

To: Corporate and Finance Services Committee

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

Report Number: CF-24-56

Date of Report: September 4, 2024

Date of Meeting: September 9, 2024

Subject: Financial Position as of June 30, 2024

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 forecasted financial position as of June 30, 2024.

2.0 Recommendation

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

That pursuant to Report CF-24-56, dated September 4, 2024, Financial Position as of June 30, 2024, be received for information.

3.0 Input From Other Sources

Corporate Leadership Team (C.L.T.)

4.0 Analysis

4.1 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 and diversification of instruments, the 2024 budget for Interest on Investments was adjusted to reflect Bank of Canada anticipated rate changes. Investment revenues are expected to remain on budget to year end.

4.2 Estimated Financial Position as of June 30, 2024

The estimated financial position forecasted to year-end as of June 30, 2024 is favourable by \$1,242,000. A breakdown of all variances, by department as shown in Table 1.

Table 1

	YTD Forecast (\$000's)	YTD Budget (\$000's)	Budget Variance (\$000's)
Taxation Revenue	\$167,810	\$167,810	0
Corporate Revenues	\$4,915	\$4,275	\$640
Expenditures			
Corporate Expenditures	\$21,302	\$21,161	(\$141)
Executive and Legislature	\$535	\$535	\$0
Office of the Chief Administrative Officer	\$2,528	\$2,614	\$86
Corporate and Finance Services	\$9,270	\$9,700	\$430
Safety and Facility Services	20,209	\$20,144	(\$72)
Oshawa Executive Airport	(\$136)	(\$141)	(\$5)
Community and Operations Services	\$23,021	\$22,957	(\$64)
Tribute Communities Centre	\$390	\$390	\$0
Economic and Development Services	\$4,187	\$4,555	\$368
External Agencies	\$7,902	\$7,872	\$0
Total Year End Forecast December 31, 2024	\$83,517	\$82,298	\$1,242

Variance Explanations:

At this time, Executive and Legislative and External Agencies are tracking to be on budget by year-end.

The forecasted net impact of Corporate Revenues and Expenditures is a favourable variance of \$499,000 primarily due favourable variances in Penalties and Interest on Tax, unbudgeted Provincial Offences Act revenue from the Region and the revenues for Municipal Accommodation Tax (M.A.T.) continue to come in higher than anticipated. The M.A.T. is directly attributed to the volume of short term stays within the City boundary. The City is investigating more opportunities to expand the program.

The favourable variance is partially offset by higher than anticipated expenses for waived fees and increased electronic processing fees.

Office of the Chief Administrative Officer is forecasting a year-end favourable variance of \$86,000 primarily due to cost savings related to vacancies partially offset by an increase for temporary salaries to assist with special projects.

Corporate and Finance Services are forecasting a year end favourable variance of \$430,000 primarily due to higher than budgeted revenues collected from Tax Billing and Collection Services related to the revised processing fees from the mortgage companies and cost savings related to vacancies.

Safety and Facility Services is forecasting a year-end unfavourable variance of \$72,000. This is primarily due to increased costs for security in the recreation centres and downtown, higher than budgeted maintenance costs for HVAC, the result of health and safety inspections in various buildings, the late receipt of radio cost invoices and salary adjustments in Fire Services, partially offset by increased Administrative Penalty revenues and cost savings related to vacancies.

Oshawa Executive Airport is forecasting a year end unfavourable variance of \$5,000 primarily due to an emergency repair for a water main break, partially offset from a favourable variance related to the Automated Weather Observing System (A.W.O.S.) software.

Community and Operations Services is forecasting a year-end unfavourable variance of \$64,000 primarily due to higher than expected contracted services related to the late delivery of new packers in Waste Services. The unfavourable variance is partially offset by higher than anticipated revenues for aquatic programming, increased ice rentals and cost savings related to vacancies.

Tribute Communities Centre (T.C.C.) is forecast to be \$397,000 favourable by year-end, primarily due to more playoff events taking place than anticipated. Although the T.C.C. is tracking favourable to budget, through the 2016 - 2019 Financial Strategy Council approved the recommendation that any favourable variances at year-end are be transferred to the Tribute Communities Centre Reserve to help fund future capital investments, as long as the transfer does not impact the City's year-end bottom line negatively.

Economic and Development Services is forecasting a year-end favourable variance of \$368,000 primarily due to cost savings related to vacancies and higher than expected planning application fees.

4.3 Reserve and Reserve Fund Updates

The current status of the Capital Reserve and Reserve Funds is outlined in Table 2, and Table 3 shows the current status of the Operating Reserve Funds.

Table 2

Capital Reserve	2024 Opening Balance	2024 Transfers into Reserves (Note 1)	2024 Transfers out of Reserves (Note 2)	2024 Estimated Closing Balance
15453 Planning Act Land Purchase	16,075,908	634,391	7,492,081	9,218,217
15462 Subd Fixed Chgs-Future Service	5,978,485	314,516	2,796,123	3,496,878
15611 Growth Related Studies DC	(261,349)	55,082	15,941	(222,208)
15612 Fire Protection DC	(2,970,723)	454,220	-	(2,516,503)
15613 Transportation Roads DC	66,717,310	16,591,151	28,534,833	54,773,628
15614 Transportation Operations DC	272,550	6,132	165,000	113,683
15615 Watercourse Improvements DC	6,272,459	1,014,757	2,397,773	4,889,443
15616 Parks, Recreation and Trails DC	30,162,891	6,549,755	39,502,216	(2,789,571)
15617 Parking DC	53,829	1,211	55,000	41
15619 Waste Diversion DC	66,584	15,540	75,000	7,124
15700 Community Benefit Charge	45,228	1,696	-	46,924
Total Reserves Funded by Development	122,413,172	25,638,452	81,033,968	67,017,656
15445 Parkland/Open Space Reserve	1,589,838	59,619	-	1,649,457
15451 Airport Development	254,256	309,535	243,356	320,435
15457 Civic Property Development	4,543,622	858,454	4,003,992	1,398,083
15465 Park and Recreation Infrastructu	6,347,166	2,238,019	7,569,239	1,015,946
15531 Growth Related - Non DC Portio	13,555,387	5,610,161	12,294,302	6,871,246
17106 Debt Management & Capital	2,634,504	98,794	636,800	2,096,498
17113 City Equipment Reserve	14,044,416	5,706,066	18,866,884	883,598
17114 Canada Community-Building Fu	8,158,622	5,594,726	13,528,394	224,954
17117 Infrastructure	18,184,775	3,915,529	9,538,473	12,561,831
17118 Conditions Audit Reserve	1,871,290	2,586,630	4,107,939	349,980
17120 Recreation Facility Surcharge	425,408	205,953	102,877	528,484
17125 Transportation	4,742,676	477,850	4,369,939	850,588
17128 Tribute Communities Centre	893,440	1,658,402	20,000	2,531,842
17135 Downtown Revitalization	2,467,672	623,385	1,119,987	1,971,070
17145 Harbour Rehab & Improvements	1,575,066	328,754	149,180	1,754,640
17146 Library Facilities	1,404,166	285,209	1,560,402	128,973
17165 Information Technology	4,105,210	1,653,945	4,147,958	1,611,197
Total Reserves Funded from Other Sources	86,797,514	32,211,030	82,259,722	36,748,823
Note 1: Includes projected interest, anticipated development charges and Canada Community-Building Fund grant				
Note 2: Includes committed expenditures				

Table 3

Operating Reserve	2024 Opening Balance	2024 Transfers into Reserves (Note 1)	2024 Transfers out of Reserves (Note 2)	2024 Estimated Closing Balance
17105 Building Permit	13,477,431	750,307	1,234,291	12,993,447
17108 Municipal Election Reserv	362,503	473,594	143,800	692,297
17122 Trees in New Subdivisions	839,317	121,424	207,550	753,191
17124 Urban Growth Centre CIP	551,373	150,676	570,236	131,813
17127 Arts & Culture	435,545	83,333	121,076	397,803
17130 Remuneration Reserve	12,297,682	776,698	3,883,883	9,190,496
17131 Energy Management Func	1,430,969	652,548	570,000	1,513,517
17167 Insurance Claims	293,600	406,606	525,000	175,206
17197 Tax Rate Stabilization	8,255,547	309,583	143,720	8,421,410
17198 Tax Appeal Reserve	14,959,253	336,583	7,590,000	7,705,837
17199 Operations Reserve	6,588,188	148,234	3,962,789	2,773,634
Total Operating Reserves	59,491,408	4,209,587	18,952,345	44,748,650
Note 1: Includes projected interest and proposed contributions from other revenue sources				
Note 2: Includes committed expenditures				

5.0 Financial Implications

Should the remainder of the year be on budget, as outlined in Report CF-24-MM, the year-end surplus is estimated to be \$1,242,000.

6.0 Relationship to the Oshawa Strategic Plan

This report responds to the Oshawa Strategic Plan Priority Area “Lead: Governance and Service Excellence” with the goal to provide transparent, efficient, and responsible fiscal stewardship and use of resources.

A handwritten signature in black ink, appearing to read 'S. Sinnott', with a long horizontal line extending to the left.

Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department