



TOWN OF MINTO

DATE: September 25, 2017
REPORT TO: Mayor and Council
FROM: Gordon Duff, Treasurer
SUBJECT: July 31, 2017 Financial Review

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 construction season is in full swing, despite the wet weather. Many unbudgeted expenses were incurred due to the June 23, 2017 flood. At this time, it is still unclear which expenses will be covered by insurance and if the net amount of uninsured losses will exceed the 3% of annual tax levy (approx. \$150,000) threshold to be eligible for Provincial Disaster funding.

All budgeted reserve transfers have been entered. Annual insurance premiums have been allocated to various departments. There are more debt servicing payments to be paid during the second half of the year. Most online payments such as hydro bills have been entered covering the bills paid by July 31st. The operating budget shows a positive variance of \$112,217 while the capital budget shows a positive variance of \$2,645,128 primarily due to the timing of construction progress payments and receipt of grant funding.

COMMENTS:

Operating Budget Analysis

Admin

- budgeted reserve transfers have been entered;
- the first three quarter's OMPF payments has been received;
- Council expenses should run close to budget by year end following winter/spring conference season;
- total budgeted cash and facility donations are \$47,000 with approximately \$24,600 granted to date;
- the annual insurance premium of \$257,000 has been paid, but allocated to other departments; the net figure remaining in administration was just over \$26,000;
- higher postage rates are being reflected in postage and courier costs;
- tax write-offs were reasonable as at July 31st, however there are many very large appeals under consideration which if approved would greatly exceed the budgeted allocation;
- 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 July 31, 2017;
- Volunteer firefighter accident insurance has been paid and is a bit higher than forecast;
- Palmerston Hall hot water heater was replaced this spring;
- several public education activities have taken place;

People and Property

- expenses relating to the June 23, 2017 flood amounting to \$83,000 were incurred to the end of July;
- the full amount budgeted for flood monitoring expenses has also been spent;
- 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 exceed budget to date, but should be offset with reductions in other areas due to savings from temporary leaves in other areas
- up until the end of March winter control expenses totaled \$478,078, which is basically the total annual budget, so an overage in this area will occur; staff had previously reported about 10% of the annual budget remained in the last quarterly report; this was offset later in the year by a late invoice for sand and salt totaling more than \$50,000
- road loose top and hardtop maintenance expenses are usually not paid for until early fall; Public Works tries to underspend in these areas to help offset expenses in winter control
- equipment & vehicle repairs and fuel & maintenance costs are in line;
- again a substantial amount of tree-cutting work was performed this year compared to what is normal;
- the work on the Asset Management Road-Map project continues per budget;

Sewers

- sewer revenue is running close to targeted amounts;
- the bulk of the debt payments are not be paid until the last quarter of the year;
- annual reserve transfers have been entered;
- other expenses running close to forecasts;

Water

- water revenue has recovered with charges closer to cost recovery;
- reserve transfers have been entered and other operating expenses are in line to date;

Cemeteries

- although cemetery revenue is difficult to forecast, July 31st figures were close to budget;
- groundskeeping expenses are up a bit, due to the wet spring conditions;

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 slightly below budget currently as the pools and day programs are still only partly entered at July 31st; day camp experience high enrolment and should meet or exceed budget
- 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

- again this year, the building activity has exceeded expectations with permits on track so a record year;
- training and source water plan implementation continues;
- other expenses reflect the increase level of activity;

Economic Development

- the full amount of \$10,000 in Wellington County funding was received and the full reserve transfer from Capital has been entered;
- over half of the annual debt servicing payments have been made;
- operations at LaunchIt! have been in line with forecasts;

Tourism

- handcar event at the museum occurred in June;
- farmers' market was about halfway through the season with good attendance;
- community event advertising in both traditional and social media has been stepped up this year;

CAPITAL

Admin

- fairly minimal computer upgrades purchased to date;
- Asset Management Road Map project moving ahead;

Fire

- tanker truck purchase completed in March;
- commercial laundry machine to be shared with Mapleton has been delivered;

Emergency Measures

- flood barricades which cost approximately \$6,700 were purchased in May;

Public Works

- the first intake of Connecting Link funding for \$967,000 was received early in the year;
- formula-based OCIF funding of \$148,000 was received – this money is earmarked for work on sidewalks, catchbasins, and George Street, Harriston;
- a furnace was replaced in the amount of \$7,500 and small equipment totaling \$11,000 was purchased;
- by July 31st, initial payments on design and engineering for the Clifford Connecting Link, George Street and other large projects with the bulk of spending to come;
- \$158,000 of the expected \$645,000 budgeted has been spent;
- bridge inspections at a cost of \$18,000 have been completed;

Sewers

- work on the sewer component of the Asset Management Road Map continues;
- \$19,000 in sewer lining has been completed;
- \$17,000 in blower repairs have been completed at the Harriston lagoon;
- over \$20,000 in engineering and design work incurred on the George street project;
- \$35,000 spent to date on the complete of the Jane and Inkerman sewer work;
- camera work of Clifford ultra rib sewer system showed few major issues so about \$100,000 of \$150,000 allocated budget will not be spent in 2017; Council allocated part to new SCADA system as per July staff report

Waterworks

- repairs to Well #4 in Clifford were completed at a cost of \$8,400;
- as with sewers, the Asset Management Road map component is underway;
- \$58,000 for the waterworks portion of Jane and Inkerman Streets have been paid;

Cemeteries

- a minor amount of design work costs were incurred to date;

Recreation

- portable fencing was received and purchased in the amount of \$5,000;
- dasher boards in the Clifford arena at a cost of \$10,200 have been replaced;
- accessible doors at the Harriston arena were installed, as part of the Ontario Trillium Foundation grant;
- the condenser eliminators purchase and softener repairs at the Harriston arena were completed at a cost of \$9,600;
- various upgrades at the Palmerston arena dressing rooms have been made with \$52,000 spent to date, including doors, flooring and showers;
- repairs and equipment replacements at the Harriston Pool were carried out at a cost of \$12,600 including leak detection, liner repairs, new solar blankets, skimmer and drain valves;

- repairs and landscaping at the Palmerston Pool in the amount of \$14,000 have been made including office upgrades, washroom partitions, retaining wall,
- the backstop at the Harriston diamond in the amount of \$15,000 has been upgraded;
- Palmerston ball upgrades in the amount of \$16,500 have been incurred to date;
- \$2,900 of Clifford playground equipment has been replaced;
- \$38,000 in repairs to the pedestrian bridge damaged by fire, most of which should be covered by insurance;
- \$10,000 in upgrades carried out at the Palmerston Railway Museum;
- = \$5,000 work has been completed at the Lions Den building;

Economic Development

- many residential and industrial land sales have taken place so far this year;
- the lot at the main intersection in downtown Clifford was purchased at a cost of \$44,000;
- engineering work providing options and plans for the Harriston Industrial Park at a cost of \$16,700 was incurred;
- work on entrance signs and streetscapes has begun;
- extra parking spaces at the Harry Stone's lot have been provided;
- engineering and design work at the Palmerston Industrial Park at a cost of \$9,000 has been spent to date;

FINANCIAL CONSIDERATIONS:

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

RECOMMENDATION:

THAT Council receives the Treasurers July 31, 2017 Financial Review report for information only.

Gordon Duff
Treasurer