

INFORMATION NOTE

Title: 2019 Financial Update and 2020 Fee Projections for Regional Water

Date Prepared: October 16, 2019

Report To: Regional Water Committee

Councillor and Role: Councillor Wally Collins

Ward: Not ward specific

Issue: To provide an update of current year budget versus actual expenditures as of September 30, 2019, and to provide the regional municipalities with an estimate of cost for 2020.

Discussion – Background and Current Status:

2019 Financial Update

The attached Regional Water Expenditure Update provides an overview of budget versus actual expenditures as at September 30, 2019.

2020 Projected Cost

The figures presented below are based on estimated 2020 net operating expenditures and flow data as of the date of this memo. Changes in estimates can occur up until the final budget is approved by Council. As the regional water service operates on 100% cost recovery basis, any changes to estimated net operating expenditures may result in revisions to the regional municipalities share.

**Projected 2020 Regional
Water Expenditures** 12,747,808

| | 2020 Projected Consumption | 2020 Share (%) | 2020 Projected Cost (\$) | 2019 Projected Cost (\$) (Dec 11-18) |
|------------------------------|-------------------------------|----------------|-----------------------------|--------------------------------------------|
| St. John's | 8,832,976 | 40.47% | \$ 5,158,548 | \$ 5,084,346 |
| Mount Pearl | 4,462,328 | 20.44% | \$ 2,606,045 | \$ 2,696,067 |
| Conception Bay South | 4,615,288 | 21.14% | \$ 2,695,375 | \$ 2,545,646 |
| Paradise | 3,120,304 | 14.29% | \$ 1,822,289 | \$ 1,769,829 |
| Portugal Cove - St. Philip's | 797,160 | 3.65% | \$ 465,550 | \$ 611,095 |
| | 21,828,056 | 100.00% | \$ 12,747,808 | \$ 12,706,983 |

ST. JOHN'S

Key Considerations/Implications:

1. Budget/Financial Implications:
 - As discussed above.
2. Partners or Other Stakeholders:
 - All regional municipalities.
3. Alignment with Strategic Directions/Adopted Plans:
 - A Sustainable City (Be financially responsible and accountable)
 - An Effective City (Ensure accountability and good governance through transparent and open decision making)
4. Legal or Policy Implications:
5. Privacy Implications:
6. Engagement and Communications Considerations:
7. Human Resource Implications:
8. Procurement Implications:
9. Information Technology Implications:
10. Other Implications:

Conclusion/Next Steps:

Committee to review and discuss report and to advise of any questions, changes, or improvements to the format of the report.

Prepared by/Date:

Reviewed by/Date:

Approved by/Date:

Attachments:

Regional Water Expenditure Update (as at Sept 30-19)

REGIONAL WATER SYSTEM

Schedule of Expenditures

For the Nine Months Ending Monday, September 30, 2019

| | YEARLY BUDGET | Y.T.D. ACTUAL | BUDGET REMAINING | % BUDGET REMAINING |
|-------------------------------------|--------------------------|--------------------------|-----------------------------|-------------------------------|
| Expenditures | | | | |
| Personnel services (Schedule 1) | 1,957,436 | 1,458,150 | 499,286 | 25.51% |
| Contractual services (Schedule 2) | 3,696,918 | 1,831,481 | 1,865,437 | 50.46% |
| Materials and supplies (Schedule 3) | 2,320,472 | 1,182,262 | 1,138,210 | 49.05% |
| Other charges (Schedule 4) | 4,939,455 | 3,160,238 | 1,779,217 | 36.02% |
| | 12,914,281 | 7,632,131 | 5,077,702 | 39.32% |

REGIONAL WATER SYSTEM

Schedule of Expenditures

For the Nine Months Ending Monday, September 30, 2019

| | YEARLY BUDGET | Y.T.D. ACTUAL | BUDGET REMAINING | % BUDGET REMAINING |
|---------------------------|------------------|------------------|---------------------|-----------------------|
| SCHEDULE 1 | | | | |
| Personnel services | | | | |
| Labour regular | 1,516,986 | 1,183,021 | 333,966 | 22.02% |
| Labour overtime | 65,000 | 42,435 | 22,565 | 34.72% |
| Pension & benefits | 375,450 | 232,356 | 143,094 | 38.11% |
| Car and tool allowances | 0 | 339 | (339) | -3386900.00% |
| | 1,957,436 | 1,458,150 | 499,286 | 25.51% |

SCHEDULE 2

| | | | | |
|-----------------------------|------------------|------------------|------------------|---------------|
| Contractual Services | | | | |
| Travelling Expenses | 9,700 | 805 | 8,895 | 91.71% |
| Mileage | 5,400 | 2,145 | 3,255 | 60.27% |
| Telephone | 21,400 | 11,690 | 9,710 | 45.37% |
| Cellular Phones & Pagers | 2,490 | 1,516 | 974 | 39.10% |
| Light & Power | 1,863,070 | 1,208,550 | 654,520 | 35.13% |
| Information Services | 10,000 | - | 10,000 | 100.00% |
| Advertising | 48,700 | - | 48,700 | 100.00% |
| Prof. & Special Services | 344,200 | 64,702 | 279,498 | 81.20% |
| Audit Services | 1,000 | - | 1,000 | 100.00% |
| Administration & Management | 351,122 | 263,341 | 87,781 | 25.00% |
| Maintenance Fee | 19,500 | - | 19,500 | 100.00% |
| Technical Services | 529,200 | 4,757 | 524,443 | 99.10% |
| Engineering Consultants | 100,000 | 20,770 | 79,230 | 79.23% |
| Employee Education Courses | 17,000 | 1,837 | 15,163 | 89.19% |
| Employee Training | 0 | 428 | (428) | -4275600.00% |
| Medical Examinations | 1,900 | 394 | 1,506 | 79.29% |
| Construction Contracts | 4,900 | - | 4,900 | 100.00% |
| Property Insurance | 92,582 | 76,842 | 15,740 | 17.00% |
| Vehicle Insurance | 1,550 | 675 | 875 | 56.43% |
| Memberships | 8,383 | 7,757 | 626 | 7.46% |
| Repairs To Buildings | 9,700 | 652 | 9,048 | 93.28% |
| Repairs To Electrical | 48,700 | 34,558 | 14,142 | 29.04% |
| Repairs To Other Equipment | 34,100 | 36,786 | (2,686) | -7.88% |
| Mtce. Of Alarm Systems | 0 | 225 | (225) | -2252600.00% |
| Maintenance Of Grounds | 8,800 | 186 | 8,614 | 97.89% |
| Fleet Costs | 28,021 | 12,712 | 15,309 | 54.64% |
| Rental Of Other Equipment | 9,700 | 2,437 | 7,263 | 74.88% |
| Rental Of Other Vehicles | 1,000 | - | 1,000 | 100.00% |
| Computer Communication Line | 56,100 | 33,086 | 23,014 | 41.02% |
| Snow Clearing & Ice Control | 68,200 | 44,632 | 23,568 | 34.56% |
| Miscellaneous | 500 | - | 500 | 100.00% |
| | 3,696,918 | 1,831,481 | 1,865,437 | 50.46% |

REGIONAL WATER SYSTEM**Schedule of Expenditures**

For the Nine Months Ending Monday, September 30, 2019

| | YEARLY BUDGET | Y.T.D. ACTUAL | BUDGET REMAINING | % BUDGET REMAINING |
|-------------------------------|--------------------------|--------------------------|-----------------------------|-------------------------------|
| SCHEDULE 3 | | | | |
| Materials and supplies | | | | |
| Tipping Fees | 1,000 | 195 | 805 | 80.49% |
| Lawn & Garden Supplies | 1,500 | 498 | 1,002 | 66.78% |
| Lumber | 900 | - | 900 | 100.00% |
| Polyaluminium Chloride | 589,363 | 315,167 | 274,196 | 46.52% |
| Carbon Dioxide | 515,795 | 206,885 | 308,910 | 59.89% |
| Chlorine | 179,451 | 106,401 | 73,051 | 40.71% |
| Ammonia | 65,000 | 50,956 | 14,044 | 21.61% |
| Lime | 442,662 | 180,941 | 261,721 | 59.12% |
| Paint | 1,500 | 21 | 1,479 | 98.57% |
| Mechanical Repair Parts | 200,000 | 102,165 | 97,835 | 48.92% |
| Diesel Fuel | 150,000 | 103,167 | 46,833 | 31.22% |
| Lubricating Oils | 6,800 | 4,213 | 2,587 | 38.05% |
| Build. Supplies & Hardware | 3,900 | 3,408 | 492 | 12.60% |
| Welding Supplies | 1,000 | 116 | 884 | 88.43% |
| Valves/Boxes/Pipe/Fit./Hyd. | 13,600 | 6,678 | 6,922 | 50.90% |
| Electrical Supplies | 34,100 | 31,886 | 2,214 | 6.49% |
| Safety Equipment | 9,700 | 4,146 | 5,554 | 57.26% |
| Small Equip. Repair Parts | 1,500 | 55 | 1,445 | 96.31% |
| Protect. Cloth. & Uniforms | 19,500 | 11,474 | 8,026 | 41.16% |
| Promotion & Awards | 1,000 | - | 1,000 | 100.00% |
| Toiletries | 3,900 | 2,135 | 1,765 | 45.26% |
| Stationery & Office Suppl. | 4,700 | 3,207 | 1,493 | 31.77% |
| Laboratory Supplies | 73,100 | 48,546 | 24,554 | 33.59% |
| Miscellaneous Materials | 500 | - | 500 | 100.00% |
| | 2,320,472 | 1,182,262 | 1,138,210 | 49.05% |

SCHEDULE 4

| | | | | |
|----------------------------|------------------|------------------|------------------|---------------|
| Other Charges | | | | |
| Other Equipment | 204,448 | 204,448 | 0 | 0.00% |
| Computer Equipment | 6,800 | - | 6,800 | 100.00% |
| Long-Term Debt Charges | 2,772,475 | 2,001,147 | 771,328 | 27.82% |
| Provision For Land Acquis. | 75,000 | - | 75,000 | 100.00% |
| Past Service Cost | 94,221 | - | 94,221 | 100.00% |
| Principal Payments Ltd | 1,386,511 | 954,644 | 431,867 | 31.15% |
| Transfer To Reserves | 400,000 | - | 400,000 | 100.00% |
| | 4,939,455 | 3,160,238 | 1,779,217 | 36.02% |