



City of Moose Jaw

COMMUNICATION # CC-2019-0122

TITLE: Second Quarter 2019 Financial Report

TO: City Council

FROM: Department of Financial Services

DATE: July 29, 2019

PUBLIC: PUBLIC DOCUMENT

RECOMMENDATION

THAT the City of Moose Jaw Financial Report Summary for the January 1, 2019 to June 30, 2019 period be received and filed.

TOPIC AND PURPOSE

The purpose of this communication is to provide City Council with information respecting the second quarter of 2019 including financial condition indicators, summarized Revenue & Expenditure Report, summarized report on Capital Expenditures and statistical information for the period January 1, 2019 to June 30, 2019.

BACKGROUND

The City's summarized financial information is presented to City Council on a quarterly basis.

DISCUSSION

Financial Condition Indicators:

The Financial Condition Indicators provide an easy and convenient way to see an overview of the City's key financial indicators.

Those presented are an initial group of indicators and will be refined over time to meet the City's needs as they change in the future.

Revenue & Expenditure Summary:

The following analysis of the second quarter report is provided to clarify specific items in the financial reports.

Revenues (Page 1):

Municipal Taxation – Revenue is approximately \$150,000 above budget due to some increased assessment from appeals and some additional commercial and residential assessments that came in after the budget estimates were developed.

Fines & Penalties – Revenue is up as compared to the same point in 2018 due to increased funds from automatic speed enforcement being received. Overall the revenue item is on track to come in close to budget.

Recreation Services Revenues – The revenues in this area are up about \$450,000 due to Yara Centre now forming part of the City's operations.

Total Revenues – As of June 30, the City has received \$36,966,113 in revenue or approximately 76% of annual budgeted revenues, which is slightly ahead of the 2018 figures of 73% of budgeted revenues that had been received to the same date.

Expenditures (Page 2):

There are no major expenditure areas that are significantly off budget. General Government, Protection to Persons, Sanitation and Waste, Recreation and Community Services are all around the 50% of budget remaining which is where we would expect them to be at this point in time.

Protection to Persons – Expenditures are up approximately \$485,000 as compared to 2018. This primarily originates in the Police Service and is primarily salary related. The Police Service is the responsibility of the Board of Police Commissioners so any further enquiry on their accounts should be directed to the Board.

Public Works – Expenditures are about \$980,000 ahead of 2018 levels at the same point in time. This is due to a timing difference between 2018 and 2019 for recoveries from the three utilities.

Parks & Recreation – This area's expenditures are down approximately \$430,000 primarily due to no subsidy payment being made to DFFH Inc. for 2019.

Total Expenditures – Overall expenditures are up approximately \$960,000 as compared to the same point in 2018. This is approximately 53% of the overall budget. At the same point in 2018, we had expended 52% of the overall budget.

Summary of Functional Areas (Page 3 & 4):

These pages provide some additional detail by department.

Sundry – Expenditures are 93% expended as the City's annual insurance costs have been paid and make the majority of this budget.

City Engineer's Department – Expenditures are up approximately \$940,000 due to delays in the entry of recoveries from the three utilities.

Storm Sewers – Expenditures are only at 13% of budget so far this year.

Social Services – Contained within the Social Services area is the Para-Transit subsidy. This subsidy is trending higher in 2019 due in part to the City receiving approximately \$50,000 less in Provincial funding than had been budgeted. The actual grant is expected to be \$174,026 versus the \$225,000 budgeted.

Mosaic Place – There has not been any subsidy provided to Mosaic Place yet this year.

Yara Centre – This facility now shows as part of the City with revenues of \$435,984 and expenditures of \$317,521. It should be noted that many of the revenues relate to the full year such as sponsorships and memberships.

Transit, Waterworks, Sanitary Sewer and Solid Waste (Pages 5 to 8)

Transit Administration – These costs are \$280,000 less than 2018 due to the 2019 actual Equipment Reserve contribution not yet being determined. Progress continues with the Engineering Department in moving their 2019 Equipment Budget request forward.

Waterworks – Distribution costs are about \$430,000 higher than the costs at the same point in 2018. This is due mainly to increased costs related to distribution main repairs. Administration costs are lower than previous years as some of the annual allocations of charges have not yet occurred.

Sanitary Sewer – Administration costs are lower than previous years as some of the annual allocation costs have not yet occurred.

Solid Waste – Landfill Expansion Contribution shows a balance of \$496,000 as compared to zero in 2018. This is because we are now balancing the fund monthly to provide a better snapshot of the excess of revenues over expenditures as compared to previous years where that was only done at year end.

Capital Project Status Report:

This report provides an overview of the status of the City's capital projects.

Statistical Information:

This section contains information on the City's investments, portfolio compliance, bond ladder, statement of property tax arrears, property taxes receivable, borrowing and tenders/RFPs awarded by the Financial Services Department.

OPTIONS TO RECOMMENDATION

- 1) THAT City Council provide alternative direction.

PRESENTATION

VERBAL: The Director of Financial Services will be in attendance at the meeting to verbally present the report.

ATTACHMENTS

- 1) Financial Condition Indicators.
- 2) Summarized Revenue & Expenditure Report.
- 3) Capital Project Status Report.
- 4) Statistical Information

REPORT APPROVAL

Written by: Brian Acker, B.Comm., CPA, CMA, Director of Financial Services
 Reviewed by: Tracy Wittke, Assistant City Clerk
 Approved by: Jim Puffalt, City Manager
 Approved by: Fraser Tolmie, Mayor

CITY MANAGER COMMENTS

There was no need for a funding transfer to Mosaic Place as there is in excess of \$ 350,000 in their accounts and any surplus left in these accounts will be transferred back to the City of Moose Jaw.

1/4 of the 2019 Subsidy requirement will be placed in the new Mosaic Place Operating Account effective September 3, 2019 for the 3rd Party Manger to commence operations.

To be completed by the Clerk's Department only.

Presented to Regular Council or Executive Committee on _____.

No. _____ Resolution No. _____