



## TOWN OF MINTO

DATE: May 12, 2016  
REPORT TO: Mayor and Council  
FROM: Gordon Duff, Treasurer  
SUBJECT: March 31, 2016 Financial Review

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### **STRATEGIC PLAN:**

Manage Town finances in a transparent and fiscally responsible manner using a wide variety of accepted methods such as maintaining healthy reserves, investing conservatively, sensible user fees, property tax control, and responsible borrowing.

### **BACKGROUND:**

The winter was not as severe as in other years, but the damp, icy conditions did present financial challenges. A couple of large vehicle purchases and carry over work in water and sewer projects accounted for the bulk of capital spending in this quarter. No reserve transfers have been entered at this time. Most online payments such as hydro bills have been entered covering the bills paid by March 31<sup>st</sup>. The operating budget shows a positive variance of \$191,107 while the capital budget shows a negative variance of \$218,790.

### **COMMENTS:**

#### **OPERATING**

##### **Admin**

- budgeted reserve transfers have not yet been entered; in general, this makes expenditures seem understated on a YTD basis;
- the first quarter's OMPF payments has been received;
- Council expenses are running slightly over budget trend but should level out following winter/spring conference season;
- total budgeted cash and facility donations are \$43,000 with approximately \$10,584 granted to date;
- the annual insurance premium of \$248,000 has been paid, but not yet allocated to other departments; in 2015 the net figure remaining in administration was just over \$28,000, therefore admin expenses show high in the attached reports, while those of other departments are understated until premium is re-allocated;
- computer maintenance costs are up primarily due to changes in e-mail and records software, while other items are in line;
- other interdepartmental allocations to be made later in the year;

##### **Fire**

- inter-municipal services fees have not yet been received;
- most wages to firefighters have not yet been paid as at March 31, 2016;

- Volunteer firefighter accident insurance has not yet been paid for the year;
- few training activities have occurred to date;
- other expenses on track;

### **People and Property**

- fortunately no major emergency expenses have been incurred to date in this quarter with minimal generator maintenance costs incurred;
- the Conservation Authority levies have been paid and this leads to the usual up front YTD variance;

### **Public Works**

- gravel pit royalties and fees for service are generally not received until later in the year so YTD revenue variances are still yet to be realized;
- overall public works wages are about 14% over budget;
- up until the end of March winter control expenses totaled \$376,385 or 82% of the total annual budget; at this time last year, 85% of the annual budget had been spent; with the lingering winter weather in April (ice storm), this figure will likely rise before final amounts are calculated; some of the additional costs resulted from late payables which relate to 2015 but were allocated to 2016;
- therefore, despite the lack of snow, the winter of 2014-15 has still been expensive for the public works department primarily due to sand and salt costs;
- road loose top and hardtop maintenance expenses are usually not incurred until the summer season;
- equipment & vehicle repairs and fuel & maintenance costs are in line;
- a substantial amount of tree-cutting work was performed this winter compared to what is normal due to another ice storm;
- the work on the Asset Management Road-Map started in this quarter with costs being shared between the primary departments affected;

### **Sewers**

- sewer revenue is running well below forecast as revised rates will not come into effect until later in the year;
- the bulk of the debt payments are not be paid until the last quarter of the year;
- annual reserve transfers which are the largest expense in this department, have not been entered;
- other expenses running close to forecasts;

### **Water**

- as with sewers, water revenue is coming in at sub-cost recovery levels; this should be corrected with the new rate schedule;
- fortunately, other operating expenses have been in line to date;
- the large budgeted reserve transfers have not yet been made;

### Cemeteries

- as expected, cemetery revenue is normally very low during the first quarter;
- expenses are also minimal until warmer weather arrives;

### Recreation

- recreation revenues are running as expected with another busy winter season;
- most hall rentals are usually booked for later in the year;
- overall recreation YTD wages are well below budget as staffing levels are lower until summer staff are hired;
- annual debt servicing costs will be incurred later in the year;
- the Norgan Theatre is on track for another good year, with high attendance for many features and expenses in line;
- other small facilities running as expected;

### Building

- as often happens, the building dept. was slower in January and February but with the beginnings of spring construction season should be quite busy for the rest of the year;
- training and source water plan implementation was the focus of staff in winter months;

### Economic Development

- economic development department busy with Committee meetings and public surveys;
- significant activity in the downtowns and industrial parks also occurred in the first quarter;
- the business incubator coped with changes in tenants and focused on outreach programs;
- most costs inline although large debt servicing payments (land acquisition in Clifford) will not be incurred until late in the year;

### Tourism

- fairly minimal activity in this department during the winter except for planning for Farmers' markets, advertising campaigns and signage projects;

## **CAPITAL**

### Admin

- no incurred during the quarter;

### Fire

- the cost of the aerial tanker which is being brought in from the United States is reflected in this quarter;
- the new radios were also bought which amounted to \$76,000;

### Emergency Measures

- no expenditures as at March 31, 2016;

### **Public Works**

- formula-based OCIF funding of \$131,000 was received – this money is earmarked for work on the 6<sup>th</sup> Line and support of the Asset Management Road Map;
- other than holdback releases and engineering work, very few capital expenditures in the first part of the year;
- Approval of the Ontario Community Infrastructure Fund application will enable work on the Jane & Inkerman reconstruction project to go ahead;

### **Sewers**

- work on the Clifford Ann St installation continued throughout the winter;
- inflow and infiltration work on manholes in Harriston also was incurred;

### **Waterworks**

- the SCADA project work for 2016 is well underway with \$48,000 in costs incurred;
- as with sewers, the Clifford Ann Street project continued to move forward during the winter;

### **Cemeteries**

- no capital purchases during this period;

### **Recreation**

- lighting upgrades have been carried out at all three arenas;
- the Keystone scheduling software package is being implemented for all facilities;
- an auto scrubber for the Clifford Hall has been purchased;
- electrical work at the Harriston Curling Club has been completed;
- signage for the Clifford trail has been purchased;

### **Economic Development**

- minimal capital expenditures during this quarter;

### **FINANCIAL CONSIDERATIONS:**

Budget variances as indicated above will continue to be monitored during the rest of the year.

### **RECOMMENDATION:**

THAT Council receives the Treasurers March 31, 2016 Financial Review report for information only.

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Gordon Duff  
Treasurer