



MEMORANDUM

DATE: August 8, 2019
TO: Council
FROM: Michael Minchin, Director of Corporate Services
SUBJECT: 2019 2nd Quarter - Actual to Budget Expense Report

Attached are the following reports:

1. Actual to Budget Year to Date Expense Report Summary and
2. Actual to Budget Year to Date Expense Report by Department

These reports show results for the 2nd quarter of 2019 as of June 30th. These results reflect operating activities of the County to the midpoint of the fiscal year. However, a significant amount of activity in the County is seasonally dependent. Wage, fuel and consumable expenses will be below the 50% mark as July, August and September will still see significant activity.

The second quarter does reflect the 2019 property tax levy. The levy is in line with the 2019 budget. There remains a level of uncertainty concerning collection of property taxes from oil and gas companies giving the economic uncertainty that remains in the industry. Administration will have a better estimate after the August 31st deadline for payment of taxes. Collection uncertainty will be reflected in higher allowances for uncollectible taxes which will have an impact on the operating surplus for 2019.

Other revenues items of note:

- Although the County expected slower well drilling for 2019, the County's well drilling tax revenue is already double the 2019 estimate. The additional revenue will be transferred to the Community Resource Reserve as per Council direction.
- The Community Aggregate levy is still below forecast. This is a seasonal revenue and revenue is expected to increase significantly in the July, August and September months.
- Interest revenue remains strong. However, Administration has already seen a drop in market rates. Final revenues will be subject to these market fluctuations and final grant balances which also accumulate interest revenue.
- Grant Revenue. The County is awaiting its MSI Operating and Capital allocations for 2019. These amounts are expected after the delivery of the provincial budget on October 22nd. The grant revenue reported to date is related to the project grant for the Sylvan Lake IDP project and 50% of the annual FCSS grant.



- User fees which include everything from weed spraying to water and sewer charges are trending ahead of budget.
- Fines are also ahead of budget.
- Permits and license revenue is lagging budget estimate. Much of this revenue is related to development permits in the planning department and road permits issued through the TRAVIS provincial program in the enforcement department. Both areas trail their budget estimates so far this year (38% of budget estimate).

Expenses to date are at 31% of budget and reflect the seasonality of the County's operations as well as the poor weather encountered in May and June.

Items of note include:

- Wages and benefits are below budget to date, though seasonal staff wages will peak in July and August.
- Fuel is significantly below forecast at 31%. This is due largely to poor weather conditions in May and June which affected operations for the Agriculture and Operations department. The elimination of the carbon tax will also have a positive effect on this budget for the remainder of the year.
- All other supplies and utilities budgets are at or below forecast so far for 2019.
- The school requisition is being paid out based on last year's requisition rate. The County levied school taxes based on a forecast for 2019. As a result, payments are below forecast. Final requisition figures will not be known until the provincial budget is delivered in October.