December 31, 2002
(in thousands of dollars)
(Unaudited)

	2002 Adopted Budget	2002 October 31 Forecast	Variance From Budget	2002 Year to date Actual
REVENUES				
Taxation	$ 434,759	$ 441,941	$ 7,182	$ 366,670
Government grants	71,936	71,181	(755)	62,548
Sale of goods and services	42,343	42,454	111	35,360
Transfers from other funds	44,576	50,895	6,319	47,084
Payments in lieu of taxes	33,194	29,794	(3,400)	25,585
Regulation fees	17,895	17,205	(690)	14,785
Interest	14,328	8,853	(5,475)	10,443
Other	1,300	1,561	261	1,108
Total Revenues	660,331	663,884	3,553	563,583
EXPENSES				
Audit	906	906	-	635
CAO's office	2,429	2,314	115	1,665
City clerks	5,153	5,065	88	5,121
Community services	77,357	77,347	10	66,401
Corporate	87,916	83,992	3,924	57,838
Corporate information technology	14,680	14,828	(148)	12,253
Corporate finance	13,709	14,400	(691)	11,396
Corporate services	8,498	8,515	(17)	6,565
Council	2,563	2,563	-	2,025
EPC Secretariat	868	868	-	673
Fire paramedic service	93,082	94,299	(1,217)	77,700
Mayor's office	489	489	-	390
Museums	602	602	-	596
Ombudsman's office	164	164	-	129
Other departmental	(12,146)	(13,842)	1,696	(11,461)
Police services	123,545	125,875	(2,330)	103,089
Planning, property and development	34,433	35,021	(588)	28,415
Property assessment	12,756	11,613	1,143	9,674
Public works	149,505	151,746	(2,241)	124,603
Refuse collection	16,764	16,835	(71)	13,234
Street lighting	8,093	8,371	(278)	6,057
Waterworks, waste and disposal	18,965	18,870	95	15,899
Total Expenses	660,331	660,841	(510)	532,897
Forecasted Surplus	$ -	$ 3,043	$ 3,043	$ 30,686

See accompanying report and schedules to the Financial Status Report and Forecast.

The adopted budget has not been revised to reflect the transfer of costs between the CAO's office and Corporate Services. However, the budget has been revised to reflect the transfer of golf services from Planning, Property and Development in the General Revenue Fund to the Golf Services Fund.

The True North funding of $2.5 million is not included in the above.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
BUDGET VARIANCES ARISING FROM THE
OCTOBER 31, 2002 FORECAST
FOR THE YEAR ENDING DECEMBER 31, 2002

(in millions of dollars)

Additional supplementary taxes anticipated for the year. Also includes a $3.0 million reclassification of payments-in-lieu of taxes.	**$**	**9.0**
Corporate debt and finance charges are expected to be under budget due to not issuing $25 million in new debt and delaying refinancing $80 million of existing debt.		**4.2**
Corporate obligations.		**4.0**
Payments-in-lieu of taxes revenue is anticipated to be lower than budget mainly because of a decrease in the portioned assessment of university properties. Also includes a $3.0 million reclassification of property taxes.		**(3.4)**
True North		**(2.5)**
Contribution to Transit is projected to be higher than anticipated due to a projected decline in passenger revenue. Revenues to date are down from the same period last year despite a $0.05 fare increase effective January 1, 2002. Also, expenses are greater than anticipated due to significantly higher contractual bound wage increases, slow turnover of bus operators, and an increasing age of the bus fleet, which has resulted in steadily growing repair work.		**(2.3)**
Police expenditures are projected to be over budget due to higher than anticipated increased overtime because of enhanced enforcement against motorcycle gangs, an increase in criminal activity, and pressing issues on domestic violence calls.		**(2.3)**
Land sales are anticipated to be at or above budget. However, tax sale acquisitions will reduce the transfer from the Land Operating Reserve.		**(2.0)**
Public Works Department's expenses are anticipated to be $2.2 million over budget and their revenues $1.0 million over budget. The net variance is primarily comprised of $0.5 million in additional costs to carry out a similar fall program for Dutch Elm Disease compared to the previous year and $0.3 million for the purchase of lockers and increased maintenance at the indoor pools. As well, the department will realize a $0.4 million revenue shortfall due to new meters not being installed and not converting to the 48 minute meter.		**(1.2)**
Sick leave severance payments are projected to be under budget due to lower rate of retirements during 2002.		**1.1**
Business tax revenue is projected to be lower as a result of the assessed rental value being lower than anticipated.		**(1.1)**
On September 13, 2002, Standing Committee on Fiscal Issues approved a financial contribution to the CanWest Ballpark Expansion Project.		**(1.0)**
Miscellaneous		**0.5**
Forecasted General Revenue Fund Surplus	**$**	**3.0**

THE CITY OF WINNIPEG
GENERAL REVENUE FUND
FINANCIAL STATUS REPORT AND FORECAST
RECONCILIATION OF SEPTEMBER TO OCTOBER FORECASTS
FOR THE YEAR ENDING DECEMBER 31, 2002

(in millions of dollars)

Forecasted General Revenue Fund Deficit - September 30, 2002	**$**	**(1.0)**
Increase in municipal realty tax revenue due to the Assessment Department hiring additional staff.		**2.0**
Decrease in sick leave costs due to a lower rate of retirements.		**1.1**
Decrease in tax penalties interest revenue due to both lower interest rates and outstanding arrears.		**(0.9)**
Decrease in non-departmental costs due to higher pension contributions by the departments.		**0.7**
Ambulance service fee revenue increased due to greater than anticipated call volume.		**0.4**
Debt and finance charges saved due to not issuing debt in October.		**0.4**
Contribution to Transit due to increased employee benefits.		**(0.4)**
Miscellaneous		**0.7**
Forecasted General Revenue Fund Surplus - October 31, 2002	**$**	**3.0**

THE CITY OF WINNIPEG - SUMMARY BY FUND

FINANCIAL STATUS REPORT AND FORECAST

Actual for the ten month period ended October 31, 2002
forecasted for the year ending December 31, 2002
(in thousands of dollars)
(Unaudited)

	2002 October 31 Forecast	2002 Adopted Budget	Variance From Budget	2002 October 31 Actual
General Revenue Fund				
Revenues	**$ 663,884**	**$ 660,331**	**$ 3,553**	**$ 563,583**
Expenditures	**660,841**	**660,331**	**(510)**	**532,897**
Surplus	**$ 3,043**	**$ -**	**$ 3,043**	**$ 30,686**
Transit System				
Revenues	**$ 69,409**	**$ 69,838**	**$ (429)**	**$ 57,076**
Expenditures	**95,656**	**93,773**	**(1,883)**	**81,008**
	(26,247)	**(23,935)**	**(2,312)**	**(23,932)**
Transfer to Reserve	**(4,455)**	**(4,420)**	**(35)**	**(4,400)**
Transfer from General Revenue Fund	**30,681**	**28,355**	**2,326**	**23,200**
(Deficit)	**$ (21)**	**$ -**	**$ (21)**	**$ (5,132)**
Waterworks System				
Revenues	**$ 76,275**	**$ 76,637**	**$ (362)**	**$ 63,250**
Expenditures	**41,974**	**45,051**	**3,077**	**35,311**
	34,301	**31,586**	**2,715**	**27,939**
Transfer to Reserves	**(15,873)**	**(15,953)**	**80**	**(13,142)**
Transfer to General Revenue Fund	**(10,759)**	**(10,784)**	**25**	**(9,164)**
Surplus	**$ 7,669**	**$ 4,849**	**$ 2,820**	**$ 5,633**
Sewage Disposal System				
Revenues	**$ 76,817**	**$ 77,946**	**$ (1,129)**	**$ 63,686**
Expenditures	**55,182**	**56,301**	**1,119**	**46,273**
	21,635	**21,645**	**(10)**	**17,413**
Transfer to General Revenue Fund	**(11,072)**	**(11,120)**	**48**	**(8,581)**
Transfer to Reserves	**(7,036)**	**(7,093)**	**57**	**(6,540)**
Surplus	**$ 3,527**	**$ 3,432**	**$ 95**	**$ 2,292**
Solid Waste Disposal				
Revenues	**$ 15,434**	**$ 14,423**	**$ 1,011**	**$ 11,866**
Expenditures	**12,204**	**12,917**	**713**	**10,578**
	3,230	**1,506**	**1,724**	**1,288**
Transfer to General Revenue Fund	**(895)**	**(895)**	**-**	**(746)**
Transfer to Reserves	**(171)**	**(170)**	**(1)**	**(148)**
Surplus	**$ 2,164**	**$ 441**	**$ 1,723**	**$ 394**

forecasted for the year ending December 31, 2002
(in thousands of dollars)
(Unaudited)

	2002 October 31 Forecast	2002 Adopted Budget	Variance From Budget	2002 October 31 Actual
Equipment and Material Services				
Revenues	**$ 28,956**	**$ 34,505**	**$ (5,549)**	**$ 22,469**
Expenditures	**28,513**	**34,059**	**5,546**	**20,772**
Surplus	**$ 443**	**$ 446**	**$ (3)**	**$ 1,697**
Civic Accommodations Fund				
Revenue	**$ 29,856**	$ **29,856**	**$ -**	$ **25,141**
Expenditures	**16,759**	**16,759**	**-**	**13,787**
	13,097	**13,097**	**-**	**11,354**
Transfer to Public Works Fund	**(10,042)**	**(10,042)**	**-**	**(8,049)**
Transfer to General Revenue Fund	**(3,055)**	**(3,055)**	**-**	**(2,545)**
Surplus	**$ -**	**$ -**	**$ -**	**$ 760**
Public Works				
Revenue	**$ 25,113**	**$ 25,310**	**$ (197)**	**$ 21,010**
Expenditures	**24,642**	**25,310**	**668**	**19,989**
	471	**-**	**471**	**1,021**
Transfer to General Revenue Fund	**(471)**	**-**	**(471)**	**(259)**
Surplus	**$ -**	**$ -**	**$ -**	**$ 762**

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

(in thousands of dollars)
(Unaudited)

General Revenue Fund Surplus - October 31, 2002		$ 3,000
Add:		
Strategic Implementation Contingency	$ 2,200	
Unforeseen	900	
License in lieu of business tax	500	
Realty taxes	1,000	
Debt and finance	400	5,000
		8,000
Less:		
Known expenditures funding required:		
Economic Development Investment Reserve	(1,475)	
Heritage Investment Reserve	(400)	
Housing Rehabilitation Investment Reserve	(1,000)	
Francophonie Games	(50)	
North End WPCC	(70)	
Hydro land transfer - Planning Property and Development Survey Costs	(700)	(3,695)
		4,305
Potential expenditures:		
Winnipeg Arts Stabilization Grant	(200)	
Take Pride	(22)	
World Curling	(200)	
Bois des Esprits	(500)	
FCM	(600)	
Cama	(150)	
Transona Museum	(17)	
Night of Lights	(96)	
CNR - Intermodal Terminal	(850)	
Hydro Transmission Tower Burial	(1,400)	(4,035)
Revised Surplus		$ 270