

Staff Report

Report To: Corporate Services Committee
Report From: Kate Allan, Director of Corporate Services
Meeting Date: May 11, 2023
Report Code: CR-23-049
Subject: T1 Financial Update

Recommendations:

THAT in consideration of Staff Report CR-23-049 respecting T1 Financial Update, the Corporate Services Committee recommends that City Council receive the report for information purposes.

Highlights:

- The 2023 Operating Budget and Capital Plan total approximately \$50 Million combined.
- The current outlook forecasts a surplus position at year-end.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: This report supports the delivery of Core Service.

Climate and Environmental Implications:

There are no anticipated climate or environmental impacts.

Previous Report/Authority:

[CR-23-021 2023 Budget](#)

Background:

The City's fiscal year operates from January 1st to December 31st. This report covers the period from January 1st to April 30th, 2023.

Analysis:

At long last, the financial impacts of COVID-related precautions and shutdowns are no longer driving financial variances. Save for transit fare revenues, impacted service areas have returned to business as usual.

Typical to any fiscal year, the financial position to the end of April is impacted mostly by weather through to the end of the winter season. This winter was a mild one compared to historical events, and winter control costs are currently **\$419,650** below the same time last year.

Offsetting the surplus created by winter control is higher than budgeted fuel costs, lower than average building permit revenues, and human resources legal fees which combined are creating a negative variance of **\$243,600**.

It must be stressed that so early into the fiscal year, these figures are merely indications of areas to monitor, and all estimates are subject to vary significantly from current forecasts.

It is still too early to provide a financial update on the status of the capital plan, however, a more comprehensive mid-year update will be provided as part of the capital plan review in July. While several projects have come in over budget, there is currently no reason to consider deferring projects or significant changes to scope other than those reported to Council through tender award reporting.

Financial Implications:

The tax stabilization reserve may receive or fund any amount which persists to year-end. This reserve holds \$600,000 as of December 31, 2022.

Communication Strategy:

The City's budget and financial reports are available on the City website.

Consultation:

n/a

Attachments:

n/a

Recommended by:

Kate Allan, Director of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Kate Allan, Director of Corporate Services at kallan@owensound.ca.