Agenda - Executive Policy Committee - January 21, 2004

REPORTS

Item No. 5 Utilization of 2003-Year End Surplus
File F-1

STANDING COMMITTEE RECOMMENDATION:

On January 13, 2004, the Standing Committee on Fiscal Issues recommended that the year end surplus in the 2003 General Revenue Fund, up to a maximum of $1,500,000.00, be allocated to the Housing Rehabilitation Investment Reserve, and any surplus funds in excess of $1,500,000.00, be placed in the Economic Development Investment Reserve.

DECISION MAKING HISTORY

STANDING COMMITTEE RECOMMENDATION:

On January 13, 2004, the Standing Committee on Fiscal Issues recommended to the Executive Policy Committee that the year end surplus in the 2003 General Revenue Fund, up to a maximum of $1,500,000.00, be allocated to the Housing Rehabilitation Investment Reserve, and any surplus funds in excess of $1,500,000.00, be placed in the Economic Development Investment Reserve.

STANDING COMMITTEE DECISION:

On January 13, 2004, the Standing Committee on Fiscal Issues concurred in the administrative recommendation, namely, that the Financial Status Report and Forecast to November 30, 2003, be received as information and circulated to all Members of Council.

ADMINISTRATIVE REPORT

RE: Financial Status Report and Forecast to November 30, 2003

FOR SUBMISSION TO: Standing Committee on Fiscal Issues

ORIGINAL REPORT SIGNED BY: Chief Financial Officer

REPORT DATE: January 13, 2004

RECOMMENDATION:

That the Financial Status Report and Forecast to November 30, 2003 be received as information and circulated to All Members of Council.

REPORT SUMMARY:

Key Issues:

As at November 30, 2003 the City is forecasting a General Revenue Fund surplus of $0.7 million for the year ending December 31, 2003.

Implications of the Recommendation(s):

General implications:
? **None**
? **For the organization overall &/or for other departments**
? **For the community and/or organizations external to the City**
? **Involves a multi-year contract**
Comment(s):

Policy implications:
? **No**
? **Yes Comment(s):**

Environmental implications:
? **No**
? **Yes Comment(s):**

Human Resources implications:
? **No**
? **Yes Comment(s):**

Financial implications:

? **Within approved current and/or capital budget**
? **Current and/or capital budget adjustment required**
Comment(s):

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, 2003, for the General Revenue Fund and Utility Funds. This information was obtained from departments and was based on actual data as at November 30, 2003.

As at November 30, 2003, the City is forecasting a General Revenue Fund surplus of $0.7 million. The reasons for the surplus are indicated in the schedule entitled “Budget Variances Arising from the November 30, 2003 Forecast”.

Financial Impact Statement

Date: January 13, 2004

Project Name:

First Year of Program 2003

Financial Status Report and Forecast

	2003	2004	2005	2006	2007
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 CONCURRENCY BY:

All City departments

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 eleven month period ended November 30, 2003
forecasted for the year ending December 31, 2003
(in thousands of dollars)
(Unaudited)

	2003 Adopted Budget	2003 November 30 Forecast	Variance From Budget	2003 Year to date Actual
REVENUES				
Taxation	$ 440,911	$ 441,904	$ 993	$ 403,991
Government grants	71,527	70,453	(1,074)	65,559
Sale of goods and services	66,994	66,904	(90)	61,202
Regulation fees	34,131	28,574	(5,557)	25,940
Payments in lieu of taxes	29,933	29,919	(14)	26,961
Transfers from other funds	27,065	28,678	1,613	25,797
Interest	13,620	12,905	(715)	11,913
Other	730	1,594	864	1,263
Total Revenues	684,911	680,931	(3,980)	622,626
EXPENSES				
Audit	906	867	39	763
CAO's office	2,539	2,427	112	2,187
City clerks	5,129	5,029	100	4,393
Community services	80,310	80,887	(577)	74,524
Corporate	86,077	81,823	4,254	62,576
Corporate information technology	14,389	14,430	(41)	12,933
Corporate finance	16,593	16,215	378	14,617
Corporate services	8,474	8,519	(45)	7,832
Council	2,610	2,610	-	2,267
EPC Secretariat	903	768	135	706
Fire paramedic service	99,204	99,995	(791)	89,992
Mayor's office	479	479	-	416
Museums	603	724	(121)	661
Other departmental	(12,565)	(12,531)	(34)	(12,053)
Police services	137,944	138,611	(667)	123,837
Planning, property and development	36,766	35,297	1,469	32,127
Property assessment	12,514	11,431	1,083	10,377
Public works	148,117	148,722	(605)	133,946
Refuse collection	16,530	16,584	(54)	14,637
Street lighting	9,463	9,363	100	8,417
Waterworks, waste and disposal	17,926	17,944	(18)	16,349
Total Expenses	684,911	680,194	4,717	601,504
Forecasted Surplus	$ -	$ 737	$ 737	$ 21,122

During the year, the Film and Cultural budget of $100 thousand was transferred from EPC to CAO. This transfer is not reflected in the budget figures.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
BUDGET VARIANCES ARISING FROM THE NOVEMBER 30, 2003 FORECAST FOR THE YEAR ENDING DECEMBER 31, 2003

(in millions of dollars)

Photo enforcement program revenue is anticipated to be below budget based on actual revenue received to date.	**$**	**(6.0)**
Corporate debt and finance charges are expected to be under budget due to not issuing new debt and delaying refinancing of existing debt, as well as a lower rate on the refinanced issue.		**3.6**
Contribution to Transit is projected to be higher than anticipated due to a projected decline in passenger revenue. Revenue to date is up by approximately 3% over the same period last year, with ridership holding. However, the budget includes optimistic ridership projections. Expenses are also greater than anticipated primarily due to repair costs. The fleet is at a point where significant repairs are required. The older high floor buses are experiencing a high rate of power train failures, while the newer low floor buses are requiring a significant brake component overhaul. Diesel fuel costs are anticipated to be higher as a result of price increases, and wages and benefit are forecasted to be over budget due to a slower turnover in the bus operator workforce.		**(1.7)**
The Planning, Property and Development department's expenses are forecasted to be below budget as a result of vacancy management and delayed hiring of new positions involved with the integrated model.		**1.5**
The Property Assessment department is projecting their expenses will be lower than budget due to salaries and employee benefits and deficit avoidance initiatives.		**1.1**
Miscellaneous		**2.2**
Forecasted General Revenue Fund Surplus	**$**	**0.7**

THE CITY OF WINNIPEG
GENERAL REVENUE FUND
FINANCIAL STATUS REPORT AND FORECAST
RECONCILIATION OF OCTOBER TO NOVEMBER FORECAST
FOR THE YEAR ENDING DECEMBER 31, 2003

(in millions of dollars)

Forecasted General Revenue Fund Deficit - October 31, 2003	**$**	**(1.8)**
Other - including adjustments of accruals and departmental savings		**2.5**
Forecasted General Revenue Fund Surplus - November 30, 2003	$	**0.7**

THE CITY OF WINNIPEG - SUMMARY BY FUND

FINANCIAL STATUS REPORT AND FORECAST

Actual for the eleven month period ended November 30, 2003
forecasted for the year ending December 31, 2003
(in thousands of dollars)
(Unaudited)

	2003 Nov 30 Forecast	2003 Adopted Budget	Variance From Budget	2003 Nov 30 Actual
General Revenue Fund				
Revenues	**$ 680,931**	**$ 684,911**	**$ (3,980)**	**$ 622,626**
Expenditures	**680,194**	**684,911**	**4,717**	**601,504**
Surplus	**$ 737**	**$ -**	**$ 737**	**$ 21,122**
Transit System				
Revenues	**$ 70,694**	**$ 71,320**	**$ (626)**	**$ 65,050**
Expenditures	**97,617**	**96,568**	**(1,049)**	**89,270**
	(26,923)	**(25,248)**	**(1,675)**	**(24,220)**
Transfer to Reserve	**(5,528)**	**(5,460)**	**(68)**	**(5,400)**
Transfer from General Revenue Fund	**32,451**	**30,708**	**1,743**	**25,520**
(Deficit)	**$ -**	**$ -**	**$ -**	**$ (4,100)**
Waterworks System				
Revenues	**$ 76,968**	**$ 76,579**	**$ 389**	**$ 70,900**
Expenditures	**45,087**	**45,261**	**174**	**43,648**
	31,881	**31,318**	**563**	**27,252**
Transfer to Reserves	**(12,860)**	**(12,796)**	**(64)**	**(11,762)**
Transfer to General Revenue Fund	**(11,081)**	**(10,943)**	**(138)**	**(8,102)**
Surplus	**$ 7,940**	**$ 7,579**	**$ 361**	**$ 7,388**
Sewage Disposal System				
Revenues	**$ 77,834**	**$ 77,339**	**$ 495**	**$ 71,076**
Expenditures	**50,550**	**53,626**	**3,076**	**48,832**
	27,284	**23,713**	**3,571**	**22,244**
Transfer to Reserves	**(7,133)**	**(7,098)**	**(35)**	**(5,593)**
Transfer to General Revenue Fund	**(11,265)**	**(11,081)**	**(184)**	**(9,971)**
Surplus	**$ 8,886**	**$ 5,534**	**$ 3,352**	**$ 6,680**
Solid Waste Disposal				
Revenues	**$ 15,725**	**$ 14,690**	**$ 1,035**	**$ 12,847**
Expenditures	**16,064**	**14,443**	**(1,621)**	**12,383**
	(339)	**247**	**(586)**	**464**
Transfer to Reserves	**(173)**	**(167)**	**(6)**	**(157)**
Transfer to General Revenue Fund	**(1,831)**	**(1,806)**	**(25)**	**(1,655)**
(Deficit)	**$ (2,343)**	**$ (1,726)**	**$ (617)**	**$ (1,348)**

THE CITY OF WINNIPEG - SUMMARY BY FUND

FINANCIAL STATUS REPORT AND FORECAST

Actual for the eleven month period ended November 30, 2003
forecasted for the year ending December 31, 2003
(in thousands of dollars)
(Unaudited)

	2003 Nov 30 Forecast	2003 Adopted Budget	Variance From Budget	2003 Nov 30 Actual
Equipment and Material Services				
Revenues	**$ 406**	**$ 2,064**	**$ (1,658)**	**$ 358**
Expenditures	**516**	**2,048**	**1,532**	**451**
(Deficit) Surplus	**$ (110)**	**$ 16**	**$ (126)**	**$ (93)**
Civic Accommodations Fund				
Revenue	**$ 29,948**	**$ 29,948**	**$ -**	**$ 21,438**
Expenditures	**17,451**	**17,551**	**100**	**10,930**
	12,497	**12,397**	**100**	**10,508**
Transfer to Public Works Fund	**(9,578)**	**(9,578)**	**-**	**(7,753)**
Transfer to General Revenue Fund	**(2,919)**	**(2,819)**	**(100)**	**(1,879)**
Surplus	**$ -**	**$ -**	**$ -**	**$ 876**
Public Works				
Revenue	**$ 26,057**	**$ 25,261**	**$ 796**	**$ 24,396**
Expenditures	**26,057**	**25,261**	**(796)**	**23,949**
Surplus	**$ -**	**$ -**	**$ -**	**$ 447**