

DATE: 27 October 2009

## COUNCIL REPORT

TO: Mayor Compton and Members of Council  
FROM: Karen Brown  
RE: Monthly Financial Statements

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Recommendation:

**That** Council hereby receives the monthly Financial Statements of the Corporation of the City of Kenora, as at September 30, 2009.

### Background

Attached, for your information, please find the preliminary September 2009 summary expenditure statements for the City of Kenora, the Council department and travel statements as well as the user fee statement.

With regards to the statements attached, the following points should be brought to your attention:

#### **Overall**

- Provincial Offences data has not been input since June 2009.
- The expenses related to insurance premiums have not yet been entered for the second half of the year.
- OPP User Fees have only been recorded to May 2009.

#### **Expenditures**

- As at September 30, the year is nine months past. Overall, assuming expenditures are relatively level for the year, you would expect to see approximately (25%) in the % Variance column, indicating that the municipality's expenditures are relatively on track.
- General Government expenditures appear to be running under budget overall, with 30% room remaining. The Mayor & Council department is currently running over budget. Accounts either fully or over expended to the end of September include: advertising, donations, luncheons and subscriptions / memberships. This is also partly due to costs related to the Strategic Plan (shown under Meeting Expenses). Promotions are also running at above budget to date. Overall, Council travel expenses are currently running significantly under budget. The Human Resources, building & grounds maintenance (City Hall) and Finance & Administration departments are all running under budget. The building rentals' budget line is running significantly over budget. This is primarily related to the building rental at 70 Park St., and to a lesser extent the Medical building, both located in Keewatin.
- Protection is running over budget to date, although this is due to the unbudgeted transition costs for disbanding KPS, totaling \$584,276 as of

today. The KPS is over budget from their original estimate by \$243,485 before vehicles and the Anti Violence program (this number may increase as we continue to clean up residual invoices). The OPP expense is significantly under budget. This has occurred as the OPP continue to invoice the City based on the 2008 contract rates based on the rate structure in effect before taking over responsibility for policing the City. You will note a correction of this commencing in Oct/09, with an updated invoice in excess of \$1.5 million to adjust the OPP invoicing to the new contract. The Police Services Board is also running under budget, likely as the majority of spending at this time relates to the KPS disbandment. Animal control, building inspection, facilities & property management, emergency measures and 911 emergency access are all now running under budget to the end of September.

- Transportation is running under budget. Combined roads maintenance is running over budget, but primarily due to winter control, which while still below the annual allocation, is running well over the comparable costs to date for 2008. Departments currently running well under budget include: conventional transit, streetlighting, warehouse, engineering and operations administration. There are other fluctuations that can be seen in various departments within transportation.
- Environmental expenditures are running above budget to date. Overall, the water & sewer operations are running over budget, with just 20% remaining in the budget, and the combined solid waste and recycling operations are running right at budget, with about 25% remaining. Again, individual fluctuations can be seen in the individual departments within each line.
- Health expenditures appear to be running over budget, although this is directly attributable to the capital expenditures at the Cemetery, included in the approved municipal budget, but not reflected in the budgeted numbers in the statements.
- Social and Family expenditures are running over budget. This is primarily due to Day Care related expenses with about 7% remaining in the combined departments.
- Recreation & Cultural expenditures are running right at budget overall, again with individual fluctuations. Overall, the Kenora & Keewatin recreation facilities combined are running right around budget.
- Planning & Development expenditures appear to be running over budget to date this year, although for the most part this arises from programs not included in the budget. The Business Enterprise Centre is running over budget to date, but this is primarily due to a number of unbudgeted items, including: Arts Project, Biz Kids, Summer Company Project and Start up Costs. Unbudgeted departments in planning include the Youth Intern – Business Enterprise Centre, the LOTW Labour Action Committee and the LOW Book Committee.

### **User Fees**

- Overall, user fees appear to be running under budget, with overall fees less than the budget projections. An over budget user fee represents revenues in excess of those projected, while an under budget user fee represents less revenues than originally anticipated. When looking at the user fee statement, if the variance percentage is less than 25%, the City has received

more revenue than budgeted. If the variance percentage is greater than 25%, the City is experiencing a shortfall on that revenue budget line.

- General Government is showing revenues above budget, primarily due to fees in the Administrator's Office. Rental fees are running slightly under budget.
- Protection user fees are running significantly under the budgeted projections. This is primarily due to the unrecorded POA revenues, as well as the lack of 911 emergency access user charges to date. The 911 revenues are currently under dispute with Bell and it is currently their position that the City is not entitled to a portion of the 911 revenue they levy. Again, the pending transition to OPP and related impact on the budget makes it appear that KPS has revenues in excess of budget, however it would appear that they will finish the year with below budgeted revenues. OPP user fees are running well under budget to the end of May, although this was prior to the KPS disbandment. To date, the City does not have the post-disbandment information for user fees. Animal control and building inspection user fees are also running well under budget.
- Transportation user fees are running over budget. Dock user fees are in excess of the annual budget for the year, as are Chipman parking lot and engineering user fees. Metered parking fees are running over budget, while roads maintenance, conventional transit, general parking and remaining operations facility fees are running below budget to date.
- Environmental user fees are running under budget overall, primarily due to the water and sewer fees running at less than budget. Combined solid waste and recycling related fees are running over budget.
- Social & Family user fees are running slightly over budget projections. These fees relate strictly to day care related programs, some of which can be seasonal in nature (summer day camp, although fees for the camp exceeded budget projections in 2009).
- Recreation & Cultural fees are running under budget, although it is recognized that these revenues tend to be somewhat seasonal with generally lower levels of revenue during the summer months.
- Planning & Development user fees are running in excess of the budget to date. This is primarily due to tourism related revenues, showing well in excess of the budget for the year, as well as the unbudgeted LOW Book Committee revenues.

Please let me know if you have any questions, or would like to see any of the department statements in further detail.

cc: Audit Committee  
Colleen Neil  
Warren Brinkman  
Jennifer Pyzer Whetter, BDO

Bill Preisenzanz  
Rick Perchuk  
Charlotte Edie