



2019 Interim Year End Operating Forecast

*Budget Committee of the Whole
October 22, 2019*



Objectives

- Overview of Year End Operating Forecast for the Operating Fund based on June 30, 2019 Financial Results
- Overview of Year End Operating Forecast for the Water, Wastewater & Stormwater Management Fund based on June 30, 2019 Financial Results

2019 Interim Operating Forecast

(based on June 30 results)

Operating Fund	
Surplus Items	\$860,400
Deficit Items	(\$630,000)
Other Pressures	
Net Surplus from Expenditure &	\$230,400

Total Expenditure Budget **\$182.7 million**

Major Variance Items

Operating Fund			
	2019 Approved Budget	Forecast as of June 30, 2019	Fav/(Unfav)
Payment in Lieu - York Region Transit	\$ (65,000)	\$ (664,200)	\$ 599,200
Facilities Utilities - Hydro, Water, Heat for all facilities	4,075,200	3,875,200	200,000
Winter Maintenance Material & Contract	3,374,100	3,704,100	(330,000)
Parking Fines Revenue	(1,919,800)	(1,619,800)	(300,000)

2019 Interim Water, Wastewater & Stormwater Management Forecast

Water and Waste Water Fund	
Higher Expenditures or Lower Revenues	2019 Deficit
Net Deficit from Rate Revenue	\$ (231,300)
Public Works Operations	-

2019 Approved Budget volume = 20,885,505 cubic metres

2019 Reforecast volume = 20,385,505 cubic metres

% decline on volume = 2.39%

2019 Interim Year End Forecast

- Forecast Operating Fund surplus of \$ 230,400
 - Surplus would be allocated to Tax Rate Stabilization Reserve
- Water & Wastewater Fund deficit of \$ 231,300
 - Deficit would be funded by Water Rate Stabilization Reserve

Public Works Enhancement

- Services to be launched to Richmond Hill Residents at the beginning of the 2019/2020 winter season
- 80 full time positions (79 PWO and 1 ARH)
- 63 casual conversion from seasonal to full time, 17 new full time staffs
- 35 additional Loaders are purchased through funding from Development Charges
- Other costs – winter de-icing materials, fuel, clothing, training & equipment maintenance/repairs
- Cost estimated at \$2 million for 2019, pending winter condition. Fully funded from Community Enhancement & Economic Vitality Reserve Fund
- Full costs of Public Works Enhancement to be phased in over 8 years (Community Enhancement & Economic Vitality Reserve Fund)

Community Enhancement and Economic Vitality Reserve Fund

(\$ millions)	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Forecast								
Opening Balance	\$ 55.14	\$ 54.85	\$ 52.98	\$ 51.60	\$ 50.72	\$ 50.34	\$ 50.46	\$ 51.08	\$ 52.20
Interest	\$ 1.713	\$ 1.725	\$ 1.719	\$ 1.722	\$ 1.720	\$ 1.721	\$ 1.721	\$ 1.721	\$ 1.721
Public Works Enhancement	\$ (2.00)	\$ (3.60)	\$ (3.10)	\$ (2.60)	\$ (2.10)	\$ (1.60)	\$ (1.10)	\$ (0.60)	\$ -
Ending Balance	<u>\$ 54.85</u>	<u>\$ 52.98</u>	<u>\$ 51.60</u>	<u>\$ 50.72</u>	<u>\$ 50.34</u>	<u>\$ 50.46</u>	<u>\$ 51.08</u>	<u>\$ 52.20</u>	<u>\$ 53.92</u>

Investment Income

	2016	2017	2018	2019
Investment Income in Operating Budget	\$ 6,870,000	\$ 6,536,600	\$ 6,203,200	\$ 5,870,000
Total Investment Income from Portfolio	\$ 17,189,767	\$ 13,707,031	\$ 14,646,992	\$ 14,998,117
Short Term Investment Income	2,059,512	1,879,501	2,743,944	3,700,000
Long Term Investment Income	15,130,255	11,827,530	11,903,048	11,298,117

- Long term investment income has partially subsidized the annual Operating budget

2020-2022 Investment Income Proposed Strategy

	2019*	2020	2021	2022
Investment Income in Operating Budget	\$ 5,870,000	\$ 5,046,600	\$ 4,223,300	\$ 3,400,000
Three year phased reduction				
Operating Budget Impact		\$ 823,400	\$ 823,300	\$ 823,300

*Approved budget

- Reduction of \$823,400 each year from 2020-2022 to align the investment income revenue in the operating budget to the short term investment income

Questions?