

Report from Financial Management Services, Director

Date of Report: May 30, 2017

Date of Meeting: June 19, 2017

Report Number: FMS-B030-2017

File: 10.57.99

Subject: Expenditure Variance Summary to April 30, 2017

Recommendation

That the Budget Standing Committee (BSC) receive for information the Year-to-Date Report (YTD) for the first four months of the year to April 30, 2017.

Background

The Year-To-Date reports (YTD) received by BSC are intended to provide the committee with information and details pertaining to the Operating Budget performance.

The information contained within the 2017 Year-To-Date Report is general and summarized.

Report

Scheduled delivery of year-to-date financial information, often referred to as a variance report, is aligned with the Corporation's fiscal year (January 01 to December 31) and is normally delivered on a quarterly basis. With little activity in the first quarter, the appended Expenditure Variance Report includes information to April 30, 2017 and is delivered following the closure of accounts and final accounting processes.

As of April 30, 2017, the City's Total Expenditure Budget for fiscal 2017 is at 28% with 33% of the year complete. It is important to note that not all expenses are evenly expended throughout the year. All departments are involved in the development of the YTD reports. Departments are requested to review the variance reports and comment on any variances that are greater or less than 10% of the percentage of the year complete. For the four month variance report departments provided explanations for divisions that were less than 23% expended or over 43% expended with 33% of the year complete. These details are provided in Appendix 1 attached.

On the Revenue side as of April 30, 2017, we have billed 50% of prior year tax levy. Non-tax revenues and contributions from other governments are slightly ahead of budget at 38% with 33% of the year complete. Tax appeals and write-offs are under budget; however this is not uncommon for this point of the year. Staff anticipate tax appeals and

write-offs may be over budget in 2017, with it being the first year of a four year reassessment period. There are no supplemental tax revenues at this point of year. Overall, in review of revenue accounts there are no concerns identified at this time.

Financial Implications

There are no financial considerations associated with the preparation of the YTD report other than those highlighted.

Relationship to Strategic Plan

Economic Sustainability is further enhanced with YTD variance reporting to the BSC. With these financial controls in place it improves the City's ability to be affordable for young people, families and retired older adults.

Conclusion

The Year to date report is an important management tool. It also provides useful and timely information to Council to assist in decision-making, accountability, and tracking of budget performance.

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Approved by:

Shelley Chemnitz, Commissioner of Corporate Services

City of St. Catharines
2017 Operating Expenditure Variance as at April 30, 2017

33% of year					
	Apr 2017 Actuals	2017 Budget	% Used	Variance	
Office of Mayor and Members of Council	223,268	706,257	31.61%	482,989	In line with Budget. City Memberships paid for year
Grants and Committees	1,799	5,000	35.98%	3,201	Mayor's Youth Forum Event in April
City Departments					
CAO	366,713	1,267,481	28.93%	900,768	In line with Budget. Accessibility Programs expended as needed
Legal Services and Clerks	671,593	1,972,067	34.06%	1,300,474	Election Software Expended for the year Legal expense costs related to Ice Dogs review exceeded entire budget, and we have used contract legal services to supplement in house due to staff vacancy.
Planning and Building Services	859,898	3,859,313	22.28%	2,999,415	Minor variance and planning application revenue higher than anticipated CIP facade grant money not yet expended
Fire Services	7,188,504	24,338,181	29.54%	17,149,677	In line with budget Fire Overtime (710.100.002) is 65% at 33% of the year Due to the number of Fire Fighters off on sick and parental leave the need to call other FF back on overtime due to vacations and training has increased. We do not expect this to ease in the near future and anticipate an unfavourable variance at the end of year.
Economic Development & Tourism	63,985	1,010,207	6.33%	946,222	Remaining initiatives in Fall. Budget will balance out by end of year. Final payments for Global Investment Attraction Group (GIAG) EcDev Strategy, site selector marketing profile, business profiles and social media post, colliers research report, mayors state of the city video late 2017. Marketing Campaigns begin in May 2017 Tradeshows and conference will be expended in fall Funding from Province for Small Business is to be carried into 2018 for Project Initiatives Budget will be on track by end of year
Operations Commission					
Transportation & Environmental Services	5,076,173	18,844,317	26.94%	13,768,144	Bridges & Culverts, Road Improvement Program and Sidewalk Replacement Contracts underway and spent throughout remainder of the year. Winter Control costs at 57% with reminder spent in Q4 Street Cleaning Cost to be expended in Summer and Fall
Parks, Recreation and Culture Services	3,171,738	16,430,187	19.30%	13,258,449	Many of PRCS operations (Passive Parks, Park Operations, Kiwanis Fields, Swimming Pools and Beaches, Golf Course, Carousel and Grass Cutting) are seasonal with majority of expenditures incurred in latter part of Q2, Q3 and early Q4. Many Special Events, including Labour Day & Grape and Wine Parades, Christmas Lighting events occur in Q3 & Q4.
Meridian Centre	-38,012	661,548	-5.75%	699,560	Favourable variance to date is due to the Scotties Curling which generated positive income for the facility.
First Ontario Performing Arts Centre	438,015	1,510,609	29.00%	1,072,594	In line with budget with some gapping dollars due to delay in hiring and remaining expenditures/revenue to occur with upcoming summer and fall shows.

City of St. Catharines

2017 Operating Expenditure Variance as at April 30, 2017

33% of year				
	Apr 2017 Actuals	2017 Budget	% Used	Variance
Corporate Services Commission				
Financial Management Services	1,201,115	4,053,830	29.63%	2,852,715 In line with Budget. External Audit funds not yet expended
Corporate Support Services	1,888,233	5,394,008	35.01%	3,505,775 In line with Budget Mandatory training completed at beginning of year 59% of IT service contracts expended at 33% of the year, but will be on track for year
Contribution to Capital	1,545,000	1,529,000	101.05%	-16,000 Contribution to Capital Expended for 2017
Total City Departments and Commissions	22,658,022	81,582,005	27.77%	58,923,983
Debt Repayment	4,207,113	12,461,990	33.76%	8,254,877 In line with Budget
Total City Expenditures	26,865,135	94,043,995	28.57%	67,178,860
Boards and Commissions				
Library Board	1,401,597	5,491,200	25.52%	4,089,603 Budget is on track. Revenue at 26% due to City Contribution only at 26% with final cash flow payment being a larger amount. The Equipment Maintenance Budget at 77% as all the software maintenance programs are required to be paid early in the year.
Transit Commission	5,145,000	10,467,726	49.15%	5,322,726 Transit provided with 44% of their operating budget to date. The City funds the Transit over the year based on their cash flow needs. Total Transit Expenses at 28% of total Operating Budget Diesel fuel – \$96,000 under budget. Average cost per litre has been \$0.06 less than budget Maintenance Materials – \$124,000 over budget. In April had to replace/repair 2 engines, 2 transmissions and 1 DPIM
Niagara District Airport	103,927	207,853	50.00%	103,926 50% of Budget given at beginning of year and remainder half way through the year
Total Expenditures	33,515,659	110,210,774	30.41%	76,695,115