



# Report

**City of Merritt**  
**Committee of the Whole**  
**October 30, 2019**

**File Number: 1870**

**To:** Scott Hildebrand, Chief Administrative Officer  
**From:** Sheila Thiessen, Director of Finance & IT  
**Date:** October 28, 2019  
**Subject:** September 2019 Budget Position Report

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## **RECOMMENDATION:**

**THAT Council receive this report for information.**

## **Background:**

The attached report (Schedule A) covers the period from January 1, 2019 to September 30, 2019 and provides a summary of the actual costs incurred to September 30, 2019 in relation to the budgeted amount. As of the end of September 75% of the year has passed, therefore, it is reasonable to expect that 75% of the expenses will have been incurred.

The report includes the following columns from left to right:

- 2019 Budget – Amounts as per Financial Plan Bylaw 2261, 2019
- 2019 Actuals – Actual Costs incurred up to September 30, 2019
- Percentage of Variance
  - Revenue, a negative % means that all the budgeted revenue has not been received yet.
  - Expenditures, a positive % means that there are funds remaining, at this point in the year it should around 25%
- Details (items to be analyzed further in this report)

### **Analysis:**

- A. **Grant in lieu of taxes**, there is still one payment outstanding. It will be received by year end.
- B. **Provincial Government Grants**, we have received all the annual provincial grants, the outstanding amounts relate to capital projects that will be received once the project is complete.
- C. **Sale of Services**, the second billing for utilities and garbage occurs in October. Therefore, only half of the fees have been collected.
- D. **Other Revenue**, this includes revenues that we receive late in the year, it is anticipated that we will receive all the funds budgeted.
- E. **Protective Services** includes RCMP costs which has only been charged to June 30, 2019 as of September 30.
- F. **Development Services** includes Planning and Economic Development and both departments have operating costs that have not been fully incurred at this point, due to timing with projects etc. It is anticipated that these funds will be mostly used by the end of the year or the projects will be carried forward.
- G. **Water Utility** there are some costs that have not been incurred by September 30, but it is anticipated that most of the funds will be utilized by the end of the year.
- H. **Debt Servicing Costs** are tied to specific payment dates and they are split evenly by Spring and Fall.
- I. **Capital Projects budgeted** include \$3.3 million in capital projects that will be carried over to next year, these include water and sewer main replacements, fire hall expansion, chlorine storage building and the one-ton vehicle that will be delivered early in 2020. All other projects are expected to be complete and within budget by year end.

Other major costs of note are wages, utilities and fuel. The year to date variance for each of these items is as follows:

	Budgeted	YTD Actual	Remaining
<b>Wages</b>	\$5,991,406	\$4,416,854	26%
<b>Fuel</b>	206,000	169,297	18%
<b>Utilities</b>	789,245	513,705	35%

### **Financial / Risk Implications:**

The City's operating costs as of September 30, 2019 have been as anticipated.

Operating costs are where they are expected to be at this time of year.

Overall there is enough funding for the City's annual operations, with no major cost overruns expected.

**Attachments:**

September 30, 2019 Budget Position Report

**Respectfully submitted,**

**Sheila Thiessen, CPA, CMA  
Director of Finance & IT**