

July 4, 2013



City Council Committee Report

To: Mayor Canfield & Members of Council

Fr: Lauren D'Argis

Re: May 2013 Monthly Financial Statements

Recommendation:

That Council hereby accepts the monthly Financial Statements of the Corporation of the City of Kenora as at May 31, 2013.

Background:

Attached, for your information, please find the preliminary May 2013 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 reporting better than budget results to the end of May.
- Expenses on employee credit cards for May have not yet been entered. The anticipated impact is just over \$25k in expenses.
- Stores purchases and aggregate stockpile purchases for May have not yet been entered. The anticipated impact of this is just over \$20k in expenses.
- Subscriptions & memberships are over-budget in the majority of the departments. This is because the expenses are incurred at the beginning of the year.
- Expenses related to insurance premiums for the first six months of the year have been entered.

Expenditures:

- At the end of May, the year is five twelfths past. Assuming that expenditures are relatively level for the year, a result of (58%) in the % Variance column would indicate that expenditures are on track for the year.
- **General Government** The General Government expenditures are, as a whole, under-budget with 66% of the budget remaining. The majority of the departments are under-budget. While as a whole, Finance remains under-budget, some specific items are over-budget such as contracted services. Assessment Office Charges have already been entered for half of the year, so while they appear to be over-budget, they should match budget by the end of the year. The Rental department appears to be over-budget but the expenses are overstated because the utility recoveries have not yet been posted. The Mayor and Council, City Clerk and Human Resources departments are slightly over-budget. The Finance and the Human Resources advertising budgets are over due to the number of job advertisements that have been required. For the Mayor and Council department, of note is that donation expenses are heavily weighted to the beginning of the year and, therefore, only 26% of the budget is remaining. The Mayor & Council travel is slightly over-budget to the end of May with some having more budget remaining than others.
- **Protection** – The Protection Department is under-budget. However, of note is KPS Disbandment which shows \$7,161 of expenses against zero budget. These are the post-employment benefit expenses for which the payable has already been created. By the end of the year, an adjustment will be made that will reduce or remove this expense. The Health & Safety Committee is over-budget due to the batteries requiring replacement in eight AEDs. Employees have not yet transferred into Facilities and Property Management therefore it shows as substantially under-budget.

- **Transportation** – The Transportation Department is under-budget with 64% remaining to be spent. The largest variances are mostly explainable by seasonality. Maintenance for bridges, culverts and roads are under-budget, but this should correct itself as the maintenance season progresses. Winter control is over-budget with only 29% remaining for the year. The Barsky facility is showing over-budget primarily due to unforeseen repairs due to water damage and the premature break-down of a hot water tank. Vehicles and Equipment are also over-budget.
- **Environmental** – The Environmental Department is also under-budget with 64% of the budget remaining. The largest variances are in Kenora Sanitary with 65% remaining, the Water Treatment Plant at 66% remaining and Kenora Waterworks with 63% remaining. The expenses for Hazardous Waste Day have not yet been posted, so this line item shows 100% remaining. Some individual accounts are over-budget, but none enough to affect the entire department. While the Water Treatment Plant is under-budget as a whole, the results are buoyed by the timing of the levy charge which is later in the year. The lab testing costs for the Water Treatment Plant are already above the total annual budget. Also at the Water Treatment Plant, all of the repairs and maintenance budget for the year has been spent. However, almost none of the contracted services or materials & supplies budgets have been spent. Hauling costs for the Transfer Facility are slightly over-budget.
- **Health expenditures** – Health is slightly better than budget due primarily to the LOTW Cemetery transfer.
- **Social and Family** – Transfers match budget for the year.
- **Recreation & Cultural** – Overall Recreation & Cultural is under-budget with 61% of the year's expenses remaining. Revenues at the Rec Centre are up slightly and expenses are slightly over-budget except for training which is already over the annual budget. Budgeted expenditures on improvements to the library have not begun. Revenues at the MSFC Pool are up slightly from budget and expenses are up at the same rate.
- **Planning & Development** – Planning & Development is under-budget. Some individual line items are over-budget such as contracted services in Planning Operations that has spent 1.5 times the annual budget to the end of May due primarily to recruitment agency costs. DTR Facade Improvements have not yet begun to show expenses.

User Fees:

- Overall, user fees are falling short of the budget projections. When looking at the user fee statement, if the variance percentage is less than 58%, the City has received more revenue than budgeted. If the variance percentage is greater than 58%, the City is experiencing a shortfall on that revenue budget line.
- General Government is showing revenues slightly below budget overall with each department showing a shortfall.
- Protection user fees are running under the budgeted projection, this is due, at least in part, to the unrecorded POA revenues. OPP fees are not as strong as budget projections but the Fire Operations user fees have gained ground and are on budget to the end of May.
- Transportation user fees are meeting budget. The rental fees for the Barsky facility have not yet been entered.
- Environmental user fees are running under budget, with all areas, except Garbage Collection fees, lagging behind projections.
- Social & Family user fees are no longer expected but remain on this report to show last year's information.
- Recreation & Cultural fees are slightly better than budget to the end of May, which is due to the Rec Centre Complex, Thistle Arena and MSFC pool. As the parks and other seasonal facilities continue to show fees, the variance to budget should become even more favourable.
- Planning & Development user fees are meeting budget to date overall with Tourism having collected most of the annual budget already.

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
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