**Minutes - Executive Policy Committee - January 21, 2004**

## REPORTS

**Minute No. 126 Utilization of 2003-Year End Surplus**
**File F-1**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. 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.

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

DECISION MAKING HISTORY

Moved by Councillor Clement,

That the recommendation of the Standing Committee on Fiscal Issues be concurred in and forwarded to Council.

Carried

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** |