

June 11, 2013

City Council Committee Report



To: Mayor Canfield & Members of Council

Fr: Lauren D'Argis

Re: April 2013 Monthly Financial Statements

Recommendation:

That Council hereby accepts the monthly Financial Statements of the Corporation of the City of Kenora as at April 30, 2013.

Background:

Attached, for your information, please find the preliminary April 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 April.
- Expenses on employee credit cards for April have not yet been entered. The anticipated impact is just over \$25k 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 April, the year is one third past. Assuming that expenditures are relatively level for the year, a result of (67%) 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 72% 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. 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 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. Building Rentals are over-budget primarily due to the Rabbit Lake Road office and garage and to a smaller extent to the Medical Centre. The Mayor & Council travel is slightly under-budget to the end of April with some having more budget remaining than others.
- **Protection** – The Protection Department is under-budget. However, of note is KPS Disbandment which shows \$5,645 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 70% 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. Revenues for work orders done for Hydro or Ontario Power Generation were moved from the Barsky Facility to Shop & Garage causing each line item to have variances to budget. Income from the rental of the Barsky Facility by Ontario Power Generation has not yet been entered for the year.
- **Environmental** – The Environmental Department is also under-budget with 73% of the budget remaining. The largest variances are in Kenora Sanitary with 73% remaining, the Sewage Treatment Plant at 74% remaining, the Water Treatment Plant at 76% remaining and Kenora Waterworks with 71% 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. Kenora Waterworks training is slightly over-budget. 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 over with ¾ of the annual budget spent. 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 70% of the year's expenses remaining. Revenues at the Rec Centre are up slightly and expenses are on budget except for training of which the majority of the year's budget has already been spent. Budgeted expenditures on improvements to the library have not begun. Revenues at the MSFC Pool are down slightly and the materials & supplies budget is ¾ spent. However, overall the Pool remains better than budget to the end of April mostly due to repairs and maintenance that are still expected.
- **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 April 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 67%, the City has received more revenue than budgeted. If the variance percentage is greater than 67%, the City is experiencing a shortfall on that revenue budget line.
- General Government is showing revenues within budget overall, but Finance is below expectations.
- Protection user fees are running under the budgeted projection, this is due, at least in part, to the unrecorded POA revenues. OPP and Fire Operation fees are not as strong as budget projections.
- 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 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 better than budget to the end of April, which is due to the Rec Centre Complex, Thistle Arena and MSFC pool. Once the parks and other seasonal facilities start to show fees, the variance to budget should become even more favourable.
- Planning & Development user fees are below the budget to date in all areas.

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
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 Charlotte Edie