



City of Chestermere

Council Meeting

Staff Report 2019 Quarter 3

Financial Operations

November 5, 2019

2019 Q3 Agenda

Updates

Statement of Operations

Operating Results by Department



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2019 Q3 Updates



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2019 Q3 Updates

Financial Reporting Updates

- **Inclusion of the Utility Sub-Contract Services**
 - **Environmental Services includes Water, Storm Water, Waste Water and Solid Waste which has been added to the various reports**
 - **General Government will includes Utility Customer Services along with Finance and Administration**
 - **Planning and Development included Engineering starting in Q2**
- **Organizational Re-Design reports are likely to be presented in the Spring 2020 after Budgeting and Audit requirements have been completed**



2019 Q3 Statement of Operations



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2019 Q3 Statement of Operations

City of Chestermere				
Statement of Operations				
Period Ending September 30, 2019, with comparative figures for September 30, 2018				
		Budget	2019	2018
		(note 27)		
Revenue:				
	Net municipal property taxes (Schedule 3)	\$ 15,025,131	\$ 14,880,565	\$ 15,117,390
	Sale of goods and user charges	2,751,384	3,141,563	2,473,320
	Penalties and costs on taxes	247,500	266,104	280,797
	Licenses and permits	1,161,637	775,585	627,188
	Investment income	60,000	535,119	539,017
	Development levies	-	1,040,113	86,166
	Government transfers for operating (Schedule 4)	1,341,293	1,508,065	1,331,851
		20,586,946	22,147,114	20,455,728
Expenses (Schedule 5) :				
	Legislative	356,337	362,723	303,813
	Administration	3,684,361	3,562,112	3,290,175
	Protective services	5,971,737	5,904,572	5,028,121
	Roads, streets, walks and lighting	7,064,656	6,778,514	2,762,194
	Environmental services	-	96,761	-
	Family and community support	1,462,951	1,554,293	1,531,843
	Planning and development	2,341,934	2,103,078	1,755,728
	Parks and recreation	3,096,295	2,909,648	2,172,480
	Culture	519,216	638,263	387,868
	(Gain) loss on disposal of assets	-	-	64,215
		24,497,488	23,909,964	17,296,438
	Annual surplus (deficit)	(3,910,542)	(1,762,850)	3,159,290



2019 Q2 Operating Results by Department



2019 Q3 Departmental Operating Results

City of Chestermere

Schedule of Segmented Disclosure

Period Ending September 30, 2019, with comparative figures for September 30, 2018

Schedule 6

	General Government	Protective Services	Roads, streets, walks and lighting	Environmental Services	Planning and Development	Parks and Recreation	Family and Community Support	Total
REVENUE								
Net municipal taxes	\$ 14,880,565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,880,565
Government transfers	55,465	374,306	147,669	-	-	-	930,624	1,508,065
User fees and sales of goods	1,200,353	1,179,009	159,596	207,108	1,018,610	54,313	98,250	3,917,239
Investment income	535,119	-	-	-	-	-	-	535,119
Other revenue	266,104	-	1,040,113	-	-	-	-	1,306,217
	16,937,606	1,553,315	1,347,378	207,108	1,018,610	54,313	1,028,875	22,147,204
EXPENSES								
Salaries and wages	2,131,992	2,428,180	1,506,248	64,851	1,470,738	1,358,587	1,088,448	10,049,043
Contract and general services	1,185,425	229,231	515,601	8,525	474,504	411,086	276,935	3,101,308
Goods and supplies	108,403	137,513	630,860	23,385	138,490	246,354	31,599	1,316,603
Purchases from other governments	265,795	2,536,504	-	-	19,347	207,099	-	3,028,745
Transfers to local boards	200	-	-	-	-	470,995	155,451	626,646
Long term debt interest	59,163	68,696	(4,007)	-	-	8,855	-	132,706
Other expenses	17,468	-	-	-	-	-	-	17,468
	3,768,445	5,400,124	2,648,702	96,761	2,103,078	2,702,976	1,552,433	18,272,520
NET REVENUE, BEFORE AMORTIZATION CONTRIBUTIONS AND GAIN (LOSS) RELATED TO TANGIBLE CAPITAL ASSETS	13,169,161	(3,846,810)	(1,301,324)	110,347	(1,084,468)	(2,648,663)	(523,558)	3,874,684
Amortization expense	(309,866)	(504,448)	(4,129,812)	-	-	(691,458)	(1,861)	(5,637,444)
NET REVENUE	\$ 12,859,295	\$ (4,351,257)	\$ (5,431,136)	\$ 110,347	\$ (1,084,468)	\$ (3,340,121)	\$ (525,419)	\$ (1,762,760)

2019 Q3 Departmental Operating Results

City of Chestermere

Schedule of Segmented Disclosure for General Government

Period Ending September 30, 2019, with comparative figures for September 30, 2018

Schedule 6

	2018	2019	Budget (Unaudited)	Variance	%	Notes
REVENUE						
Net municipal taxes	\$ 15,117,390	\$ 14,880,565	\$ 15,025,131	-144,566		1
Government transfers	3,600	55,465	115,023	-59,558		
User fees and sales of goods	1,163,313	1,200,353	1,104,315	96,037		2
Investment income	539,017	535,119	60,000	475,119		3
Other revenue	280,797	266,104	247,500	18,604		
	17,104,117	16,937,606	16,551,970	385,637	2.3%	
EXPENSES						
Salaries and wages	2,048,201	2,131,992	2,062,560	-69,432		
Contract and general services	1,236,666	1,185,425	1,398,183	212,758		4
Goods and supplies	107,453	108,403	133,495	25,092		
Purchases from other governments	265,795	265,795	199,346	-66,449		5
Transfers to local boards	1,300	200	900	700		
Long term debt interest	67,897	59,163	68,347	9,185		
Other expenses	21,195	17,468	17,873	405		
	3,748,507	3,768,445	3,880,705	112,259	3.0%	
NET REVENUE BEFORE OTHER	13,355,610	13,169,161	12,671,265	497,896	3.8%	
Contributed assets	-	-	-	-		
Contribution of assets to related party	-	-	-	-		
Gain (Loss) on disposal of assets	-	-	-	-		
Amortization expense	-	(309,866)	(309,866)	-		
NET REVENUE	\$ 13,355,610	\$ 12,859,295	\$ 12,361,399	497,896	3.9%	

Notes

- Supplemental Taxes occur during the 4th quarter.
- Utility Transition Agreement began August 19, 2019.
- Investment Income has 2 sources being bank account and investment account. The interest from the Bank account is included in budget and operations. The remaining investment income is deposited into Deferred Revenue or RSA Stabilization, as required by agreements.
- Legal and Contracted Services are lower than Budgeted, anticipate it to increase during the latter half of the year.
- Annual payment for the Annex Lands

2019 Q3 Departmental Operating Results

City of Chestermere

Schedule of Segmented Disclosure for Protective Services

Period Ending September 30, 2019, with comparative figures for September 30, 2018

Schedule 6

	2018	2019	Budget (Unaudited)	Variance	%	Notes
REVENUE						
Net municipal taxes	\$ -	\$ -	\$ -	-		
Government transfers	623,268	374,306	442,686	-68,380		6
User fees and sales of goods	1,134,697	1,179,009	1,049,199	129,809		
Investment income	-	-	-	-		
Other revenue	-	-	-	-		
	1,757,964	1,553,315	1,491,885	61,429	4.0%	
EXPENSES						
Salaries and wages	2,289,778	2,428,180	2,546,604	118,425		
Contract and general services	323,134	229,231	365,903	136,672		
Goods and supplies	168,667	137,513	181,129	43,615		
Purchases from other governments	2,164,296	2,536,504	2,305,563	-230,941		7
Transfers to local boards	-	-	-	-		
Long term debt interest	82,246	68,696	74,091	5,395		
Other expenses	-	-	-	-		
	5,028,121	5,400,124	5,473,290	73,166	1.4%	
NET REVENUE BEFORE OTHER	(3,270,157)	(3,846,810)	(3,981,405)	134,595	3.5%	
Contributed assets	-	-	-	-		
Contribution of assets to related party	-	-	-	-		
Gain (Loss) on disposal of assets	1,500	-	-	-		
Amortization expense	-	(504,448)	(498,448)	(6,000)		
NET REVENUE	\$ (3,268,657)	\$ (4,351,257)	\$ (4,479,853)	128,595	3.0%	

Notes

- 50% of the Police Grant dollars have been received and the UCP budget has confirmed no reduction in the Municipal Police Assistance Grant.
- RCMP contract expense is 9% higher than budget.



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2019 Q3 Departmental Operating Results

City of Chestermere

Schedule of Segmented Disclosure for Roads, Streets, Walks and Lightings
Period Ending September 30, 2019, with comparative figures for September 30, 2018

Schedule 6

	2018	2019	Budget (Unaudited)	Variance	%	Notes
REVENUE						
Net municipal taxes	\$ -	\$ -	\$ -	-		
Government transfers	821,580	147,669	-	147,669		8
User fees and sales of goods	86,910	159,596	62,549	97,047		9
Investment income	-	-	-	-		
Other revenue	86,166	1,040,113	-	1,040,113		10
	994,656	1,347,378	62,549	1,284,829	95.4%	
EXPENSES						
Salaries and wages	1,606,292	1,506,248	1,545,312	39,064		
Contract and general services	565,260	515,601	598,040	82,439		11
Goods and supplies	594,938	630,860	766,579	135,719		12
Purchases from other governments	-	-	-	-		
Transfers to local boards	-	-	-	-		
Long term debt interest	(4,296)	(4,007)	18,913	22,921		
Other expenses	-	-	-	-		
	2,762,194	2,648,702	2,928,844	280,142	10.6%	
NET REVENUE BEFORE OTHER	(1,767,538)	(1,301,324)	(2,866,295)	1,564,971	120.3%	
Contributed assets	91,287	-	-	-		
Contribution of assets to related party	-	-	-	-		
Gain (Loss) on disposal of assets	(65,715)	-	-	-		
Amortization expense	-	(4,129,812)	(4,135,812)	6,000		
NET REVENUE	\$ (1,741,967)	\$ (5,431,136)	\$ (7,002,107)	1,570,971	28.9%	

Notes

8. MSI Operating and the UCP budget confirmed no reductions to this operating grant.
9. Insurance proceeds.
10. Off-site Levy Revenue for Marina, Chelsea and Dawson Landing.
11. Q4 plans for site upgrades for Common and contracted repair and maintenance for Roads.
12. Seasonality for electricity for Streetlights.



2019 Q3 Departmental Operating Results

City of Chestermere

Schedule of Segmented Disclosure for Environmental Services

Period Ending September 30, 2019, with comparative figures for September 30, 2018

Schedule 6

	2018	2019	Budget (Unaudited)	Variance	%	Notes
REVENUE						
Net municipal taxes	\$ -	\$ -	\$ -	-		
Government transfers	-	-	-	-		
User fees and sales of goods	-	207,108	-	207,108		13
Investment income	-	-	-	-		
Other revenue	-	-	-	-		
	-	207,108	-	207,108	100.0%	
EXPENSES						
Salaries and wages	-	64,851	-	-64,851		14
Contract and general services	-	8,525	-	-8,525		
Goods and supplies	-	23,385	-	-23,385		
Purchases from other governments	-	-	-	-		
Transfers to local boards	-	-	-	-		
Long term debt interest	-	-	-	-		
Other expenses	-	-	-	-		
	-	96,761	-	-96,761	-100.0%	
NET REVENUE BEFORE OTHER	-	110,347	-	110,347	-100.0%	
Contributed assets	-	-	-	-		
Contribution of assets to related party	-	-	-	-		
Gain (Loss) on disposal of assets	-	-	-	-		
Amortization expense	-	-	-	-		
NET REVENUE	\$ -	\$ 110,347	\$ -	110,347	-100.0%	

Notes

13. Revenue from the Utility Transition Agreement starting July 29, 2019.
14. Expenses for delivering the services of Storm Water, Eco Centre and Solid Waste services

Additional Information, at the time of setting the 2019 budget, the outcome was unknown for delivering the services of CUI.



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2019 Q3 Departmental Operating Results

City of Chestermere

Schedule of Segmented Disclosure for Planning and Development
Period Ending September 30, 2019, with comparative figures for September 30, 2018

Schedule 6

	2018	2019	Budget (Unaudited)	Variance	%	Notes
REVENUE						
Net municipal taxes	\$ -	\$ -	\$ -	-		
Government transfers	-	-	-	-		
User fees and sales of goods	603,809	1,018,610	1,589,655	-571,045		15
Investment income	-	-	-	-		
Other revenue	-	-	-	-		
	603,809	1,018,610	1,589,655	-571,045	-56.1%	
EXPENSES						
Salaries and wages	1,384,138	1,470,738	1,772,801	302,064		16
Contract and general services	289,837	474,504	419,195	-55,309		17
Goods and supplies	64,767	138,490	116,188	-22,302		
Purchases from other governments	16,986	19,347	33,750	14,403		
Transfers to local boards	-	-	-	-		
Long term debt interest	-	-	-	-		
Other expenses	-	-	-	-		
	1,755,728	2,103,078	2,341,934	238,856	11.4%	
NET REVENUE BEFORE OTHER	(1,151,920)	(1,084,468)	(752,279)	-332,189	-30.6%	
Contributed assets	-	-	-	-		
Contribution of assets to related party	-	-	-	-		
Gain (Loss) on disposal of assets	-	-	-	-		
Amortization expense	-	-	-	-		
NET REVENUE	\$ (1,151,920)	\$ (1,084,468)	\$ (752,279)	-332,189	-30.6%	

Notes

- Revenue of \$184k from the Infrastructure Transition Agreement. Subdivision fee are 80% lower and Permits for Building, Utility Development and Demolitions are 38% lower than budget.
- Salary and Wages are 17% lower than budget.
- Contracted and General is 13% over budget. Add together the expenses of Salary and Contracted, then they are 11% under budget. Year-end there will be a report on Utility Contracts.

Negative variance will be covered by the CGI Restricted Surplus Account.

CGI and Finance with the short/long range budgeting & growth projections.

2019 Q3 Departmental Operating Results

City of Chestermere

Schedule of Segmented Disclosure for Parks, Recreation & Culture
Period Ending September 30, 2019, with comparative figures for September 30, 2018

Schedule 6

Notes

18. Irrigation water charges and repair work occur in Q4.
19. Library grant is paid annually.

	2018	2019	Budget (Unaudited)	Variance	%	Notes
REVENUE						
Net municipal taxes	\$ -	\$ -	\$ -	-		
Government transfers	-	-	-	-		
User fees and sales of goods	48,176	54,313	56,250	-1,937		
Investment income	-	-	-	-		
Other revenue	-	-	-	-		
	48,176	54,313	56,250	-1,937	-3.6%	
EXPENSES						
Salaries and wages	1,303,115	1,358,587	1,383,715	25,127		
Contract and general services	393,323	411,086	394,114	-16,972		
Goods and supplies	241,227	246,354	421,976	175,621		18
Purchases from other governments	225,000	207,099	202,500	-4,599		
Transfers to local boards	466,699	470,995	355,552	-115,442		19
Long term debt interest	9,815	8,855	16,324	7,469		
Other expenses	-	-	-	-		
	2,639,179	2,702,976	2,774,181	71,204	2.6%	
NET REVENUE BEFORE OTHER	(2,591,003)	(2,648,663)	(2,717,931)	69,268	2.6%	
Contributed assets	5,750	-	-	-		
Contribution of assets to related party	-	-	-	-		
Gain (Loss) on disposal of assets	-	-	-	-		
Amortization expense	-	(691,458)	(691,458)	-		
NET REVENUE	\$ (2,585,253)	\$ (3,340,121)	\$ (3,409,388)	69,268	2.1%	



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2019 Q3 Departmental Operating Results

City of Chestermere

Schedule of Segmented Disclosure for Family and Community Support

Period Ending September 30, 2019, with comparative figures for September 30, 2018

Schedule 6

	2018	2019	Budget (Unaudited)	Variance	%	Notes
REVENUE						
Net municipal taxes	\$ -	\$ -	\$ -	-		
Government transfers	996,222	930,624	783,584	147,040		20
User fees and sales of goods	63,603	98,250	51,053	47,197		
Investment income	-	-	-	-		
Other revenue	-	-	-	-		
	1,059,825	1,028,875	834,637	194,238	18.9%	
EXPENSES						
Salaries and wages	1,037,449	1,088,448	1,066,135	-22,313		21
Contract and general services	289,447	276,935	231,288	-45,647		22
Goods and supplies	49,168	31,599	26,793	-4,806		
Purchases from other governments	-	-	-	0		
Transfers to local boards	155,779	155,451	136,875	-18,576		
Long term debt interest	-	-	-	0		
Other expenses	-	-	-	-		
	1,531,843	1,552,433	1,461,091	-91,342	-5.9%	
NET REVENUE BEFORE OTHER	(472,017)	(523,558)	(626,454)	102,896	19.7%	
Contributed assets	-	-	-	-		
Contribution of assets to related party	-	-	-	-		
Gain (Loss) on disposal of assets	-	-	-	-		
Amortization expense	-	(1,861)	(1,861)	(0)		
NET REVENUE	\$ (472,017)	\$ (525,419)	\$ (628,315)	102,896	19.6%	

Notes

Timing and have self-corrected from Q2 to Q3.

20. Grant Funders tend to pay large first quarter payments and smaller payments for the remaining quarters, variance for Q2 was \$243k.

21. One time exiting costs and \$36k has been absorbed into the actuals since Q2.

22. Annual funding for the Rocky View Regional Handi-Bus and \$50k has been absorbed into the actuals since Q2.

Questions



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Thank You



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