

Financial Update

Committee of the Whole

June 9, 2020



Agenda

- 2019 Year End Surplus
- 2020 Cash Flow and Budget
- Long Range Financial Plan
- 2021 Budget Schedule

2019 Year End

- 2019 year end audit was delayed
- Audit commenced remotely last week
- Audited financial statements to be presented to Council in September
- Preliminary results indicate a +/- \$3 million surplus

2019 Year End

- Overall, the Operating departments contributed a net surplus of \$1.2 million
- Winter control was \$2.6 million over budget; this was largely offset by a \$2.3 million savings in Roads Operations
- Corporate Items contributed \$1.8 million to the surplus

2019 Year End

- Recommendations on the use of the 2019 surplus will be included in the September report
- A cautious approach will be taken due to the uncertainty of the impact on the 2020 budget and beyond

2020 Cash Flow and Budget

Budget:

the annual exercise that forecasts the cost associated with running the City and maintaining its assets, and identifies the matching revenue



2020 Cash Flow and Budget

Cash Flow:

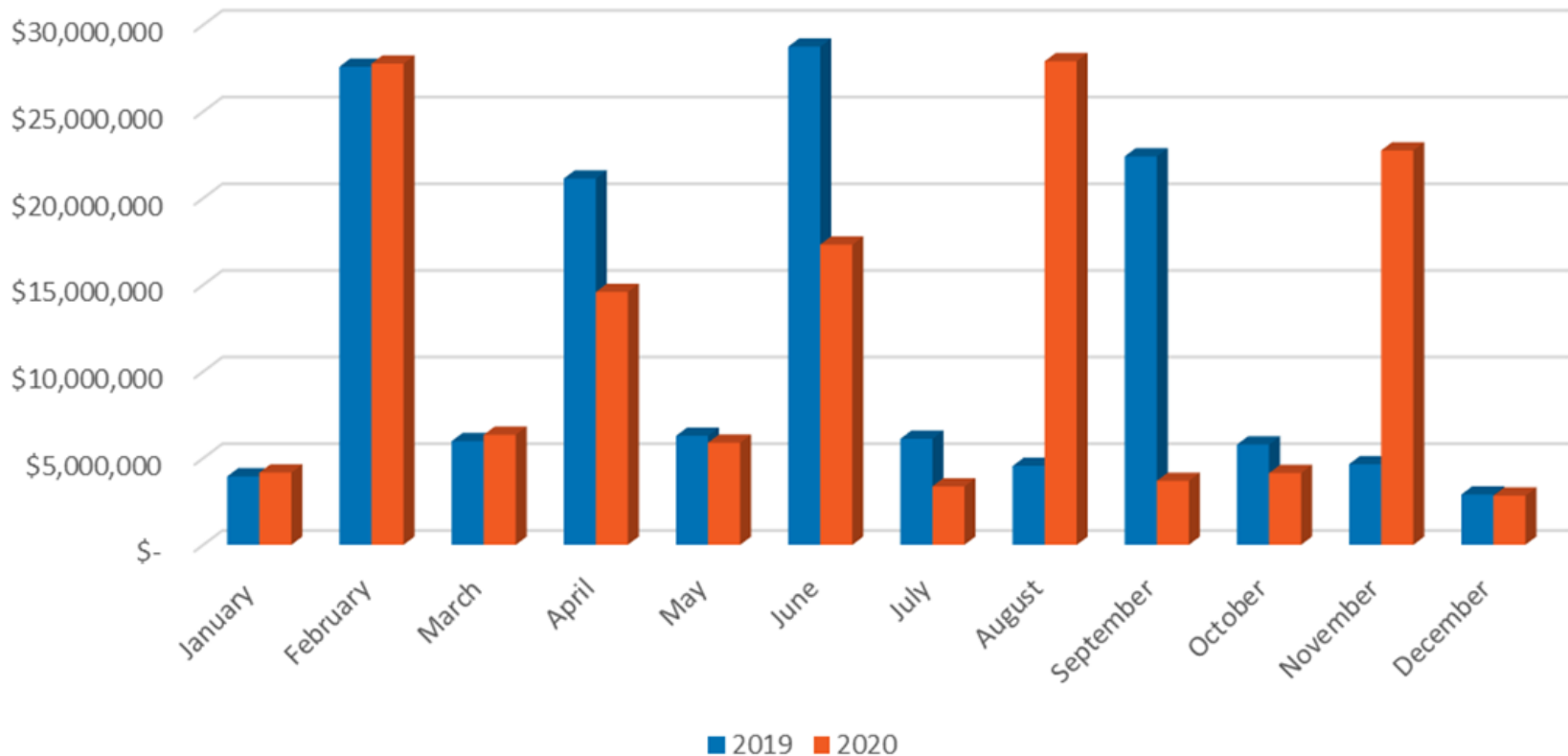
An exercise that determines if there are sufficient funds being received to support the expenditures being made



2020 Cash Flow

- The cash flow projection was required primarily due to the deferral of the property tax due dates by 60 days
- April interim tax bill due date was deferred to June
- Final tax bill due dates also being deferred 60 days (from June/Sept to Aug/Nov)

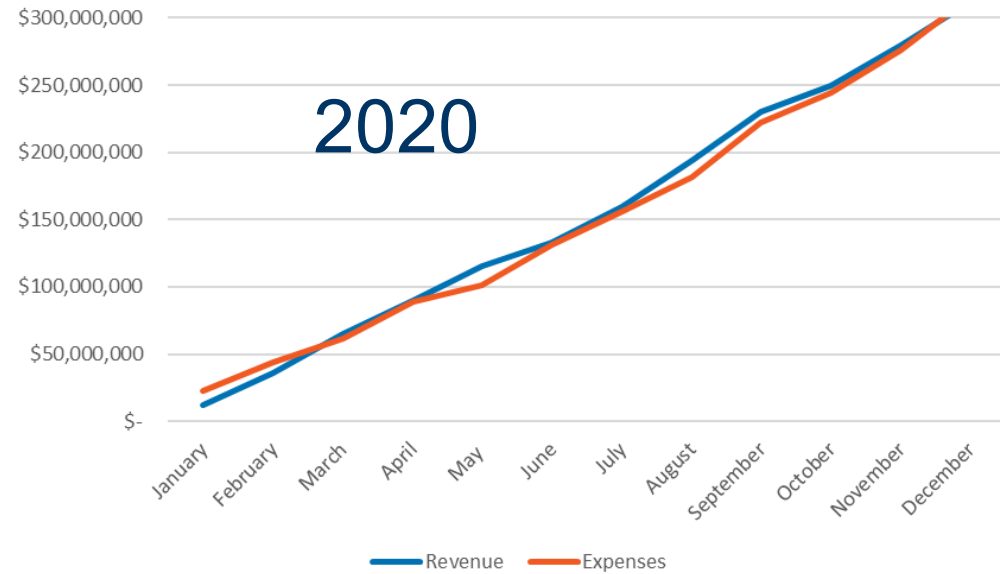
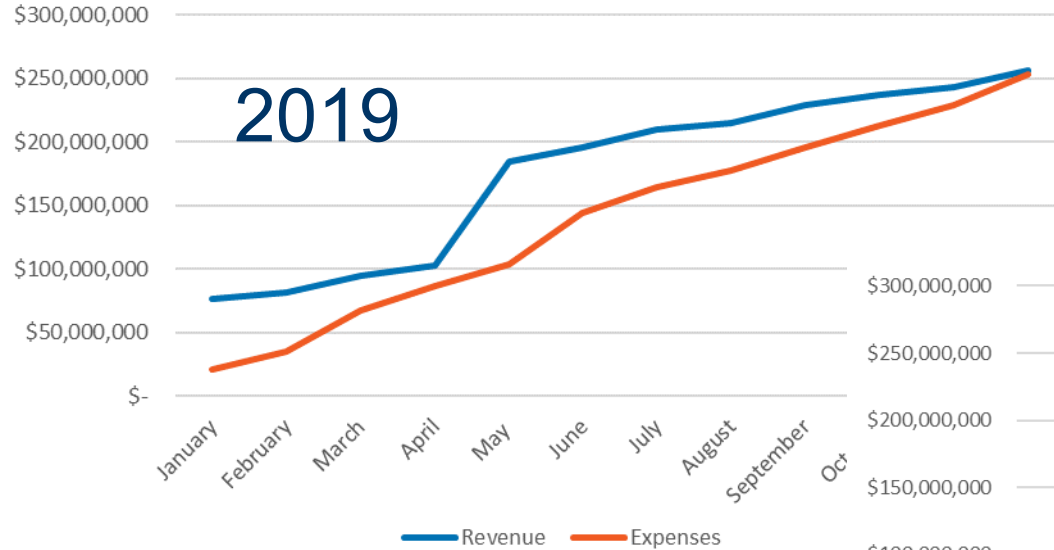
Property Tax Revenue Comparison



Cash Flow Assumptions

- deferral of final tax due dates by 60 days
- greater than normal delinquency rate on taxes
- lost revenue due to facility closures and cancelled programming
- non-essential spending discontinued
- Acceleration in the timing of the Federal Gas Tax grant

Cash Flow Comparison 2019 vs 2020



Cash Flow Assumptions

- A \$10 million draw from investments was made in April
- An additional \$5 million draw from investments is forecasted in late October
- These draws are necessary to ensure there are sufficient funds in the bank to support operations

Cash Flow – Capital

- Cash flow also includes assumptions about the capital program and special projects budget
- Four appendices are attached to CORP2020-007 Financial Update report

Cash Flow Assumptions

- Appendix A: list of capital projects that are currently underway
- Appendix B: list of capital projects that were deferred to the Fall of 2020
- Appendix C: list of capital projects that are deferred to 2021
- Appendix D: list of special projects

2020 Budget

- Current projected pandemic related costs are \$3.2 million
- Costs will increase if Recreation programming and facilities don't resume
- To date, no Federal or Provincial funding has been announced to support operations

2020 Budget

- 2020 budget will be reduced to offset pandemic related costs and lost revenues
- Services are being reviewed with consideration towards:
 - Safety of staff and residents
 - Financial Sustainability of the City

Long Range Financial Plan

- The long range financial plan was scheduled to be presented to Council in Q2
- The update will be delayed until 2021 to capture the impact of the pandemic with recommendations on financial recovery
- Need to assess affordability of services

2021 Budget

- 2021 budget deliberations will also be delayed due to the pandemic
- Proposed budget schedule considers adoption of the budget in Q1 2021

2021 Proposed Budget Schedule

Q4 2020:

- input from Council on projects for consideration in the 2021 budget
- Agencies and Boards to submit their proposed budgets
- Proposed budget to be released to Council prior to end of year

2021 Proposed Budget Schedule

Q1 2021:

- Agencies and Boards to present budget to Council
- Council to deliberate and approve all budgets