

To: Corporate and Finance Services Committee

From: Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department

Report Number: CF-23-58

Date of Report: September 6, 2023

Date of Meeting: September 11, 2023

Subject: Financial Position as of June 30, 2023

Ward: All Wards

File: 03-05

1.0 Purpose

The purpose of this report is to provide Committee and Council with an update on the City's financial position as of June 30, 2023.

2.0 Recommendation

That the Corporate and Finance Services Committee recommend to City Council:

That pursuant to Report CF-23-58, dated September 6, 2023, Financial Position as of June 30, 2023, be received for information.

3.0 Executive Summary

Not applicable

4.0 Input From Other Sources

Corporate Leadership Team (C.L.T.)

5.0 Analysis

5.1 Cash Flow

The City has a stable cash balance which has been set aside in various reserves and capital programs. As the City continues to maintain aggressive investment strategies, diversification of instruments and rising interest rates, the 2023 budget for Interest on Investments was adjusted to reflect an increase to investment revenues. It is anticipated that Interest on Investments will be favourable to budget by \$500K by year end.

5.2 Estimated Financial Position as of June 30, 2023

The estimated financial position forecasted for June 30, 2023 is favourable to budget by approximately \$547K. A breakdown of all variances, by department is shown in Table 1.

Table 1

Department	YTD Actuals (\$000's)	YTD Budget (\$000's)	Budget Variance (\$000's)
Taxation Revenue	\$166,034	\$166,034	\$0
Corporate Revenues/Expenditures	\$15,318	\$15,831	\$513
Executive and Legislature	\$547	\$547	\$0
Office of the Chief Administrative Officer	\$2,496	\$2,521	\$25
Corporate and Finance Services	\$8,681	\$8,582	(\$99)
Safety and Facility Services	\$19,427	\$19,451	\$24
Oshawa Executive Airport	\$(41)	\$(41)	\$0
Community and Operations Services	\$24,140	\$23,951	(\$189)
Tribute Communities Centre	\$310	\$390	\$80
Economic and Development Services	\$3,120	\$3,313	\$193
External Agencies	\$7,523	\$7,523	\$0
Total Year End Forecast December 31, 2023	\$247,555	\$248,102	\$547

Variance Explanations:

At this time, Taxation Revenues, Executive and Legislative, Oshawa Executive Airport, and External Agencies are tracking to be on budget at year end.

The net impact of Corporate Revenues and Expenditures, excluding interest variance noted above are trending favourable by \$13K. This is primarily due to the \$500K unbudgeted funding received from the Region of Durham related to additional downtown security requirements, offset by the reduced Oshawa Power & Utility dividend of \$400K.

Office of the Chief Administrative Officer has a favourable variance of \$25K, primarily due to increased licencing revenues in Service Oshawa.

Corporate and Finance Services is trending unfavourable by \$99K, primarily due to unbudgeted costs related to bargaining and health and safety matters.

Safety and Facility Services is forecasting a year end favourable variance of \$24K primarily due to salary savings, increased revenues related to Administrative Monetary Penalties (A.M.P.) and licencing for vehicle for hire offset with increased contracted services in Facilities Management Services and Corporate Security guards.

Community and Operations Services is forecasting a year end unfavourable variance of \$189K related to unbudgeted emergency repairs at recreation facilities, increased contracted services in Municipal Parking for snow removal as well as Waste Services for unanticipated fleet vehicle downtime. Unfavourable variances are partially offset with favourable variances related to street lighting utilities and a favourable uptake in recreation program revenues.

Tribute Communities Centre is forecasting a favourable variance of \$80K.

Economic and Development Services is forecasting a favourable variance of \$193K, primarily related to planning application fees. Bill 23 may have a negative impact on the planning application fee revenues in the second half the year as it comes into effect July 1, 2023. Planning Services continues to meet with development interests including Building Industry Land Development (B.I.L.D.s) on B.I.L.D.'s appeal of Official Plan Amendment (OPA) 212.

Should OPA 212 come into effect, it will enable a process to protect the interests of the City with respect to planning application fees and help mitigate any negative financial effects of Bill 23.

6.0 Financial Implications

Should the remainder of the year be on budget, as outlined in Report CF-23-58, the year-end surplus is estimated to be \$547K.

7.0 Relationship to the Oshawa Strategic Plan

The preparation and adoption of the annual budget supports the Oshawa Strategic Plan goals of Economic Prosperity & Financial Stewardship and Accountable Leadership by providing proactive and responsible financial management while ensuring respect and transparency.



Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department