



Governance and Priorities Committee Report

Date: April 15, 2014 **From:** Susanne Thompson, Acting Director of Finance
Subject: 2014 First Quarter Budget Status Report

Executive Summary

Under the Community Charter, Council approves a five-year financial plan bylaw that authorizes the expenditure of funds and collection of revenues for the City's various programs. If unanticipated events occur during the year that impact the approved five-year financial plan, staff recommend amendments to the financial plan bylaw to authorize the changes.

The 2014-2018 Financial Plan Bylaw has not yet been adopted by Council. However, the draft bylaw was given first reading on April 10, 2014.

The financial plan is reviewed regularly during the year and its status is reported quarterly to Council. Each report highlights any variances and recommends adjustments, if any, to the five-year financial plan bylaw.

This report outlines the status of the 2014 budget as of March 31, 2014. No significant variances have been identified. Therefore, no amendments to the draft 2014-2018 Financial Plan Bylaw are recommended.

Recommendation

That Council receive this report for information.

Respectfully submitted

A handwritten signature in cursive script, appearing to read 'Susanne Thompson'.

Susanne Thompson
A/Director of Finance

Report accepted and recommended by the City Manager:

Date:

A handwritten signature in cursive script, appearing to be the signature of the City Manager.

Apr 16, 2014

Purpose

To provide Council with an update on the 2014 operating and capital budgets for the three months ending March 31, 2014.

Background

Under section 165 of the Community Charter, Council approves a five-year financial plan bylaw annually.

The 2014-2018 Financial Plan Bylaw has not yet been adopted by Council. However, the draft bylaw was given first reading on April 10, 2014.

The financial plan is reviewed regularly during the year and its status is reported quarterly to Council. Each report highlights any variances and recommends adjustments, if any, to the five-year financial plan bylaw.

Issues & AnalysisOperating Budget

Appendix A provides a summary of the operating budget revenues and expenditures for the three months ending March 31, 2014.

Revenues vary depending on the timing of receipt of the revenues. For example, payments in lieu of taxes are generally collected in the latter half of the year and property taxes are levied in May and due the beginning of July. At this point, revenues are expected to be on budget.

Expenditures vary depending on the seasonal nature of the work programs. At this point, expenditures are expected to be within budget.

Capital Budget

Appendix B provides a summary of capital programs and projects.

Although only 11.33% has been spent to date overall, when factoring in purchase order commitments in place, capital programs are at 27.06% spent and capital equipment at 22.45% spent and are expected to be fully, or close to fully, expended by the end of the year. Capital project start and finish dates vary. Capital projects including commitments are currently at 79.04%.

Staff are working diligently to complete the capital work plan according to schedule. However, should a project be unable to be completed by the end of the year, requests to move the budget forward into next year can be made as part of the regular year-end budget process. At this point, there are no significant budget or schedule changes for projects included in the 2014 capital budget. However, two additional projects (noted below) have been identified that may require additional funding. Once the extent of the work and funding required have been determined, staff will report back with options for Council's consideration.

Facilities – Mould at Police Headquarters

Mould was found in some rooms on the main floor of Police Headquarters and appears to be the result of a water leak. Staff will be engaging a building envelope consultant to determine how and where the water is getting into the building. Cost of the repair will be determined once the scope of work to repair the building envelope is better known.

Public Works – Hydro Poles

BC Hydro changes numerous poles every year which requires the City to replace street lights and arms that are mounted on the hydro poles. In addition to their normal annual replacement program, BC Hydro notified the City towards the end of March of their intent to replace an additional 350 to 400 poles. These additional street lights and arms have not been budgeted in 2014. The preliminary cost estimate is \$290,000. Staff are looking at options to fund these additional poles including LED options and grant opportunities.

Recommendation

That Council receive this report for information.

Appendix A

City of Victoria -Draft Operating Budget Revenues For the Three Months Ending March 31, 2014

Description	Actual 31-Mar-13	Actual 31-Mar-14	2014 Budget	Budget Remaining	%	Comments
Corporate						
Payment in Lieu of Taxes	12,507	12,814	6,077,500	6,084,686	0%	payments are received later in the year
Special Assessments	-	-	1,489,631	1,489,631	0%	payments are received later in the year
Fees and Interest	57,623	55,284	2,480,000	2,424,716	2%	timing of Investments
Business and Other Licences	1,279,374	40,805	1,385,500	1,344,695	3%	internal transfers not done to date
Overhead Recoveries	497,397	497,397	2,773,266	2,275,869	18%	
Miscellaneous	342,748	41,284	3,866,464	3,825,180	1%	
Hotel Tax	65,343	60,502	1,800,000	1,739,498	3%	offsetting expenditure budget
Prior Year's Surplus	-	-	3,474,559	3,474,559	0%	Climate Action program reallocated to Engineering
Sustainability						
Legislative and Regulatory Services	12,500	-	864,000	534,898	38%	
Human Resources	315,191	329,102	118,156	118,156	0%	
Engineering and Public Works						
Sustainable Planning and Community Development	498,295	573,026	2,529,050	1,956,024	23%	
Engineering and Public Works						
Asphalt Plant, Permits & Fees, Municipal Access Agreement	33,018	147,413	421,707	274,294	35%	Climate Action Program reallocated from Sustainability
Third Party Billings	81,687	353,376	525,000	171,624	57%	offsetting expenditure budget
Parking Services	3,765,692	3,842,233	16,120,000	12,277,767	24%	
Solid Waste Operations	233,418	474,360	2,836,914	2,362,554	17%	timing of Billings
Subtotal Engineering and Public Works	4,113,815	4,817,382	19,903,621	37,971,598	24%	
Parks, Recreation and Culture						
Parks	51,754	20,252	796,828	776,576	3%	
Culture	22,771	39,376	177,975	138,599	22%	
Crystal Pool	243,496	274,568	937,256	662,688	29%	
Royal Athletic Park	63,092	40,002	462,500	422,498	9%	
Community Recreation	78,451	104,276	383,515	279,239	27%	
Subtotal Parks, Recreation and Culture	459,563	478,475	2,758,074	2,279,599	17%	
Fire Department/VEMA						
Police	15,379	7,282	44,250	36,968	16%	
Property Taxes	2,387,394	1,675,044	9,886,019	8,210,975	17%	
Total City Operations	10,057,129	8,588,396	175,624,955	167,036,559	5%	
Self Financed Programs						
Conference Centre	1,132,019	566,442	8,494,422	7,927,980	7%	partially self-financed
Water Utility	1,435,729	2,825,163	17,867,850	15,042,687	16%	self-financed
Sewer Utility	581,414	1,157,296	7,870,233	6,712,937	15%	self-financed
Total Self Financed	3,149,162	4,548,901	34,232,505	29,683,604	13%	
Total	13,206,291	13,137,297	209,857,460	196,720,163	6%	

Appendix A
City of Victoria - Draft Operating Budget Expenditures
For the Three Months Ending March 31, 2014

Description	Actual 31-Mar-13	Actual 31-Mar-14	2014 Budget	Budget Remaining	%	Comments
Corporate						
Greater Victoria Public Library	996,482	1,034,986	4,439,201	3,404,215	23%	
Debt Principal, Interest and Reserve Transfer	1,979,085	1,239,935	7,827,583	6,587,648	16%	
Transfer to Capital Budget	-	-	12,199,852	12,199,852	0%	year end transfer
Contingencies	-	-	2,811,559	2,811,559	0%	
Hotel Tax	66,487	60,502	1,800,000	1,739,498	3%	offsetting revenue
Transfer to VOC	-	-	701,000	701,000	0%	
Transfers to Reserve	98,795	-	14,647,400	14,647,400	0%	internal transfers not done to date
Vehicle Depreciation Allocation	(298,000)	(250,000)	(1,000,000)	(750,000)	25%	
Miscellaneous	185,984	1,075,034	2,613,993	1,538,959	41%	insurance allocations not done to date, tax appeals
Council						
Offices of the Mayor and City Manager	137,231	132,065	581,648	449,583	23%	
Finance	231,883	196,084	909,837	713,753	22%	
Human Resources	1,626,708	1,629,919	6,160,361	4,530,442	26%	
Sustainability Department	347,559	384,623	1,694,548	1,309,925	23%	
Legislative and Regulatory Service	136,050	-	-	-	0%	
Office of the City Solicitor	781,490	763,377	3,781,704	3,018,327	20%	
Communications and Civic Engagement	176,426	162,127	768,017	605,890	21%	
Sustainable Planning and Community Development	146,644	170,031	728,007	557,976	23%	
Engineering and Public Works	959,792	953,438	5,274,379	4,320,941	18%	
Public Works						
Support Services	3,012,021	2,795,363	12,729,238	9,933,875	22%	
Transportation	191,141	221,809	1,086,099	864,290	20%	
Third Party Billings	563,924	559,419	2,517,222	1,957,803	22%	
Underground Utilities and Facilities	373,330	230,046	425,000	194,954	54%	offsetting revenues
Parking Services	838,710	885,487	4,232,966	3,347,479	21%	
Solid Waste & Recycling	1,877,246	1,480,056	7,940,000	6,459,944	19%	
Subtotal Engineering & Public Works	657,239	607,411	2,836,914	2,229,503	21%	
Parks, Recreation and Culture	7,513,610	6,779,591	31,767,439	24,987,848	21%	
Parks, Rec & Culture Administration						
Parks	88,892	58,470	304,635	246,165	19%	
Culture	1,932,547	2,022,639	9,211,036	7,188,397	22%	
Community Centres	103,907	82,597	1,277,239	1,194,642	6%	
Crystal Pool	242,251	225,698	706,067	480,369	32%	
Royal Athletic Park	497,626	528,568	2,223,463	1,694,895	24%	
Community Recreation	77,548	48,187	619,205	571,018	8%	
Subtotal Parks, Recreation and Culture	267,171	251,674	1,372,516	1,120,842	18%	
Fire Department	3,209,942	3,217,833	15,714,161	12,496,328	20%	
Fire						
Victoria Emergency Management Agency	3,045,213	3,045,635	13,719,292	10,673,657	22%	
Police Department	104,061	87,233	438,849	351,616	20%	
Total City Operations	10,045,851	10,190,783	48,046,125	37,855,342	21%	
Self Financed Programs						
Conference Centre	969,317	875,894	8,494,422	7,618,528	10%	partially self-financed
Sewer Utility	864,507	822,842	7,870,233	7,047,391	10%	self-financed, year end transfer to Capital & Reserves
Water Utility	2,958,546	2,269,130	17,867,850	15,598,720	13%	self-financed, year end transfer to Capital & Reserves
Total Self Financed	4,792,370	3,967,866	34,232,505	30,264,639	12%	
Total	36,283,663	34,841,061	209,857,460	175,016,399	17%	

Appendix B
Draft Capital Budget Expenditures
For the Three Months Ending March 31, 2014

	2014 Actual	2014 Budget	Budget Remaining	% Spent
EXPENDITURES (excludes commitments)				
Capital Equipment (A)	1,067,256	7,374,337	6,307,081	14.47%
Capital Programs (A)				
Sewer Utility	328,866	3,790,303	3,461,437	8.68%
Water Utility	1,126,069	4,084,129	2,958,060	27.57%
Downtown Beautification	9,058	383,021	373,963	2.36%
Buildings	322,486	3,494,560	3,172,074	9.23%
Parks Upgrades	123,161	799,318	676,157	15.41%
Storm Drains	154,229	2,909,330	2,755,101	5.30%
Transportation and Streets	524,699	4,066,119	3,541,420	12.90%
	2,588,568	19,526,780	16,938,212	13.26%
Capital Projects (A)				
Sewer Utility	-	850,000	850,000	0.00%
Buildings	1,743,774	3,996,485	2,252,711	43.63%
Environmental and Shoreline	383,734	3,321,030	2,937,296	11.55%
Parks Acquisition	-	2,000,000	2,000,000	0.00%
Parks Upgrades, Pathways and Greenways	13,192	1,353,429	1,340,237	0.97%
Planning	175	479,935	479,760	0.04%
Storm Drains	15,354	2,065,360	2,050,006	0.74%
Transportation and Streets (B)	4,351,919	48,772,500	44,420,581	8.92%
	6,508,148	62,838,739	56,330,591	10.36%
Total Capital Expenditures	10,163,972	89,739,856	79,575,884	11.33%

Notes:

A Capital expenditures including commitments are as follows:

Equipment 22.45% spent
 Programs 27.06% spent
 Projects 79.04% spent
Total 63.08% spent

B Johnson Street Bridge Replacement is included under Transportation and Streets.