



Committee Report

Report CCR-PCD-21-14

To: Chair Wright and Members of the Planning and Community Development Committee
From: Sharon Vokes and Randy Scherzer
Meeting Date: July 22, 2014
Subject: **Financial Update and Year-End Projection as of May 31, 2014**
Status: Recommendation adopted by Committee as presented per Resolution PCD81-14; Endorsed by County Council August 5, 2014 per Resolution CC115-14;

Recommendation(s)

THAT Report CCR-PCD-21-14 providing a year-end projection and overview of budget to actual for the 2014 financial statements to May 31, 2014, for the Planning and Community Development Committee’s portfolio, be received for information.

Background

2014 Budget as of May 31, 2014

Function	2014 Net Budget	Net Budget based on 5 months	2014 YTD Net Actual	Projected Year-End Surplus/ (Deficit)
Planning - Operating	623,375	259,735	262,589	(7,000)
Planning - Capital	28,000	11,670	3,181	0
Agriculture	137,500	57,290	56,232	0
Forestry - Operating	(45,800)	(19,090)	30,768	0
Trails - Operating	61,275	25,545	1,433	0
Trails - Capital	75,000	31,245	0	0
Tourism	483,810	201,595	174,425	0
Economic Development	300,345	125,145	102,683	0
Grey Roots - Operating	2,012,200	838,460	835,074	(57,000)
Grey Roots - Capital	129,600	54,005	(128,405)	(36,000)
TOTAL	3,805,305	1,585,600	1,337,980	(100,000)

Planning

The Planning Operating and Capital budgets are currently on track when compared to the year-to-date budgeted amount with the exception that the payroll and benefits are projected to exceed the budgeted amount based on the changes made to the grid from the Non Union External Salary Review which came into effect July 1, 2014. It is anticipated that the payroll and benefits will be over budget by approximately \$7,000.

Agriculture

The Agriculture budget is currently on track compared to the year-to-date budgeted amount. Beaver and coyote claims are currently lower than the budgeted amount, although it is too early in the year to predict whether there will be a surplus with respect to these claims at year end.

Forestry

The Forestry budget is currently showing a deficit compared to the year-to-date budgeted amount as a result of the purchase of the Krug Estate property adjacent to the Dornoch Tract. The cost to purchase the property was \$156,295 of which \$100,000 will be funded from the Forestry Reserve with the remaining amount to be funded from any surplus realized in the 2014 General Forestry operating budget or from One Time Funding Reserve if insufficient funds exist. If the \$100,000 from the Forestry Reserve were transferred, the Forestry Budget would currently be sitting at a surplus of \$70,000, however the majority of the expenditures have not occurred to date. It is too early to predict whether or not the Forestry budget will be in a surplus or deficit position, but at this stage the budget appears to be on track. It is projected that the Forestry Revenue targets will be met at year-end

Trails

The Trails Operating and Capital budgets are currently showing a surplus, however the majority of the expenses for the Trails Operating budget will occur later this year. With respect to the Trails Capital projects, detailed engineering design has been prepared by the Transportation Services Department for the Culvert#15 project and the estimate for the project is much less than the budgeted amount and therefore it is anticipated that this project will come in substantially under budget. This project is to be funded from reserves and therefore will not result in any surplus.

The project south of Highway 26 on the rail trail has also been investigated and the original proposal of adding a culvert and possibly paving a section of the trail to prevent

washouts on the trail appears to not be a viable option. At this stage it appears that the best option is to perform some ditch maintenance work directly adjacent to the trail and provide some rip rap treatment within the ditch and near the existing culvert to stabilize the area to limit damage during flood events. This project is also to be funded from reserves and therefore will not contribute to any surplus.

Tourism

The Tourism budget is currently about \$27,000 under budget, with about \$21,000 of this coming from Grey County's Tourism Operating budget, and the remaining \$6,000 from the combined Regional Tourism Marketing Partnership (RTMP), Georgian Bay Partnership and Fall Conference Budgets. Most of this variation can be explained by the uneven nature of marketing and projects within the tourism budget and the timing of invoicing to partners. A significant fall marketing campaign will largely bring the budget back into line and a balanced year-end is expected. Additional payroll costs due to the Non Union External Salary Review are expected to add \$5,000 to the end of 2014.

Economic Development

The Economic Development budget is about \$23,000 under-budget which is a function of three main projects which have been budgeted for but not incurred expenditures to May 31. These include the Economic Development Strategy, Food Safety Regulations project and the Grey County Chef's Forum project. All three projects are well underway and will be incurring expenditures in the next quarter. Grey County did receive RED funding for the Economic Development Strategy which will minimize the amount of funding required from reserve.. It is anticipated that the payroll and benefits will be over budget by approximately \$2,500 due to the Non Union External Salary Review. Staff will endeavor to end the year in a balanced position.

Grey Roots – Operating Budget

The Grey Roots operating budget is on target for the first quarter. Revenue lines are slightly ahead of last year with the exception of the day camp in comparison to last year. Membership sales are a strong indicator of ongoing support for Grey Roots and general admissions to date are going well with the newest summer exhibit and the opening of Moreston heritage village.

The Non Union External Salary Review will impact the operating budget by year end and it is anticipated that the salary and benefit lines will have a shortfall of \$14,661 for 2014.

The cost of the sculpture of Grey Roots' logo is over the approved budget. The complexity of the project expanded on the basis that the costs could be covered by community support through in-kind donations. While community support has been very strong, there is still a net budgetary impact estimated at \$57,000. A full report will be brought forward to the Committee at the August meeting including details and a recommendation for funding.

The capital budget for Grey Roots is currently showing a surplus to the end of May. The reason for this is invoicing for the agriculture exhibit building was not received in May as well as other capital expenditures that will occur later in the year.

The capital budget will be in a deficit position by year end by a projected amount of \$36,000. The cost over-run is a combination of the sawmill project tender coming in over budget and engineering fees.

The following charts illustrate revenue and visitation statistics for 2014 with a comparison to 2013.

Revenue Comparisons to May 31, 2014

	2013 YTD Actual	2014 YTD Actual	2014 YTD Budget	2014 YTD Variance
General Admission	8,450	8,898	9,497	(599)
Educational Group	3,172	3,007	2,794	213
Day Camp	10,755	8,840	8,971	(131)
General Group	1,387	1,215	946	269
Gift Shop Sales	5,401	6,000	5,055	945
Membership Sales	4,640	5,946	4,070	1,876
Room Rentals	779	624	488	136
Cost of Goods Sold (Gift Shop)	(3,654)	(3,443)	(2,746)	(697)
Total	30,930	31,087	29,075	2,012

	2012 Total Visitation	2012 Museum & Archive Visitation	2013 Total Visitation	2013 Museum & Archive Visitation	2014 Total Visitation	2014 Museum & Archive Visitation
January	1,078	421	806	195	521	349
February	1,456	572	1,352	811	1,479	1,592
March	2,312	1,318	2,963	3,025	1,954	1,780
April	2,206	1,205	1,684	771	2,133	1,044
May	2,915	1,643	2,253	1,595	2,267	1,340
Total	9,967	5,159	9,058	6,399	8,354	6,105

Financial / Staffing / Legal / Information Technology

Considerations

There are no staffing, legal or Information Technology considerations related to this report. Periodic reports to the Committee providing a financial analysis of the financial statements ensures that budgets remain on target, or if not, that the Committee is aware early in the process.

Link to Strategic Goals / Priorities

The analysis of current financial statements compared to the approved budget is a key mechanism to facilitate Council's goals of ensuring that financial sustainability and ongoing public accountability are maintained.

Respectfully submitted by,

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