



TOWN OF MINTO

DATE: September 5, 2018
REPORT TO: Mayor and Council
FROM: Gordon Duff, Treasurer
SUBJECT: July 31, 2018 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 and road maintenance season is in high gear. All budgeted reserve transfers are entered. Annual insurance premiums were allocated to various departments. There more debt servicing payments to be made during the second half of the year. Most online payments such as hydro bills are entered covering the bills paid by July 31st. The operating budget shows a positive variance of \$79,550 while the capital budget shows a positive variance of \$3,599,739. This is primarily due to the timing of construction progress payments, transfers from internal reserves and receipt of grant funding.

COMMENTS:

Operating - Admin

- budgeted reserve transfers have been entered;
- the first three quarters OMPF payments has been received;
- Council expenses are running very close to budget;
- total budgeted cash and facility donations are \$47,000 with approximately \$29,200 granted to date;
- annual insurance premium of \$278,000 paid and allocated to other departments; the net figure remaining in administration was just over \$29,000;
- higher postage rates are being reflected in postage and courier costs;
- tax write-offs were reasonable as at July 31st, however there continue to be a small number of 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, 2018;
- most expenses in line with forecasts;
- several public education activities have taken place;

People and Property

- approximately half of the budgeted expenses under the flood mapping project incurred by July 31, 2017;
- Conservation Authority levies 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 4% under budget to date;
- year to date winter control expenses should be about 67% of total now approaching 90%, some wage re-allocations could reduce year to date by 10%; Salt and sand almost \$30,000 under budget will change depending on billing date as domes are filled in preparation for winter; late April storm cost added 10% to expenses; snow bank removal costs down due to new approach; County snow removal revenue \$9,000 above budget
- equipment & vehicle repairs and fuel & maintenance costs are in line;
- 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

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

Cemeteries

- cemetery revenue difficult to forecast; July 31st figures slightly below budget;
- groundskeeping expenses in line to date; grass cutting contractor committed to improved service

Recreation

- recreation revenues are running as expected with another busy winter season;
- most hall rentals are usually booked for later in the year, although year to date figures are close to budget;
- overall recreation YTD wages are almost right on budget;
- the pools and day programs are still only partly completed at July 31st;
- annual debt servicing costs incurred later in the year;
- Norgan Theatre is on track for another good year, with room rentals and special events adding to the normal admission revenue;

- both adult and children's programming continue to increase in popularity;
- other small facilities running as expected;

Building

- once again this year, the building activity has exceeded expectations with permits on track for a record year;
- staffing inspections has been covered during maternity leave well through cross-training and contracted resources now extended through to September 2019 as the department coped with increased demands for service in planning and building;
- other expenses reflect the increase level of activity

Economic Development

- \$25,000 in Wellington County funding was dedicated to LaunchIt! this year;
- the full reserve transfer from Capital has been entered;
- half of the annual debt servicing payments have been made;
- support for the Clifford Diggin'It project has been ongoing;

Tourism

- handcar event at the museum occurred in June;
- the Palmerston Farmers' Market had another successful season;
- full slate of community activities has been planned for the rest of the year;

Capital-A dmin

- there was only one small flooring upgrade completed by July 31st;
- annual computer replacements and network connectivity enhancements to do;

Fire

- pumper truck chassis, thermal camera and protective gear purchased to date;

Emergency Measures

- no capital expenditures budgeted for 2018:

Public Works

- Connecting Link funding of \$493,833 was received early in the year;
- formula-based OCIF funding of \$210,137 and \$132,733 in Federal Gas Tax funding also in place;
- \$1,250,000 in long term debt proceeds entered as well as budgeted reserve transfers;
- to date \$935,526 spent on the Clifford Elora Street Connecting Link project with +-\$3 million to come; major over-expenditures not expected as project heads to completion
- \$216,934 spent on George Street South in Harriston;

- Harriston Legion parking lot paving completed for \$37,000;
- other projects include pedestrian crossovers at \$31,324; James Street Palmerston paving for \$50,536; beginning 12th Line upgrades for \$25,569;
- -portable speed signs purchased for \$11,000;

Sewers

- capital revenue includes long term debt proceeds of \$350,000 and internal reserve transfers;
- \$219,000 in Harriston lift station and plant upgrades completed to date;
- \$113,000 in camera work to better assess the condition of infrastructure spent;
- other smaller projects in progress;

Waterworks

- \$148,825 in Clean Water Wastewater funding received for George Street Harriston project as well as internal reserve transfers completed;
- work on Clifford Elora Street and Ann Street just underway at July 31st;
- \$56,600 in well and pumphouse upgrades at Minto Pines spent to date;

Cemeteries

- Consultant submitted preliminary layout and information for staff review in August; future expenditures will be well within budget depending on public meeting approach for cemetery cremated remains options;

Recreation and Facilities

- budgeted reserve transfers entered;
- Clifford arena compressor expenditures of \$46,000 spent to date;
- arena flooring at the Palmerston Arena replaced at a cost of \$13,000;
- \$7,500 of the budgeted \$100,000 for Harriston Pool upgrades paid to date;
- the electronic sign at the Norgan theatre installed at a cost of \$11,000, which will be entirely financed through reserves;
- the final portion of the old Clifford Ball Diamond sold for \$80,000; \$36,000 payment for servicing invoiced for April 2019 payment by Schwindt & Sons
- expenditures on spectator area Clifford Ball Diamond totaled \$27,000 to date;
- clean-up and improvements to the park adjoining the Harriston Community Complex at a cost of \$16,000 paid;
- railway museum \$8,600 purchased to date;

Economic Development

- posted revenue includes \$400,000 in long term debt proceeds for the Clifford Connecting Link streetscape components, Main Street Revitalization funding of \$45,000 and sale of Clifford Ann Street lots for \$45,900;
- some engineering and design work on industrial park upgrades and small streetscape purchases incurred;

FINANCIAL CONSIDERATIONS:

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

RECOMMENDATION:

THAT Council receives as information the Treasurers July 31, 2018 Financial Review report.

Gordon Duff
Treasurer