



3 October 2012

**City Council
Committee Report**

To: Mayor Canfield & Members of Council

Fr: Lisa Oakes

Re: September 2012 Monthly Financial Statements

Recommendation:

That Council hereby accepts the monthly Financial Statements of the Corporation of the City of Kenora as at September 30, 2012.

Background:

Attached, for your information, please find the preliminary September 2012 summary expenditure statements for the City of Kenora, the Council department, travel statements for Council and a schedule of user fees.

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

Overall:

- All Departments are currently running under budget to date, with the exception of Health, Social & Family and Planning & Development.
- Expenses related to insurance premiums & taxes for the year have been entered.
- Subscriptions & memberships are over budget in the majority of the departments. This is due to them being expensed at the beginning of the year.
- Public Works equipment time has not been entered for the months of June, July, August or September.

Expenditures:

- 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** – Overall, things are running well in General Government but some line by line details are as follows. The Mayor & Council dept. and Council travel is within budget to the end of September, with variations within the accounts. The yearly datafix charged for Municipal elections budget has already been paid and this uses up the entire budget for the year. Almost the entire legal budget under City Clerk dept. is used up for the year, this is for the yearly charge for professional services at the beginning of the year. City Clerk is also over in Full-time earnings & benefits due to the overlap of training for the new Licensing Clerk. Civil Marriage Expenses have gone over its yearly budget this year. The Human Resources dept. is over budget, mainly due to advertising, training for new staff in that dept. Full-time wages is also over because the new position was budgeted to the Finance dept. but now being expensed to the HR dept. Legal fees are over by \$12,911 in the HR dept. Advertising & computer maintenance expense is over in the Finance dept. Contracted services are over budget in the Finance dept. which if for an expense that was budgeted in 2011's budget but overall, the Finance dept. is under budget. Computer maintenance is over budget in the Information Technology dept. Rentals have gone over the Keewatin Public Works expense for the year, this is for the tax roll being expensed to the GL and the tenant's are billed for the amount which offsets this. Currently 2/3 of the Keewatin PW's building is empty and the tax dollars will not be recovered until the space is filled again. The

Ottawa St. Building is also over doubled its budget with the flooring costs. Rabbit Lake Rd garage is also over for the reclassifying of utilities that were not budgeted for in 2012.

- **Protection** – Overall, things are running well in Protection. Fire dept. is over in its telephone and utilities. Police Commission has used up a good portion of its travel & conference budgets. KPS disbandment has retirement benefits being expensed to this budget in the amount of \$12,393 to date which was not budgeted for. Contracted services for the Police Building are over the yearly budget by \$1,814. Animal control is over the yearly budget for repairs & maintenance which was for the purchase of office chairs for the new offices. It is also over in telephone & utilities but overall the dept. is under budget. 911 Emergency access has used its entire contracted services budget for the year. This is for the upfront payment of 911 call handling in February.
- **Transportation** – Materials & supplies expense has gone over the yearly budget by \$3,687 for the Roads Maintenance dept. Surface treated is over in mow/spray/shoulder maintenance by \$2,898; bush/tree trim/removal by \$5,628; and ditching by \$1,037. Reallocation of expenses are required in the Surface treated dept. for expenses that should be coded to capital project accounts. Gravel & resurfacing under the Loosetop budget is over by \$21,731 to date and general maintenance is over by \$23,651. Reallocation of expenses are required in the Loosetop dept. for expenses that should be coded to capital project accounts. Traffic signs & line painting is a seasonal job & is common to be almost entirely used up at this point of the year. Materials & supplies have more than doubled the yearly budget in conventional transit. Computer maintenance was not budgeted for in Metered parking for \$4,967. Insurance is over in Parking Rentals by \$4,020 for claims from the parkade gate closing on vehicles. Docks repairs & maintenance was also not budgeted for in the amount of \$1,936. Wharfs is over in materials & supplies, taxes, and wharf repair. PW Barsky facility materials & supplies and repairs & maintenance include the creation of new offices in the building. A floor drain in the PW building & cleaning is what makes up for the overage of \$5,368 in contracted services. Facility Improvements require allocations to capital project accounts under PW Barsky dept. Materials & supplies have exceeded their yearly budget in the Warehouse dept. by \$3,647 to date; this includes a hutch & storage desk for the warehouse and repair/maintenance/clean is over by \$1,071.
- **Environmental** - Again, things appear to be running well in environmental depts. Meter reading remains over budget in the Waterworks dept.; to date it is \$8,379 over budget. Residential Meters is also over budget by \$3,197. Office & postage is over in the water treatment plant by \$3,049 for chairs & shelving. Garbage Collections has used up close a good portion of the yearly Materials & supplies budget for the installation of the big belly garbage bins. Transfer facility is over on contracted services for the scale inspection. Contracted hauling expenses are over by \$32,554 which was not budgeted for. Hauling costs are over by \$11,267 in the Transfer facility. Materials & supplies are over by \$2,273 in the 4 R Initiatives dept.
- **Health expenditures** – Health is slightly over budget due to the LOTW Cemetery transfer. To note, the yearly St. Nicholas cemetery grant was issued in April for the year. All other Health spending is based on levy to external organizations.
- **Social and Family** – the Home for the Aged transfer has been issued for the first two of the three yearly payments of the year. Welfare admin benefits are sitting at \$4,298 to date and were not budgeted for. Kenora Day Care is over budget.
- **Recreation & Cultural** - Anicinabe Park is over in materials & supplies by \$6,077 and \$2,621 in washrooms expense for sump system, water line, toilets, sandblasting, retaining wall & picnic tables. Coney Island is over by \$1,461 in materials & supplies. Harbourfront insurance is over budget by \$14,633 as a result of the claims from August 2011 when the tent fell over onto vehicles at the harbourfront. KRC external facilities dept. for repairs/maintenance/cleaning is mainly over budget due to parking lot sanding and plowing this winter. KM Arena & complex is over \$5,978 in repairs/maintenance/cleaning. JM arena is more than tripled its budget in repairs/maintenance/cleaning due to the clean-up from the break-in and expenses required to secure the building again; and the reno and commercial cleaning is also the reason contracted services is over \$5,769. Recreation programs is over by \$2,479 in contracted services for the physical arts training camp in August. Recreation programs is also over in materials & supplies for the NHL events. Teams & clubs dept. is over \$870 in materials & supplies for graffiti removal in central park.
- **Planning & Development** – Planning & Development is over budget. Contracted services in Planning operations is over their yearly budget by \$5,049 and \$10,836 in land planning expenses. Business Enterprise Cent. is over \$9,549 in miscellaneous expenditures for office development and new computer; this was approved by Council in April, to be funded by appropriation from Northwest Bus deferred revenue. Economic development is over in expenses that were not budgeted for; LOTWDC board expense \$5,972, Ed & train. Grant \$9,040, LOTW project \$10,920, hidden gems expense \$25,562 and share the road bike ride \$1,913 – but this is all budgeted for in

contracted services & spread out to separate lines throughout the year. Tourism is over \$2,776 in the miscellaneous budget for the year, which has accumulated from the sign at the MB border and parking charges for staff/summer students. Tourism is over by \$11,499 in materials & supplies for planting at the discovery centre but this is offset with revenues. Special events are over in contracted services by \$2,742 for snow removal which was not budgeted for. It is also awaiting revenue for celebrate summer.

User Fees:

- Overall, user fees appear to be running over budget, with overall fees greater 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 well within budget in all departments.
- Protection user fees are running under the budgeted projection, this is primarily due to the unrecorded POA revenues. Animal control and fire operation user fees are also running well over budget.
- Transportation user fees are running under budget. Roads maintenance, conventional transit, operations facility and engineering user fees are each running well below budget.
- Environmental user fees are running over budget, primarily due to the sanitary surcharge, garbage collection, blue box collection & recycling facility related fees which are all running at over budget projections to date.
- Social & Family user fees are exceeding budget projections. These fees relate strictly to day care related programs, some of which can be seasonal in nature.
- Recreation & Cultural fees are running right on budget to the end of September, 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.

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

cc: Jennifer Pyzer Whetter, BDO Dunwoody
Karen Brown
Colleen Neil
Warren Brinkman

Rick Perchuk
Charlotte Edie
Audit Committee