

2017 Year-End Review of Operations

General Committee

March 5, 2018

2017 Year-End Review of Operations Primary Operating Budget

(excluding Planning & Design, Engineering, Building & Waterworks)

	Actual	Budget	Variance Fav./(Unfav.)
Revenues (A)	\$216.99M	\$215.39M	\$1.60M
Personnel (B)	\$118.52M	\$124.28M	\$5.76M
Non-Personnel (C)	<u>\$83.15M</u>	<u>\$80.73M</u>	<u>(\$6.48M)</u>
Surplus excluding winter maintenance (D) = A-(B+C)	\$15.32M	\$10.38M	\$4.94M
Year-End Accounting Accruals & Other Adjustments (E)	<u>\$1.65</u>	<u>\$1.19</u>	<u>(\$0.46)</u>
Subtotal (F) = D-E	\$13.67	\$9.19	\$4.48
Winter Maintenance (G)	<u>\$8.07M</u>	<u>\$9.19M</u>	<u>\$1.12M</u>
Net Surplus including winter maintenance (H) = F-G	\$5.60M	\$0.0M	\$5.60M

2017 Year-End Review of Operations

Primary Operating Budget

(excluding Planning & Design, Engineering, Building & Waterworks)

The Council approved Financial Planning and Budgeting Policy states any year-end operating surplus will first be transferred to the Corporate Rate Stabilization Reserve to achieve a level equivalent to 15% of local tax revenues, secondly to replenish the expenditures in the Environmental Land Reserve Fund and finally transferred to the Life Cycle Replacement and Capital Reserve Fund.

The 2017 operating surplus of \$5.60M will be transferred as follows:

- \$0.95M to the Corporate Rate Stabilization Reserve to achieve a balance equal to 15% of the local tax levy;
- \$4.65M to the Life-Cycle Replacement and Capital Reserve Fund.

2017 Year-End Review of Operations – Planning & Urban Design (\$ in millions)

	Actual	Budget	Variance Fav./(Unfav.)
Revenues (A)	\$9.91M	\$9.15M	\$0.76M
Personnel (B)	\$5.26M	\$6.27M	\$1.01M
Non-Personnel (C)	<u>\$2.38M</u>	<u>\$2.40M</u>	<u>\$0.02M</u>
Surplus (D) = A-(B+C)	\$2.27M	\$0.48M	\$1.79M

A transfer of \$3.74M (Planning \$2.27M and Engineering \$1.47M) will be made to the Planning & Engineering Reserve which will reduce the deficit balance to \$7.77M.

2017 Year-End Review of Operations – Engineering (\$ in millions)

	Actual	Budget	Variance Fav./((Unfav.)
Revenues (A)	\$8.50M	\$7.28M	\$1.226M
Personnel (B)	\$4.66M	\$4.93M	\$0.27M
Non-Personnel (C)	<u>\$2.37M</u>	<u>\$2.42M</u>	<u>\$0.05M</u>
Surplus/(Deficit) (D) = A-(B+C)	\$1.47M	(\$0.07M)	\$1.54M

A transfer of \$3.74M (Planning \$2.27M and Engineering \$1.47M) will be made to the Planning & Engineering Reserve which will reduce the deficit balance to \$7.77M.

2017 Year-End Review of Operations – Building (\$ in millions)

	Actual	Budget	Variance Fav./Unfav.)
Revenues (A)	\$7.42M	\$8.31M	(\$0.89M)
Personnel (B)	\$5.42M	\$5.95M	\$0.53M
Non-Personnel (C)	<u>\$2.82M</u>	<u>\$2.85M</u>	<u>\$0.03M</u>
(Deficit) (D) = A-(B+C)	(\$0.82M)	(\$0.49M)	(\$0.33M)

A draw of (\$0.82M) will be made from the Building Reserve. The year-end balance will be \$9.35M.

2017 Year-End Review of Operations – Waterworks (\$ in millions)

	Actual	Budget	Variance Fav./(Unfav.)
Water & Sewer Billing (A)	\$111.28M	\$119.79M	(\$8.51M)
Contracted Municipal Services (B)	<u>\$83.79M</u>	<u>\$90.75M</u>	<u>\$6.96M</u>
Net Sales & Purchases of Water (C) = A-B	\$27.49M	\$29.04M	(\$1.55M)
Other Revenues (D)	\$1.39M	\$1.38M	\$0.01M
Personnel (E)	\$6.78M	\$7.51M	\$0.73M
Non-Personnel (F)	<u>\$6.33M</u>	<u>\$7.49M</u>	<u>\$1.16M</u>
Surplus (G) = C+D -(E+F)	\$15.77M	\$15.42M	\$0.35M

A transfer of \$15.77M will be made to the Waterworks Reserve. The year-end balance will be \$60.68M.

Next Steps

- The 2017 draft consolidated financial statements will be presented to General Committee in April 2018. The year-end results presented in this report are subject to change based on the results of the external audit.