**Minutes – Executive Policy Committee – January 16, 2008**

**Minute No. 117**
**Report - Standing Policy Committee on Finance - January 15, 2008**

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

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Finance and submits 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.

**Minutes – Executive Policy Committee – January 16, 2008**

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

DECISION MAKING HISTORY:

Moved by Councillor O'Shaughnessy

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.

Carried

Moved by Councillor O'Shaughnessy,

That the recommendation of the Standing Policy Committee on Finance be concurred in and forwarded to Council.

Carried

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:

On January 15, 2008, 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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November2007Foreca

## 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) |