

Agenda – Standing Policy Committee on Finance – October 14, 2020

REPORTS

Item No. 8 Financial Status and Forecast Report to August 31, 2020

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the Financial Status Report to August 31, 2020 be received as information.

ADMINISTRATIVE REPORT

Title: Financial Status and Forecast Report to August 31, 2020

Critical Path: Standing Policy Committee on Finance

AUTHORIZATION

Author	Department Head	CFO	CAO
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EXECUTIVE SUMMARY

The Financial Status and Forecast Report (“Report”) to August 31, 2020 currently anticipates a deficit of \$2.5 million (vs. \$0.7 million last Report) for the tax-supported budget (General Revenue Fund). It should be noted that the COVID-19 Crisis Cash Flow Management Plan actions approved by Council meeting on June 26, 2020 reduced the projected shortfall for the General Revenue Fund from what would have been \$26.1 million.

Transit is projecting a budget shortfall of \$32.4 million (vs. \$29.1 million last Report). The Transit budget shortfall will be offset by transfers from the Financial Stabilization Reserve Fund via the General Revenue Fund as necessary. The SOA’s are projecting a budget shortfall of \$9.1 million (vs. \$9.4 million last Report) while the Utilities anticipate revenues in excess of expenditures of \$13.7 million (vs. \$9.3 million last Report).

The total budget shortfall for all City Departments is projected to be \$30.3 million (vs. \$29.9 million last Report), inclusive of the estimated impacts of the COVID-19 pandemic and considering actions that have been undertaken to reduce the financial impact of this event (“levers”).

As at the date of this report, levers pulled to reduce the impact on the Financial Stabilization Reserve Fund include:

- reduction of discretionary spending;
- temporary lay-off of non-permanent Community Services staff;
- freeze on fleet purchases;
- hiring freeze for the remainder of the year;
- freeze of Senior Management Team salaries;
- voluntary furlough program;
- temporary reduction of Transit service with temporary lay-offs;
- deferred transfer to the Community Centre Renovation Grant Program (“CCRGP”);
- the replacement of cash to capital with debt (CTC); and

- transfer of unallocated equity from the Land Operating Reserve (LOR) to the General Revenue Fund

If the levers already pulled had not been acted upon, total shortfalls of revenues to expenses for the City (General Revenue Fund, Transit, Utilities and SOAs) would project to be \$67.4 million. All actions taken to date are consistent with the COVID-19 Crisis Cash Flow Management Plan.

Considering the projected shortfall in Transit (net of unallocated retained earnings) and levers approved, the Financial Stabilization Reserve (FSR) is projected to be at \$85.5 million, which is \$16.8 million above the Council mandated minimum balance of \$68.7 million (6% of the tax-supported budgeted expenditures after budgeted transfers at December 31, 2020). Also included in the current estimated financial stabilization balance is \$22.0 million that the budget process has used to balance the 2020-2023 multi-year budget.

The Federal Government has announced the Safe Restart funding program that will be providing funding to municipalities and cities across Canada. No amounts have been included in this forecast as amounts have not yet been determined. Discussions with the Province of Manitoba are ongoing.

RECOMMENDATIONS

That the Financial Status Report to August 31, 2020 be received as information.

REASON FOR THE REPORT

On December 17, 1997, City Council approved clause 1 of the report of the Standing Committee on Fiscal Issues, which requires that a periodic report be approved on a quarterly basis by the Standing Committee on Fiscal Issues. Since that time, the Standing Committee on Fiscal Issues has been renamed Standing Policy Committee on Finance.

IMPLICATIONS OF THE RECOMMENDATIONS

At this time, the Public Service anticipates a deficit of \$2.5 million (vs. \$0.7 million last Report) for the tax-support budget (General Revenue Fund) and a projected deficit of \$32.4 million (vs. \$29.1 million last Report) in Transit (both considering COVID-19 Crisis Cash Flow Management Plan levers pulled) primarily as a result of the pandemic.

Historically, deficits reported at this time of the year have been eliminated or decreased over the remainder of the year. However, due to the uncertainty related to the pandemic, this trend may not hold true in the current year. The Public Service will continue to regularly monitor the General Revenue Fund.

Current forecasts (including both the General Revenue Fund and Transit) are indicating that the Financial Stabilization Reserve Fund would have fallen below the Council mandated minimum balance of \$68.7 million without any actions being taken to minimize the financial impacts of the COVID-19 pandemic on City operations (“levers”).

HISTORY/DISCUSSION

The forecasted results at August and the year-end position before final transfers for the General Revenue Fund for the past five years were as follows:

Year	Surplus (deficit) in millions at August 31	Surplus (deficit) in millions at December 31 before Final Transfers
2019	\$ (6.9)	\$ (1.1)
2018	N/A	19.5
2017	1.0	15.0
2016	(3.1)	(5.1)
2015	6.9	16.3

**2018 report was not published*

Based on experience of the past few years the August forecast has reported a projected deficit which has been eliminated or decreased over the remainder of the year. The average change over the last five years reported between the August forecast and year-end is \$6.8 million, ranging from a decrease of \$2.0 million to a \$14.0 million improvement. However, due to the uncertainty related to the pandemic, this trend may not hold true in the current year.

This will continue to be monitored and additional options will be sought to eliminate the deficit if necessary. As approved by Council on April 3, 2020, the Financial Stabilization Reserve Fund could be drawn on to cover any remaining shortfall and the deficit could be incorporated into future operating budgets.

Considering the projected shortfalls in the General Revenue Fund as well as Transit (net of unallocated retained earnings), and levers approved, the Financial Stabilization Reserve Fund is projected to be at \$85.5 million, which is \$16.8 million above the Council mandated minimum balance of \$68.7 million (6% of the tax-supported budgeted expenditures after budgeted transfers at December 31, 2020). Also included in the included in the current estimated balance of \$85.5 million (all levers pulled) is \$22.0 million that the budget process has used to balance the 2020-2023 multi-year budget.

COVID-19 Pandemic/Levers Pulled

Actions taken to date as well as the planned actions described in this report are following the COVID-19 Crisis Cash Flow Management Plan report that was presented to this committee on April 27, 2020.

The table below summarizes the estimated total impact of COVID-19 on the current forecast, inclusive of actions taken to date.

<i>In millions of \$</i>	Current Forecast			June Forecast
	COVID-19 Impact on Revenues	COVID-19 Impact on Expenditures	COVID-19 Total Impact	COVID-19 Total Impact
Tax Supported (General Revenue Fund)	\$ (26.4)	\$2.7	\$(23.7)	\$(24.1)
Transit	(43.9)	4.7	(39.2)	(35.7)
SOA's	(11.5)	2.5	(9.0)	(9.4)
Utilities	(1.2)	3.4	2.2	1.7
TOTAL	\$(83.0)	\$13.3	\$(69.7)	\$(67.5)

The amounts are the result of best available interpretations made as to reason for variance. Variance to June forecast is primarily a result of reduced revenue from transit.

As at the date of this report, levers pulled to backstop the impacts of COVID-19 on the General Revenue Fund include:

- reduction of discretionary spending;
- temporary lay-off of non-permanent Community Services staff;
- freeze on fleet purchases;
- hiring freeze for the remainder of the year;
- freeze of Senior Management Team salaries;
- voluntary furlough program;
- temporary reduction of Transit Service with temporary lay-offs;
- deferred transfer to the Community Centre Renovation Grant Program (“CCRGP”);
- replacement of cash to capital with debt (CTC); and
- transfer of unallocated equity from the Land Operating Reserve to the General Revenue Fund

The estimated saving from these levers is \$37.1 million. Please note that the deferred transfer to the CCRGP does not reduce the shortfall for all city departments. However, this lever reduces the draw on the Financial Stabilization Reserve Fund.

Also included in the included in the current estimated balance of \$85.5 million (all levers pulled) is \$22.0 million that the budget process has used to balance the 2020-2023 multi-year budget.

It should be noted that most departments continue to review operations and make the best estimate for operations throughout the year. Accordingly, Fire Paramedic Services is projecting ambulance volumes to gradually improve through the latter part of 2020 and Transit and Winnipeg Parking Authority are projecting a gradual increase in demand through the end of year. This forecast includes these assumptions.

On July 23, 2020, the Federal Government announced Safe Restart Agreement between the federal government and the Provinces and Territories. The announcement included up to \$2 billion in federal funding that will be made available to cities and towns across Canada. In addition, the Government of Canada will be providing \$1 billion in federal transit funding. These are subject to matching Provincial funding. Details on the financial impact to the City of Winnipeg's is still to be determined. The additional financial support from these programs has not been included in this report. Discussions are ongoing with the Province of Manitoba.

Fire Paramedic Service

Discussions with Shared Health regarding funding for 2020 are ongoing. This forecast has therefore assumed a funding model where EMS costs are fully recovered from Shared Health. The effects of COVID-19 initially resulted in reduced demand for service but this returned to normal levels quickly (ambulance fees) and increased costs associated with overtime and personal protective equipment. The net impact of these is \$3.8 million included in this projection as additional funding (above confirmed funding) from Shared Health under full cost recovery. The City is still owed \$0.3 million for amounts billed Shared Health for 2019 full cost recovery.

Snow Removal and Ice Control Over Expenditure

The Public Works Department has experienced a significant over expenditure related to snow removal and ice control. During the year, \$42.6 million is expected to be spent on snow removal and ice control operations resulting in a projected over expenditure of \$7.6 million. The total 2020 Public Works Department snow removal and ice control budget is \$35.0 million. The over expenditures are the result of above average snow accumulation during January, March and April of 2020. The unusual snow accumulation in April 2020 was the most snowfall in an April in 20 years (2000-2019). April 2020 had 29.8 centimeters of snow versus a 20 year average of 4.6 centimeters (Environment Canada). Snow removal and ice control services are governed by the Council approved *Policy on Snow Clearing and Ice Control* (<http://winnipeg.ca/publicworks/snow/snowClearing/snowClearingPolicy.stm>)

Transit

As of August 31, 2020, the Transit System is forecasting a year-end operating deficit of \$32.4 million (vs. \$29.1 million last Report) million. This forecasted deficit is separate from the General Revenue Fund deficit of \$2.5 million.

This forecasted deficit includes a tax-supported transfer from the General Revenue Fund of \$67.3 million, as per the 2020 adopted budget. The deficit is primarily a result of shortfall of fare revenues due to the pandemic. The shortfall in fare revenue is partially offset by salaries and benefits and fuel savings as a result of a reduced service schedule and temporary layoff of bus operators as ridership has been reduced since the beginning of the pandemic.

The Public Service's plan to address the shortfall created by the pandemic contemplates using \$9.0 million in unallocated retained earnings to partially address the deficit, with the remainder of the funding being a transfer from the General Revenue Fund at year-end.

It should be noted that the current forecast has assumed steady growth continuing through December to achieve 55% of normal ridership levels by year-end. This has been revised downward from the June forecast's estimate of a return to 65% of normal ridership. The financial impact of off campus learning at the universities and Red River College has been included. The Public Service will continue to monitor this assumption closely in subsequent forecasts.

For clarity, the accounting at year-end will transfer funds from the General Revenue Fund to Transit in order to eliminate the operating shortfall in Transit in excess of the unallocated retained earnings. Thus, in the year-end financial statements, while Transit will disclose an additional transfer from the General Revenue Fund, the Transit operating shortfall net of unallocated retained earnings will be reported as a further shortfall in the General Revenue Fund. For purposes of this report and to enhance understandability, the General Revenue Fund and Transit are being disclosed without this additional final transfer.

Other

The Corporate Finance Department has prepared this report showing forecasted revenues and expenses to December 31, 2020, for the General Revenue Fund, Utility Funds and Municipal Accommodations Fund. This information was obtained from departments and was based on actual data as at August 31, 2020.

Attachments included are the following:

- Schedule 1 – The City of Winnipeg – General Revenue Fund – Financial Status and Forecast Report;
- Schedule 2 – The City of Winnipeg – General Revenue Fund – Budget Variances;
- Schedule 3 – The City of Winnipeg – General Revenue Fund – Reconciliation of June to August forecast;
- Schedule 4 – The City of Winnipeg – Summary by Fund;
- Schedule 5 – The City of Winnipeg – General Revenue Fund – Net Mill Rate by Department;
- Schedule 6 – The City of Winnipeg – General Revenue Fund – Taxation Revenues; and
- Schedule 7 – The City of Winnipeg – Forecasted Balance of the Financial Stabilization Reserve Fund

FINANCIAL IMPACT

Financial Impact Statement Date: October 5, 2020

Project Name:

Financial Status and Forecast Report August 31, 2020

COMMENTS:

This report is prepared for information purposes.

"Original signed by:
Carlos Matias, CPA, CGA
Acting Manager of Financial Reporting and Accounting Services

CONSULTATION

This Report has been prepared in consultation with:

All City of Winnipeg Departments

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity Direction 1 Provide Efficient and Focused Civic Administration and Governance. This report supports demonstration of accountability by the City's public service through reporting.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Corporate Finance
Division: Corporate Controller's
Prepared by: Carlos Matias
Date: October 5, 2020
File No:

Attachments:

- Schedule 1 – The City of Winnipeg – General Revenue Fund – Financial Status and Forecast Report
- Schedule 2 – The City of Winnipeg – General Revenue Fund – Budget Variances
- Schedule 3 – The City of Winnipeg – General Revenue Fund – Reconciliation of June to August forecast
- Schedule 4 – The City of Winnipeg – Summary by Fund
- Schedule 5 – The City of Winnipeg – General Revenue Fund – Net Mill Rate by Department
- Schedule 6 – The City of Winnipeg – General Revenue Fund – Taxation Revenues
- Schedule 7 – The City of Winnipeg – Forecasted Balance of the Financial Stabilization Reserve Fund

**THE CITY OF WINNIPEG - GENERAL REVENUE FUND
FINANCIAL STATUS AND FORECAST REPORT**

Schedule 1

*Actual for the eight month period ended August 31, 2020
forecasted for the year ending December 31, 2020
(in thousands of dollars)
(unaudited)*

	Adopted Budget	Forecast	Variance From Budget	Year to Date Actual
REVENUES				
Taxation	\$ 746,919	\$ 743,649	\$ (3,270)	\$ 508,966
Government transfers	146,406	153,968	7,562	103,348
Regulation fees	76,975	59,469	(17,506)	40,547
Sale of goods and services	54,389	45,304	(9,085)	27,480
Other	46,894	46,817	(77)	1,411
Payments-in-lieu of taxes	36,731	36,731	-	24,496
Interest	23,198	24,424	1,226	5,297
Transfer from other funds	12,435	23,899	11,464	4,463
Total Revenues	1,143,947	1,134,261	(9,686)	716,008
EXPENSES				
Assessment and taxation	20,270	21,545	(1,275)	9,472
Audit	1,379	1,349	30	734
Chief administrative offices	5,204	5,171	33	3,074
City clerks	12,924	12,604	320	8,640
Community services	114,968	102,046	12,922	65,511
Corporate	73,390	71,609	1,781	67,430
Corporate finance	8,217	8,033	184	5,311
Council	4,018	4,024	(6)	2,550
Customer service and communication	7,244	6,731	513	4,336
Fire paramedic service	209,413	212,842	(3,429)	136,194
Human resource services	6,026	5,833	193	3,746
Innovation, transformation and technology	28,077	24,763	3,314	14,804
Legal services	4,459	7,412	(2,953)	2,813
Mayor's office	1,832	1,718	114	848
Museums	765	765	-	702
Planning, property and development	45,908	42,998	2,910	30,947
Police service	304,076	307,144	(3,068)	200,241
Policy and strategic initiatives	820	662	158	408
Public works	259,007	263,867	(4,860)	199,960
Street lighting	12,409	12,409	-	8,301
Water and waste	23,541	23,228	313	14,070
Total Expenses	1,143,947	1,136,753	7,194	780,092
FORECASTED DEFICIT	\$ -	\$ (2,492)	\$ (2,492)	\$ (64,084)

Notes:

(1) See Schedule 5 for comparable departmental view.

(2) The forecasted deficit above is before transfers to the Transit System to cover Transit operating shortfalls in excess of unallocated retained earnings.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
BUDGET VARIANCES ARISING FROM THE
AUGUST 31, 2020 FORECAST
FOR THE YEAR ENDING DECEMBER 31, 2020

Schedule 2

(in millions of dollars)
(unaudited)

Assessment and Taxation department's unfavourable variance is due to Council approved temporary waiver of penalties on late payment of property and business taxes and reduction in electricity and entertainment taxes offset by savings in salaries and benefits.	(11.2)
Police department's unfavourable variance is primarily related to net impact to the photo enforcement program, decrease in traditional revenue fines and unrealized police pension savings. This is partially offset by cash to capital (CTC) lever pulled.	(5.5)
Fire Paramedic department's unfavourable variance is primarily related to increase costs for salary and benefits (overtime) and additional costs for supplies and material related to personal protective equipment's as a result of COVID-19 pandemic. These additional costs are offset by savings for building maintenance, fleet leasing and computer purchase delays.	(4.2)
Public Works department's unfavourable variance is mostly due to additional snow revised clearing program expenditures incurred in 2020, spring clean-up, flood preparations and parks and open space expenditures. These costs are offset by CTC lever pulled and savings in salary and benefit costs.	(3.2)
Legal Services department's unfavourable variance is mostly related to an increase in external legal fees.	(3.0)
Planning, Property and Development department's unfavourable variance is primarily related to a reduction in permit fees due to COVID-19.	(1.5)
Innovation, Transformation and Technology department's favourable variance is primarily a result of salary and benefit savings as well as CTC lever pulled.	3.3
Community Services department's favourable variance is primarily a result of the impact of COVID-19 to services and programming. This includes savings related to the temporary layoff and delay of hiring staff which is partially offset by reduced program revenues. Also included in the savings is CTC lever pulled.	5.8
Corporate department's favourable variance is primarily a result of expected disaster financial assistance funding to be received from the October 2019 storm event, debt and finance savings and a transfer from the LOR (COVID-19 lever pulled). This additional funding is expected to be offset by unrealized pension savings.	13.9
Other departmental revenues and expenses.	<u>3.1</u>
Forecasted Deficit	<u>\$ (2.5)</u>

(1) See Schedule 1 and 5 for breakdown of other departmental revenues and expenses.

(2) The forecasted deficit above is before transfers to the Transit System to cover Transit operating shortfalls in excess of unallocated retained earnings.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND	Schedule 3
RECONCILIATION OF JUNE TO AUGUST FORECAST	
AUGUST 31, 2020 FORECAST	
FOR THE YEAR ENDING DECEMBER 31, 2020	

(in millions of dollars)
(unaudited)

Forecasted General Revenue Fund Deficit - June 30, 2020	\$ (0.7)
Fire and Paramedic Services department's unfavourable variance primarily relates to increase in anticipated overtime costs.	(2.3)
Legal Services department's unfavourable variance primarily relates to increase costs associated with external legal fees.	(2.1)
Planning, Property and Development department's unfavourable variance primarily cash to a decrease in permit fee revenue as a result of COVID-19.	(1.0)
Public Work department's unfavourable variance primarily relates revised estimated snow clearing program.	(1.0)
Corporate department's favourable variance is mostly related decrease in debt and finance charges.	2.9
Other departmental revenues and expenses.	<u>1.7</u>
<i>Forecasted General Revenue Fund Deficit - August 31, 2020</i>	<u>\$ (2.5)</u>

(1) The forecasted deficit above is before transfers to the Transit System to cover Transit operating shortfalls in excess of unallocated retained earnings.

**THE CITY OF WINNIPEG - SUMMARY BY FUND
FINANCIAL STATUS AND FORECAST REPORT**

Schedule 4

*Actual for the eight month period ended August 31, 2020
forecasted for the year ending December 31, 2020
(in thousands of dollars)
(unaudited)*

	Adopted Budget	Forecast	Variance From Budget	Actual
General Revenue Fund				
Revenues	\$ 1,143,947	\$ 1,134,261	\$ (9,686)	\$ 716,008
Expenses	1,143,947	1,136,753	7,194	780,092
Deficit*	\$ -	\$ (2,492)	\$ (2,492)	\$ (64,084)
Transit System				
Revenues	\$ 138,978	\$ 95,054	\$ (43,924)	\$ 68,349
Expenses	197,148	185,636	11,512	115,302
	(58,170)	(90,582)	(32,412)	(46,953)
Transfer to Reserves	(9,095)	(9,095)	-	(6,058)
Transfer from General Revenue Fund	67,265	67,265	-	52,473
Deficit*	\$ -	\$ (32,412)	\$ (32,412)	\$ (538)
Waterworks System				
Revenues	\$ 134,432	\$ 134,074	\$ (358)	\$ 87,794
Expenses	81,645	77,826	3,819	52,636
	52,787	56,248	3,461	35,158
Transfer to: Water Main Renewal Reserve	(19,500)	(19,500)	-	(4,875)
General Revenue Fund	(14,262)	(14,262)	-	-
Surplus Prior to Principal Debt Repayments	19,025	22,486	3,461	30,283
Principal Debt Repayments	(5,084)	(5,084)	-	-
Surplus	\$ 13,941	\$ 17,402	\$ 3,461	\$ 30,283
Sewage Disposal System				
Revenues	\$ 196,497	\$ 195,631	\$ (866)	\$ 130,065
Expenses	99,201	94,528	4,673	60,075
	97,296	101,103	3,807	69,990
Transfer to Reserves	(35,050)	(33,650)	1,400	(6,635)
Transfer to General Revenue Fund	(20,325)	(20,325)	-	-
Transfer to Land Drainage	(9,391)	(9,619)	(228)	(7,988)
Surplus	\$ 32,530	\$ 37,509	\$ 4,979	\$ 55,367

**Any budget shortfall in Transit less the use of unallocated retained earnings will require a transfer from the General Revenue Fund at yearend in order to balance the Transit System fund as at December 31, 2020.*

**THE CITY OF WINNIPEG - SUMMARY BY FUND
FINANCIAL STATUS AND FORECAST REPORT**

Schedule 4

Actual for the eight month period ended August 31, 2020

forecasted for the year ending December 31, 2020

(in thousands of dollars)

(unaudited)

	Adopted Budget	Forecast	Variance From Budget	Actual
Solid Waste Disposal				
Revenues	\$ 46,860	\$ 50,047	\$ 3,187	\$ 29,344
Expenses	48,207	46,091	2,116	27,157
	(1,347)	3,956	5,303	2,187
Transfer to Reserve	(302)	(339)	(37)	(94)
Deficit Prior to Principal Debt Repayments	(1,649)	3,617	5,266	2,093
Principal Debt Repayments	(2,428)	(2,462)	(34)	-
(Deficit)/Surplus	\$ (4,077)	\$ 1,155	\$ 5,232	\$ 2,093
Land Drainage				
Revenues	4,958	4,924	(34)	3,202
Expenses	4,699	4,665	34	2,830
Surplus Prior to Principal Debt Repayments	259	259	-	372
Principal Debt Repayments	(259)	(259)	-	-
Surplus	\$ -	-	-	372
Municipal Accommodations Fund				
Revenues	\$ 72,407	\$ 72,041	\$ (366)	\$ 44,258
Expenses	61,257	60,781	476	34,303
	11,150	11,260	110	9,955
Transfer to: General Revenue Fund	(11,150)	(11,260)	(110)	(144)
Surplus	\$ -	\$ -	\$ -	\$ 9,811

**THE CITY OF WINNIPEG - GENERAL REVENUE FUND
FINANCIAL STATUS AND FORECAST REPORT**

Schedule 5

*forecasted for the year ending December 31, 2020
(in thousands of dollars)
(unaudited)*

	<i>Revenues</i>			<i>Expenses</i>			<i>Net Mill Rate</i>
	Adopted Budget	Forecast	Variance Budget/Forecast	Adopted Budget	Forecast	Variance Budget/Forecast	Variance Budget/Forecast
Assessment and taxation	\$ 745,560	\$ 735,598	\$ (9,962)	\$ 20,270	\$ 21,545	\$ (1,275)	\$ (11,237)
Audit	-	-	-	1,379	1,349	30	30
Chief administrative offices	-	-	-	5,204	5,171	33	33
City clerks	96	666	570	12,924	12,604	320	890
Community services	18,008	10,855	(7,153)	114,968	102,046	12,922	5,769
Corporate	126,571	138,643	12,072	73,390	71,609	1,781	13,853
Corporate finance	7,119	7,855	736	8,217	8,033	184	920
Council	-	-	-	4,018	4,024	(6)	(6)
Customer service and communication	70	80	10	7,244	6,731	513	523
Fire paramedic service	70,978	70,230	(748)	209,413	212,842	(3,429)	(4,177)
Human resource services	-	-	-	6,026	5,833	193	193
Innovation, transformation and technology	-	-	-	28,077	24,763	3,314	3,314
Legal services	475	390	(85)	4,459	7,412	(2,953)	(3,038)
Mayor's office	-	-	-	1,832	1,718	114	114
Museums	-	-	-	765	765	-	-
Planning, property and development	49,568	45,143	(4,425)	45,908	42,998	2,910	(1,515)
Police service	46,508	44,060	(2,448)	304,076	307,144	(3,068)	(5,516)
Policy and strategic initiatives	-	-	-	820	662	158	158
Public works	77,827	79,498	1,671	259,007	263,867	(4,860)	(3,189)
Street lighting	-	-	-	12,409	12,409	-	-
Waterworks and waste	1,167	1,243	76	23,541	23,228	313	389
Forecasted Deficit	\$ 1,143,947	\$ 1,134,261	\$ (9,686)	\$ 1,143,947	\$ 1,136,753	\$ 7,194	\$ (2,492)

(1) The forecasted deficit above is before transfers to the Transit System to cover Transit operating shortfalls in excess of unallocated retained earnings.

THE CITY OF WINNIPEG - GENERAL REVENUE FUND
TAXATION REVENUES

Schedule 6

forecasted for the year ending December 31, 2020
(in thousands of dollars)
(unaudited)

	Adopted Budget	Forecast	Variance From Budget	Year to Date Actual
Property taxes	\$ 634,562	\$ 630,698	\$ (3,864)	\$ 158,866
Business taxes	57,916	59,467	1,551	15,770
Transfer from Financial Stabilization Reserve*	-	2,320	2,320	-
	<u>692,478</u>	<u>692,485</u>	<u>7</u>	<u>174,636</u>
Street renewal frontage levy	63,796	63,589	(207)	-
Electricity tax	20,300	19,300	(1,000)	3,538
Gas tax	2,800	2,500	(300)	411
Other taxation	<u>4,276</u>	<u>2,506</u>	<u>(1,770)</u>	<u>2,613</u>
Total taxation and payments-in-lieu of taxes revenue	\$ 783,650	\$ 780,380	\$ (3,270)	\$ 181,198
Taxation	\$ 746,919	\$ 743,649	\$ (3,270)	\$ 508,966
Payments-in-lieu of taxes	36,731	36,731	-	24,496
Total taxation and payments-in-lieu of taxes revenue	\$ 783,650	\$ 780,380	\$ (3,270)	\$ 533,462

* On September 28, 2011, City Council approved a report from the Executive Policy Committee to permit transfers to or from the Financial Stabilization Reserve to offset any variance in the revenue projections for taxes billed including net supplementary taxes used in the General Revenue Fund budget and the actual amounts achieved. Due to COVID-19, net taxes added is being forecast to be \$2.3 million less than budget, requiring a transfer to the General Revenue fund from the Financial Stabilization Reserve fund.

**THE CITY OF WINNIPEG - FORECASTED BALANCE
OF THE FINANCIAL STABILIZATION RESERVE
FUND**

Schedule 7

*forecasted for the year ending December 31, 2020
(in thousands of dollars)
(unaudited)*

	<u>Forecast</u>
Opening balance - Financial Stabilization Reserve	\$ 107,766
Add:	
Estimated net interest earnings	548
Budgeted transfer from the General Revenue Fund	5,380
	<u>5,928</u>
Less:	
Transfer to the General Revenue Fund for shortfall in Net Taxes Added	(2,320)
Tax Supported - estimated financial projections budget impact	(2,492)
	<u>(4,812)</u>
Transit - estimated financial projections budget impact	(32,412)
less: usage of Transit unaudited unallocated retained earnings	9,000
	<u>(23,412)</u>
Estimated closing balance - Financial Stabilization Reserve	<u>\$ 85,470</u>