Agenda – Executive Policy Committee – January 16, 2008

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Report - Standing Policy Committee on Finance - January 15, 2008

Item No. 1 2007 Fiscal Stabilization and Mill Rate Stabilization Reserves
File F-1

STANDING COMMITTEE RECOMMENDATION:

On January 15, 2008, the Standing Policy Committee on Finance submitted the following to Council:

1. That, for 2007, the Fiscal Stabilization Reserve and Mill Rate Stabilization Reserve be increased by the Reserves' interest earnings remaining net of any amounts required to bring the General Revenue Fund to a balanced position.

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

Agenda – Executive Policy Committee – January 16, 2008

Report - Standing Policy Committee on Finance - January 15, 2008

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On January 15, 2008, the Standing Policy Committee on Finance passed the following motion, namely:

WHEREAS, unless otherwise approved by Council , the City allocates interest earned to specific Reserves in accordance with the duties assigned to the Chief Financial Officer (section 100 of The City of Winnipeg Charter);

THEREFORE BE IT RESOLVED that the Standing Policy Committee on Finance recommends to the Executive Policy and Council:

1. That, for 2007, the Fiscal Stabilization and Mill Rate Stabilization Reserves be increased by the Reserves' interest earnings remaining net of any amounts required to bring the General Revenue Fund to a balanced position.

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and received as information the report dated December 28, 2007 from the Chief Financial Officer.

RE: Financial Status Report and Forecast to November 30, 2007

FOR SUBMISSION TO: Standing Policy Committee on Finance

ORIGINAL REPORT SIGNED BY: Chief Financial Officer

REPORT DATE: December 28, 2007

RECOMMENDATION:

That the Financial Status Report and Forecast to November 30, 2007 be received as information and circulated to All Members of Council.

Report Summary

Key Issues:

As at November 30, 2007 the City is forecasting a General Revenue Fund deficit of $0.6 million for the year ending December 31, 2007.

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

( ) 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): The General Revenue Fund has a forecasted deficit, based on November 30, 2007 actual figures, of $0.6 million.

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. The Standing Committee on Fiscal Issues has been renamed the Standing Policy Committee on Finance.

HISTORY:

In its Financial Status Report and Forecast to October 31, 2007 to Standing Policy Committee on Finance on December 4, 2007, the City forecasted a General Revenue Fund surplus of $2.4 million for the year ending December 31, 2007.

DISCUSSION:

The Corporate Finance Department has prepared a report showing forecasted revenues and expenses to December 31, 2007, for the General Revenue Fund, Service Funds and Utility Funds. This information was obtained from departments and was based on actual data as at November 30, 2007.

As at November 30, 2007, the City is forecasting a General Revenue Fund deficit of $0.6 million. The reasons for the deficit are indicated in the schedule entitled “Budget Variances Arising from the November 30, 2007 Forecast”.

Financial Impact Statement **Date: December 28, 2007**

Project Name:

Financial Status Report and Forecast to November 30, 2007

COMMENTS:

This report is prepared for information purposes.

Pat Bodnar
Senior Financial Accountant

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.



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

Actual for the eleven month period ended November 30, 2007
forecasted for the year ending December 31, 2007
(in thousands of dollars)
(unaudited)

	2007 Adopted Budget	2007 Forecast	Variance From Budget	2007 Year to Date Actual
REVENUES				
Taxation	$ 469,140	$ 469,587	$ 447	$ 426,391
Government grants	81,172	87,804	6,632	76,982
Sale of goods and services	63,312	65,163	1,851	60,690
Transfers from other funds	59,918	59,146	(772)	34,121
Payments-in-lieu of taxes	30,421	30,421	-	27,527
Regulation fees	26,948	29,688	2,740	27,289
Interest	9,310	10,708	1,398	7,421
Other	1,021	2,411	1,390	2,228
Total Revenues	741,242	754,928	13,686	662,649
EXPENSES				
Audit	1,099	1,512	(413)	914
CAO secretariat	2,891	2,522	369	2,227
City clerks	11,809	11,755	54	9,841
Community services	92,052	90,745	1,307	81,705
Corporate	56,785	59,015	(2,230)	52,413
Corporate finance	9,736	8,853	883	7,876
Corporate information technology	15,609	15,361	248	13,483
Corporate services	10,067	9,883	184	8,824
Council	2,657	2,662	(5)	2,333
EPC secretariat	1,648	1,648	-	1,226
Fire paramedic service	116,095	123,289	(7,194)	111,221
Mayor's office	520	520	-	464
Museums	741	768	(27)	720
Planning, property and development	37,239	39,363	(2,124)	34,689
Police services	159,468	160,810	(1,342)	144,860
Property assessment	11,427	10,058	1,369	9,058
Public works	169,703	176,300	(6,597)	155,432
Street lighting	10,492	10,354	138	9,455
Water and waste	31,204	30,081	1,123	26,236
Total Expenses	741,242	755,499	(14,257)	672,977
DEFICIT	$ -	$ (571)	$ (571)	$ (10,328)

The "adopted budget" for Corporate and Fire paramedic service expenses have been adjusted to reflect the negotiated settlement of the collective agreements.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
BUDGET VARIANCES ARISING FROM THE
NOVEMBER 30, 2007 FORECAST
FOR THE YEAR ENDING DECEMBER 31, 2007

(in millions of dollars)
(unaudited)

Public Works departmental expenses are anticipated to be over budget mainly due to increased snow clearing costs of $8.7 million. This is partially offset by a reduction in Public Works departmental expenditures, including salaries and benefits.	$	(6.6)
The Province announced additional funding through the provincial video lottery terminal/casino revenue sharing to enhance public safety and to fully fund 14 new police officers, including five in the City's stolen auto unit.		1.6
Corporate expenses are forecasted to exceed budget primarily due to higher than expected costs, net of $0.7 million in rebates.		(1.5)
Assessment department's expenses are forecasted to be under budget as a result of salary and benefit savings arising from unfilled positions.		1.4
Short-term interest revenue has improved due to investing strategies that have produced higher than expected returns.		1.2
Other departmental revenues and expenses		3.3
Forecasted General Revenue Fund Deficit	$	(0.6)

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
RECONCILIATION OF OCTOBER TO NOVEMBER FORECAST
FOR THE YEAR ENDING DECEMBER 31, 2007

(in millions of dollars)
(unaudited)

Forecasted General Revenue Fund Surplus - October 31, 2007	**$**	**2.4**
Public Works departmental expenses have increased by $3.5 million as a result of snow clearing costs associated with greater than anticipated snowfall during November and December.		**(3.1)**
Other departmental revenues and expenses.		**0.1**
Forecasted General Revenue Fund Deficit - November 30, 2007	**$**	**(0.6)**

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

Actual for the eleven month period ended November 30, 2007
forecasted for the year ending December 31, 2007
(in thousands of dollars)
(unaudited)

	2007 Adopted Budget	2007 Forecast	Variance From Budget	2007 Actual
General Revenue Fund				
Revenues	$ 741,242	$ 754,928	$ 13,686	$ 662,649
Expenditures	741,242	755,499	(14,257)	672,977
(Deficit)	$ -	$ (571)	$ (571)	$ (10,328)
Transit System				
Revenues	$ 85,954	$ 87,346	$ 1,392	$ 79,980
Expenditures	114,617	116,225	(1,608)	101,191
	(28,663)	(28,879)	(216)	(21,211)
Transfer to Reserve	(5,080)	(5,164)	(84)	(5,030)
Transfer from General Revenue Fund	33,743	33,743	-	33,743
(Deficit) Surplus	$ -	$ (300)	$ (300)	$ 7,502
Waterworks System				
Revenues	$ 85,977	$ 88,558	$ 2,581	$ 81,062
Expenditures	57,682	50,454	7,228	51,819
	28,295	38,104	9,809	29,243
Transfer to Reserve	(10,127)	(9,999)	128	(9,171)
Transfer to General Revenue Fund	(12,580)	(12,580)	-	(11,480)
Surplus	$ 5,588	$ 15,525	$ 9,937	$ 8,592
Sewage Disposal System				
Revenues	$ 112,473	$ 114,689	$ 2,216	$ 102,963
Expenditures	67,381	63,405	3,976	64,048
	45,092	51,284	6,192	38,915
Transfer to Reserve	(7,722)	(7,700)	22	(6,982)
Transfer to General Revenue Fund	(18,689)	(18,564)	125	(18,370)
Surplus	$ 18,681	$ 25,020	$ 6,339	$ 13,563

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

Actual for the eleven month period ended November 30, 2007
forecasted for the year ending December 31, 2007
(in thousands of dollars)
(unaudited)

	2007 Adopted Budget	2007 Forecast	Variance From Budget	2007 Actual
Solid Waste Disposal				
Revenues	$ 17,883	$ 18,386	$ 503	$ 14,913
Expenditures	16,168	15,925	243	12,363
	1,715	2,461	746	2,550
Transfer to Reserve	(193)	(180)	13	(151)
Transfer to General Revenue Fund	(1,636)	(157)	1,479	(1,499)
(Deficit) Surplus	$ (114)	$ 2,124	$ 2,238	$ 900
Civic Accommodations Fund				
Revenues	$ 32,977	$ 32,710	$ (267)	$ 30,160
Expenditures	19,210	18,643	567	17,263
	13,767	14,067	300	12,897
Transfer to:				
Building Services Fund	(10,120)	(10,420)	(300)	(9,515)
General Revenue Fund	(3,647)	(3,647)	-	(3,262)
Surplus	$ -	$ -	$ -	$ 120
Building Services Fund				
Revenues	$ 18,387	$ 18,876	$ 489	$ 16,100
Expenditures	28,589	29,230	(641)	26,754
	(10,202)	(10,354)	(152)	(10,654)
Transfer from (to):				
Civic Accommodations Fund	10,273	10,420	147	9,515
General Revenue Fund	(71)	(66)	5	(60)
Deficit	$ -	$ -	$ -	$ (1,199)