



Staff Report

Finance – Budgets & Accounting

Report To: Committee of the Whole Meeting
Meeting Date: August 30, 2022
Report Number: FAF.22.121
Title: Financial Update – June and July 2022
Prepared by: Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

A. Recommendations

THAT Council receive Staff Report FAF.22.121, entitled “Financial Update - June and July 2022” for information purposes.

B. Overview

This report outlines the Town’s unaudited financial activities as of July 31, 2022.

C. Background

Staff are bringing this report forward to give Council and the Public a snapshot of the Town’s financial activity up to July 31, 2022.

D. Analysis

As per Council direction the financial update reports are moving to an exception-based report focusing on expenses and revenues that are forecasting +/-10% of budget. In addition to the exception-based reporting staff have kept some of the charts with some of the more major financial indicators, this includes Development Charges, COVID-19 impacts, and contracts awarded through purchasing.

Staff have included forecasting graphs for the revenues and expenses that are expected to end the year +/-10% of budget. These graphs give an estimate of where that revenue stream or expense will end the year.

Additional information has been given regarding the large-scale projects, \$1M and up. The chart looks to compare the approved budget against the current construction estimate, whether it be 30%, 60%, or 90% depending on the stage of the engineering.

Tax Supported Services

Staff are continuing to report that vehicle expenses (mostly fuel) are expected to end the year over-budget, this is due to the sharp increase of both gasoline and diesel. Staff have included a

graph for Salaries and Benefits, as it is the Town's largest expense, currently the Town is forecasting to end the year at 90% of budget.

Staff are monitoring other expense lines, such as Garbage and Recycling/Organics collections but these expenses are forecasting on budget.

Water and Wastewater Operations

Water and Wastewater are operating in a similar fashion to taxation with vehicles expenses forecasting over budget and salaries and benefits forecasting under-budget.

User Fee Supported Operations (Building and Harbour)

As included in the revenue graphs the Building division is forecasting over-budget for building permit revenues, however it is forecasting below 2021 levels. Staff are still forecasting a year-end surplus for the Building division.

The Harbour is operating on budget up to the end of July and is forecasting to finish 2022 on budget for both expenses and revenues.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders.

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

None.

G. Financial Impacts

Included in the charts attached to this report.

H. In Consultation With

Serena Wilgress, Manager of Purchasing and Risk Management
Amy Moore, Manager of Revenue

Brent Rolufs, Manager of Capital Projects
Heather McFarlane, Budget Analyst
Brenna Agnew, Account Analyst

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets at finance@thebluemountains.ca.

J. Attached

1. Financial Update Charts and Graphs

Respectfully submitted,

Sam Dinsmore
Deputy Treasurer/Manager of Accounting & Budgets

Ruth Prince
Director Finance & Information Technology Services

For more information, please contact:
Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets
finance@thebluemountains.ca
519-599-3131 extension 274

2022 Development Charges Collected

Month	2022 Monthly Actuals	2021 Monthly Actuals
January	\$ 550,215	\$ 109,765
February	\$ 130,312	\$ 237,728
March	\$ 595,361	\$ 823,462
April	\$ 16,580	\$ 685,324
May	\$ 83,761	\$ 397,303
June	\$ 148,221	\$ 521,566
July	\$ 422,573	\$ 2,234,121
August	\$	\$ 296,670
September	\$	\$ 546,815
October	\$	\$ 572,848
November	\$	\$ 2,570,708
December	\$	\$ 183,065
Total	\$ 1,947,023	\$ 9,179,375

Reserve Fund	Reserve Fund Balance	YE Forecasted Balance
General Government	\$ 196,423	(\$ 187,374)
Fire	\$ 960,336	\$ 652,520
Police	\$ 57,808	\$ 56,688
Parking & By-Law	(\$ 42,361)	(\$ 177,430)
Public Works	\$ 1,576,018	\$ 1,763,745
Roads and Related	\$ 11,368,346	\$ 6,886,484
Solid Waste	\$ 193,028	\$ 244,045
Parks and Recreation	\$ 3,427,231	\$ 3,094,788
Library	\$ 2,358,970	\$ 2,671,374
Water	\$ 9,050,856	(\$ 406,410)
Wastewater	\$ 5,232,752	(\$ 14,497,699)
Total	\$ 34,379,407	\$ 100,731

Estimated from the DC Background Study	\$ 8,556,051
2022 Year to Date Actual	\$ 1,947,023
2021 Year to Date Actual	\$ 5,009,269
Percent of Estimate	22.8%

- Development Charges are trending below 2021 and below the estimate from the Background Study
- Staff are expecting a number of agreements to be signed by year-end which should bring DC collections up to the estimates

2022 Covid 19 Expenses

	June - July	YTD Cost
Expenses		
Salaries and Benefits	\$ 3,611	\$ 17,915
Operating Expenses	\$ -	\$ 72
Communications	\$ -	\$ 225
Purchased Services	\$ -	\$ -
Health and Safety	\$ -	\$ 1,284
Personnel	\$ -	\$ -
Vehicle Expenses	\$ -	\$ 5,843
Community Grants	\$ -	\$ 6,000
Total Expenses	\$ 3,611	\$ 31,339
Transfers		
Inter-functional Transfers	\$ -	\$ 13,179
Total Transfers	\$ -	\$ 13,179
Lost Revenues		
BVCC	\$ -	\$ 4,325
Small Halls	\$ -	\$ 750
Penalty and Interest	\$ -	\$ 0
Total Lost Revenue	\$ -	\$ 5,075
Total Transfers, Expenses and Lost Revenue	\$ 3,611	\$ 49,593

The above charts summarize the Town's 2022 expenses, revenues and lost revenues related to Covid-19 to date. Additional details regarding these figures are noted on the following page.

Expenses

Salaries and Benefits expenses include By-law and BVCC staff that have been specifically hired due to Covid-19. Operating expenses consist of no-parking signs, related hardware and privy rentals.

Health and Safety Expenses are made up of purchases of hand sanitizer, face masks, gloves, and sanitizing wipes and Purchased Services is made up of video development, shop local campaign expenses, Apple Pie Trail promotions, and some winter trail grooming expenses.

Vehicle Expenses includes fuel for the additional vehicles that the Town has leased for the By-law Department due to Covid-19, as well as expenses for the Georgian Trail Grooming, such as fuel.

Community Grants are grants distributed to community organizations to help with relief due to the pandemic from the Donations that were received from the community.

Transfers

Inter-functional Transfers includes any staff time committed to Covid-19 tasks. This is not an additional expense item, but staff time that has already been included in the 2021 Proposed Budget.

Staff Salaries and Benefits for additional hires related to Covid-19 are reported in the Salaries and Benefits category and are not included here.

Lost Revenue

Due to the provincial shutdowns in January 2022, the Town saw some lost revenues. The Beaver Valley Community Centre and Small Halls (Craigleith Community Centre and Ravenna Hall) were affected by the shutdowns.

Bid Awards and Contract Extensions

June and July 2022 Contract Extensions over \$25,000

Contract for:	Vendor/Proponent	Amount
2020-16-P-ADM Agenda Management Software	eScribe Software Ltd	\$28,839
2016-19-P-COR ESRI 3-Year Extension	ESRI Canada	\$86,410

June and July 2022 Bid Awards over \$25,000

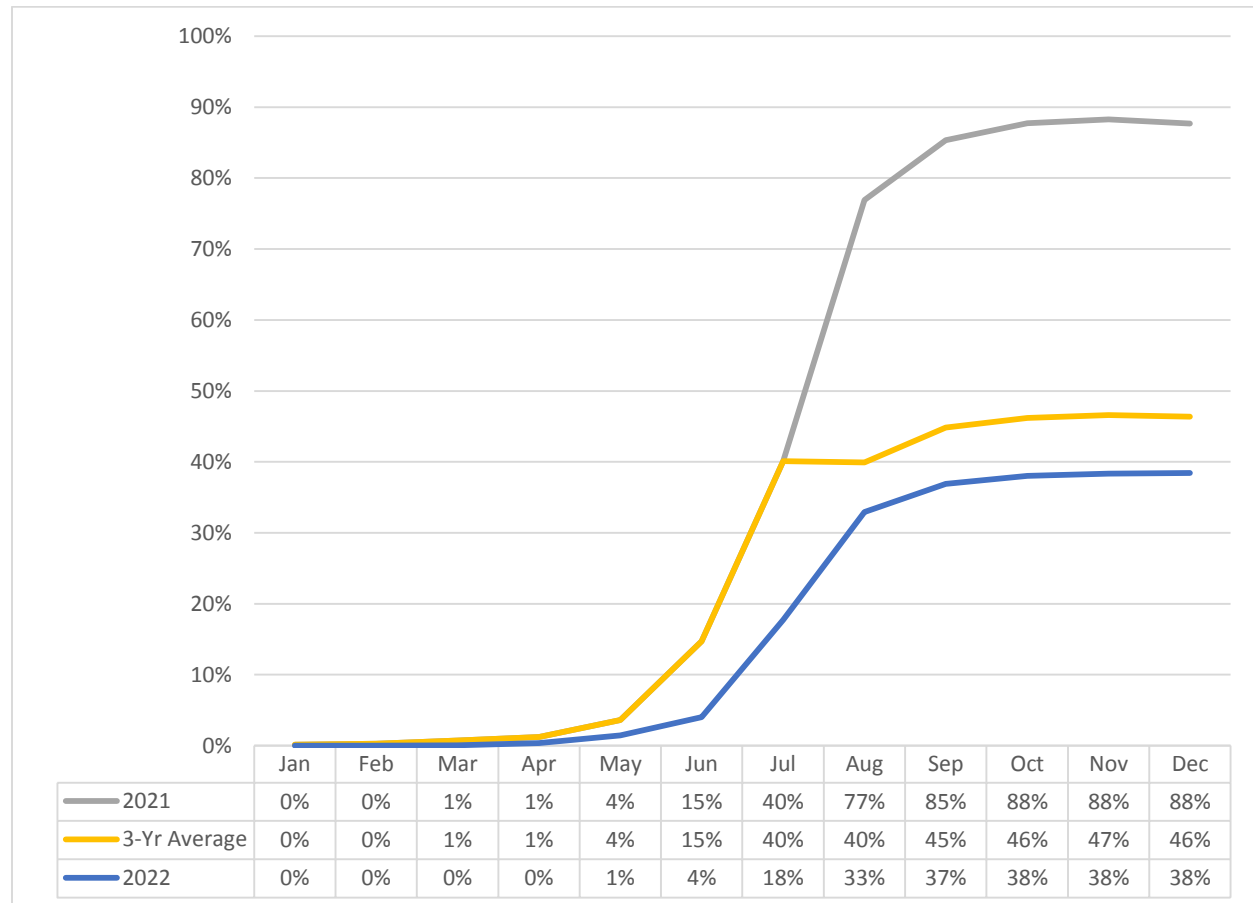
Contract for:	Vendor/Proponent	Amount
2022-01-P-OPS Engineering Services for Peel Street North Area Reconstruction	MTE Consultants	\$380,000
2022-73-T-FIT Craighleith Heritage Depot Exterior Renovations	Quinlan Construction Limited	\$246,000
2022-55-T-OPS Tree Clearing Services	Arbtech Ltd.	\$30,000
2022-58-P-OPS Engineering Services for Lakewood Drive Reconstruction	Tatham Engineering	\$425,000
2022-23-N-FIT Fire 1, 2 & Town Hall Lighting	Conrad Lighting Solutions/ LAS	\$30,100
2022-79-T-ADM Rainbow Pride Crosswalks	Upper Canada Road Services Inc.	\$37,500
2022-35-P-FIT Annual Financial Audit	KPMG LLP	\$88,700
2022-62-T-OPS Valve Replacement Program	Wellington Construction Contractors Inc.	\$239,000
2022-24-Q-OPS Water Loss Control Gap Assessment	E Source	\$27,000

Contract for:	Vendor/Proponent	Amount
2022-77-T-FIT Window Replacement at the L. E. Shore Memorial Library	Danval Construction	\$131,500
2022-26-N-OPS EV Charging Stations	Flo Inc	\$123,266
2022-11-P-FIT Engineering Services for the Replacement of the BVCC Parking Lot	Tatham Engineering	\$106,000

Exception Report -Revenues

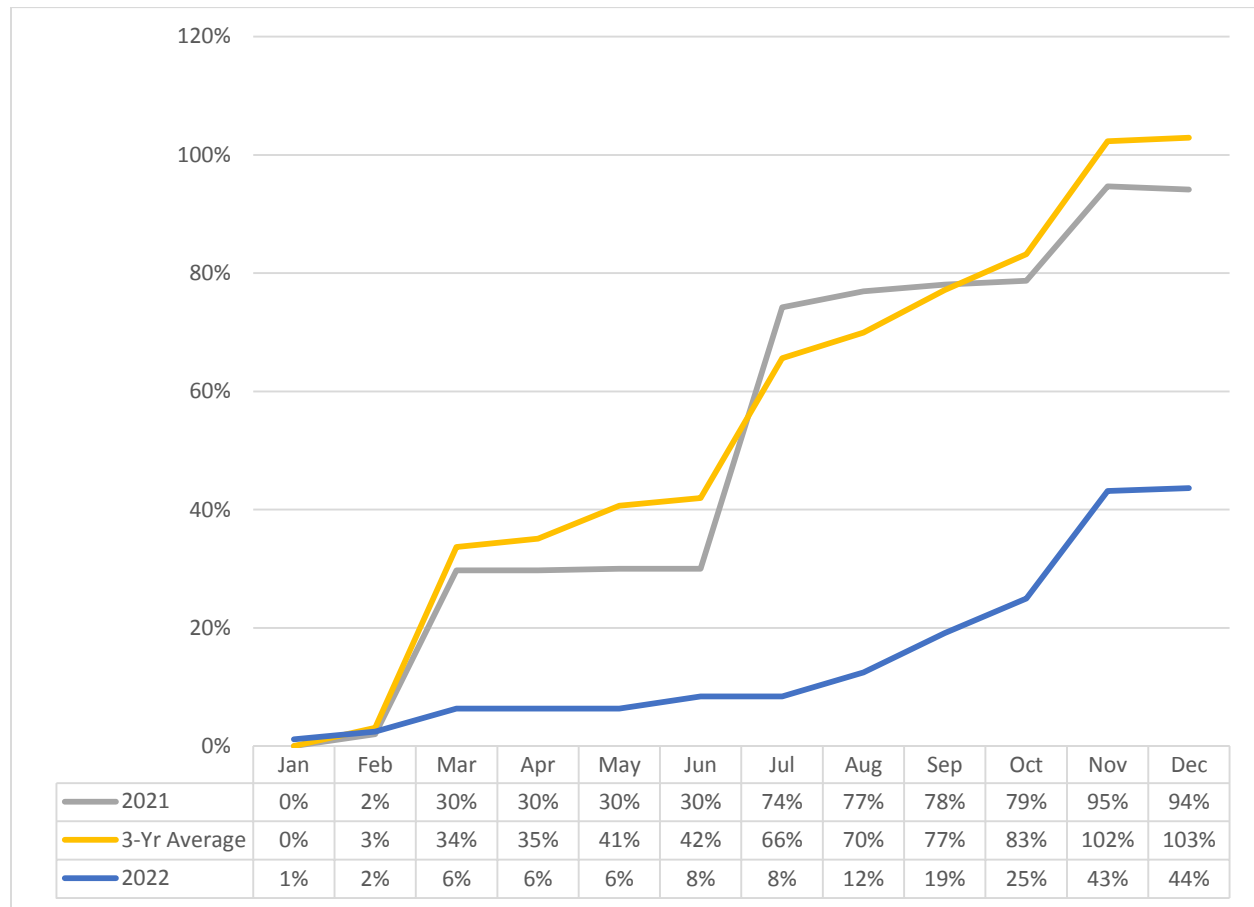
These graphs look at revenue streams over \$100,000 that are forecasting +/-10% of budget.

Paid Parking – 2022 Budget of \$600,000



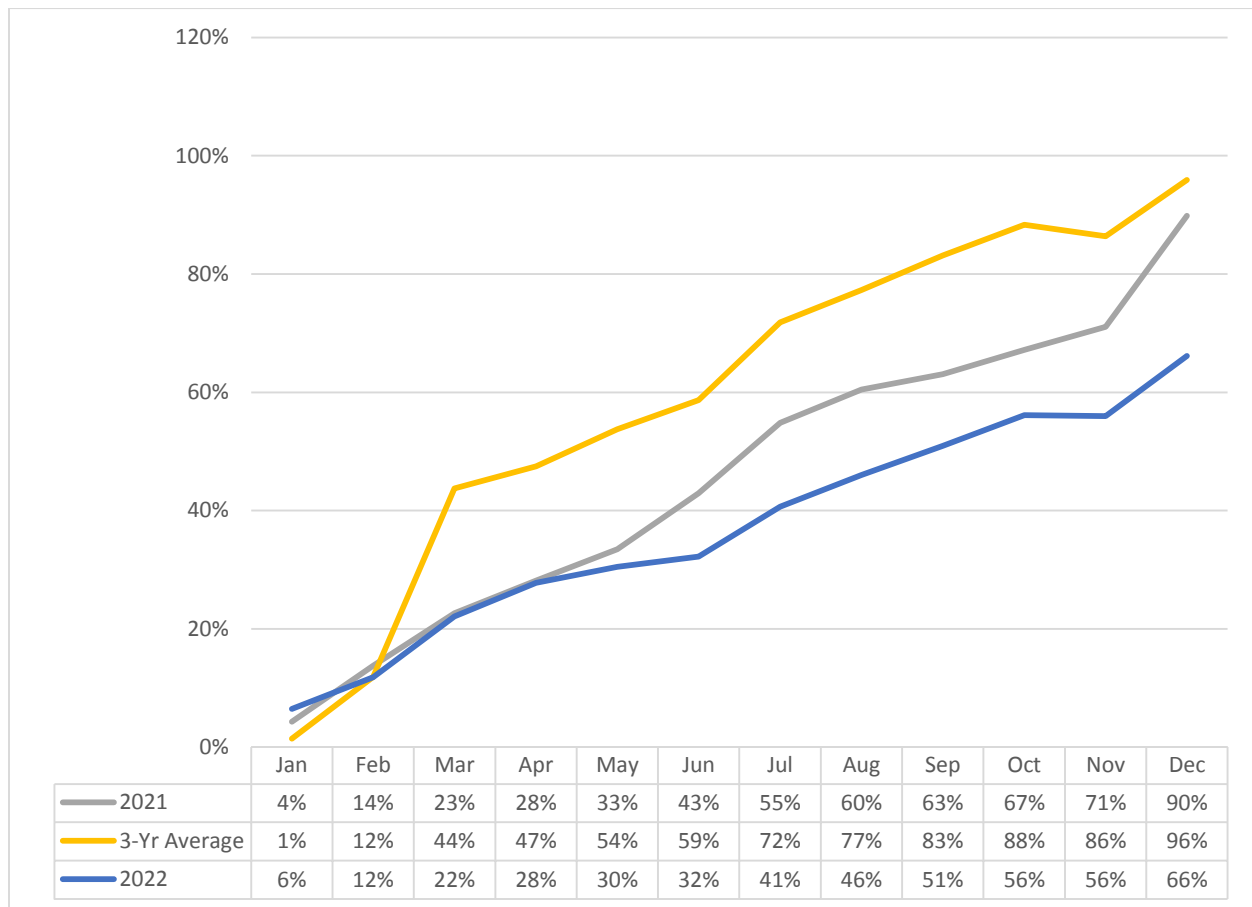
- Seeing fewer transactions than 2021, however July 2022 was the highest grossing revenue month since the program started
- More options for tourists, international travel, than previous years due to COVID-19 restrictions being lifted
- Staff are bringing a Parking Strategy to Council through the 2023 Budget

Development Engineering Application Revenues - 2022 Budget of \$1,192,994



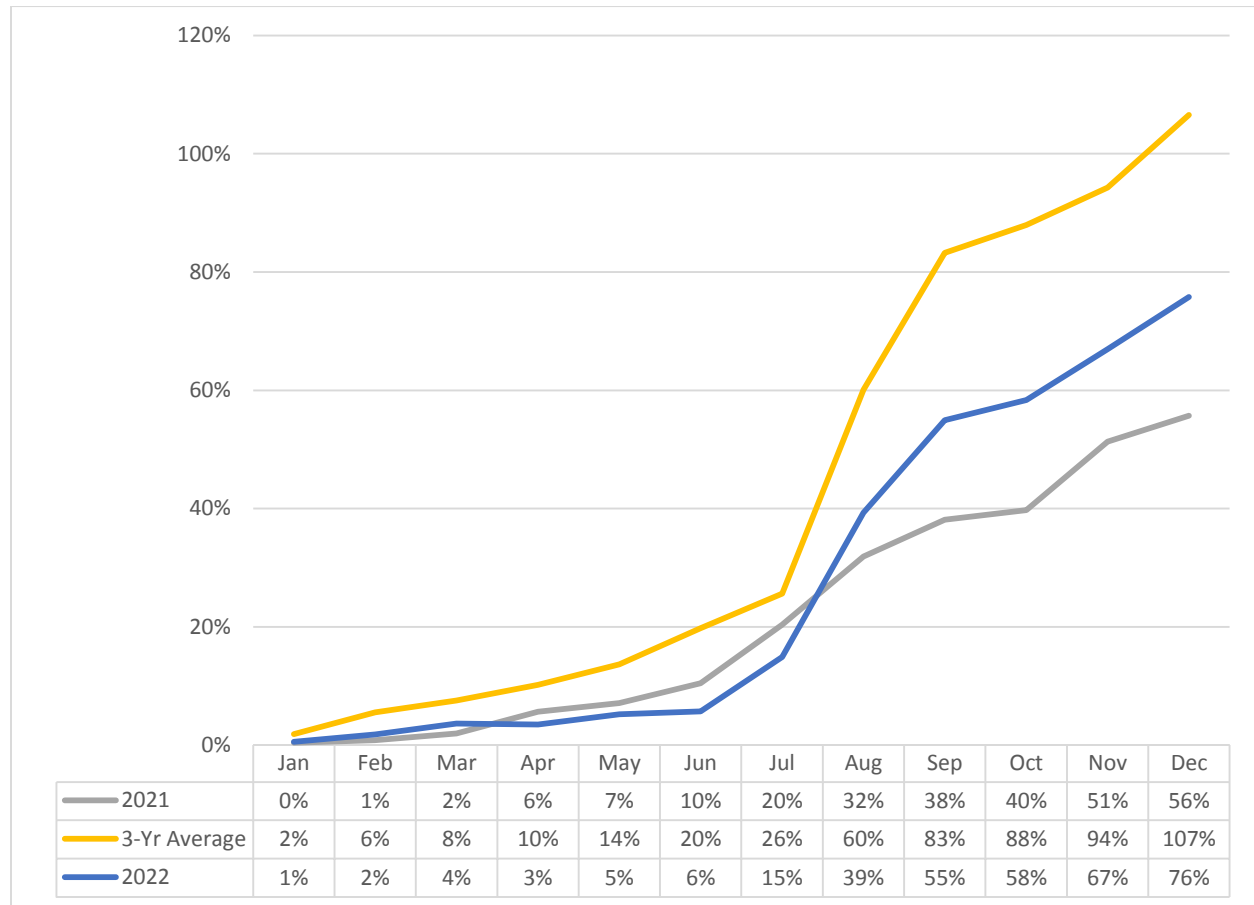
- Revenues have seen a slow down as interest rates are being to increase
- The Town does have a reserve to help offset any deficit seen by the division at year-end

By-law Fines - 2022 Budget of \$372,000



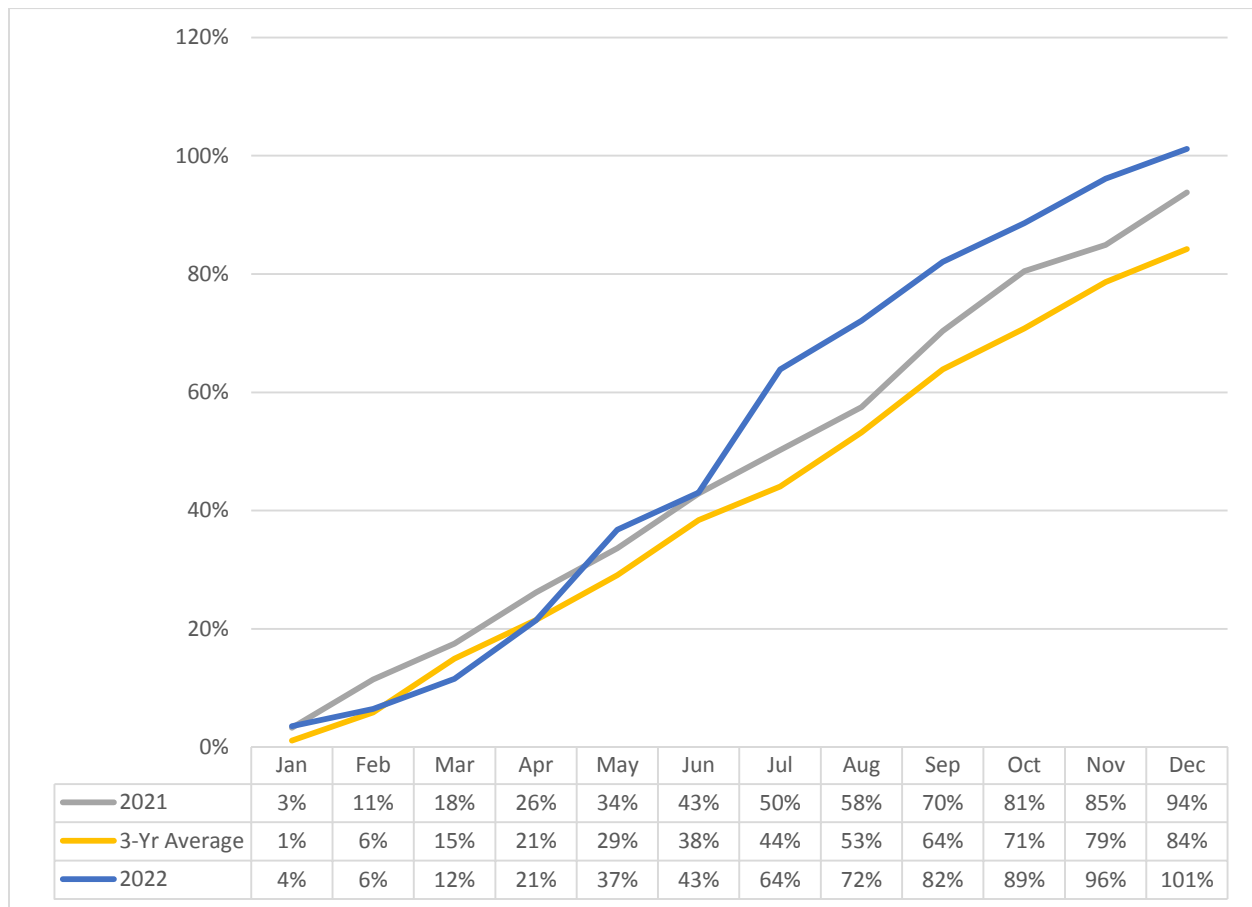
- Forecasted 76 AMP infractions (2022 Budget), bill 79 by the end of July
- Issued fewer parking tickets as compared to 2021 due to fewer staff numbers, however July was the highest number of parking tickets in the past 4 years

Fire Fees and Charges - 2022 Budget of \$191,850



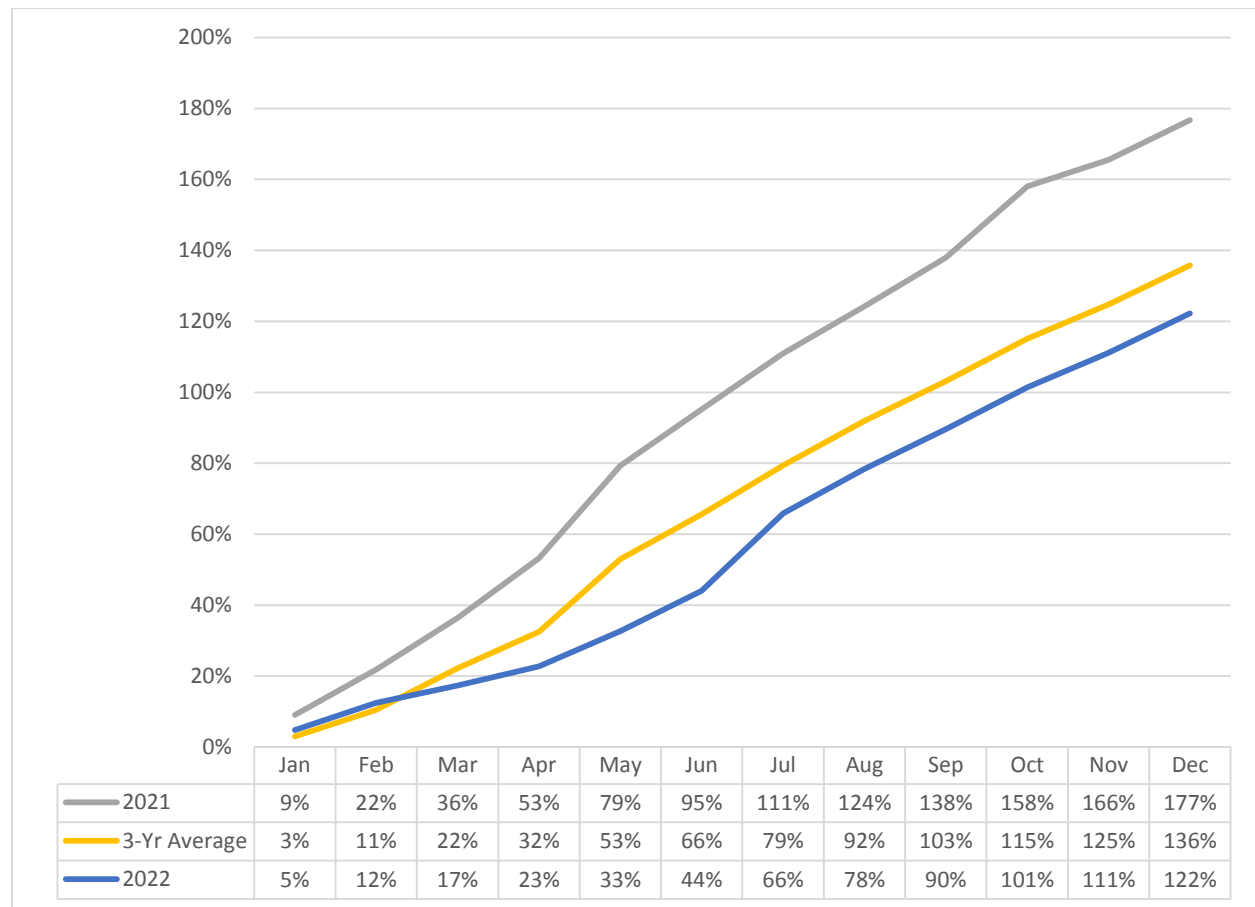
- Only one structure fire to date, staff are working through the Fire Marque process

Landfill Tipping Fees - 2022 Budget of \$448,000

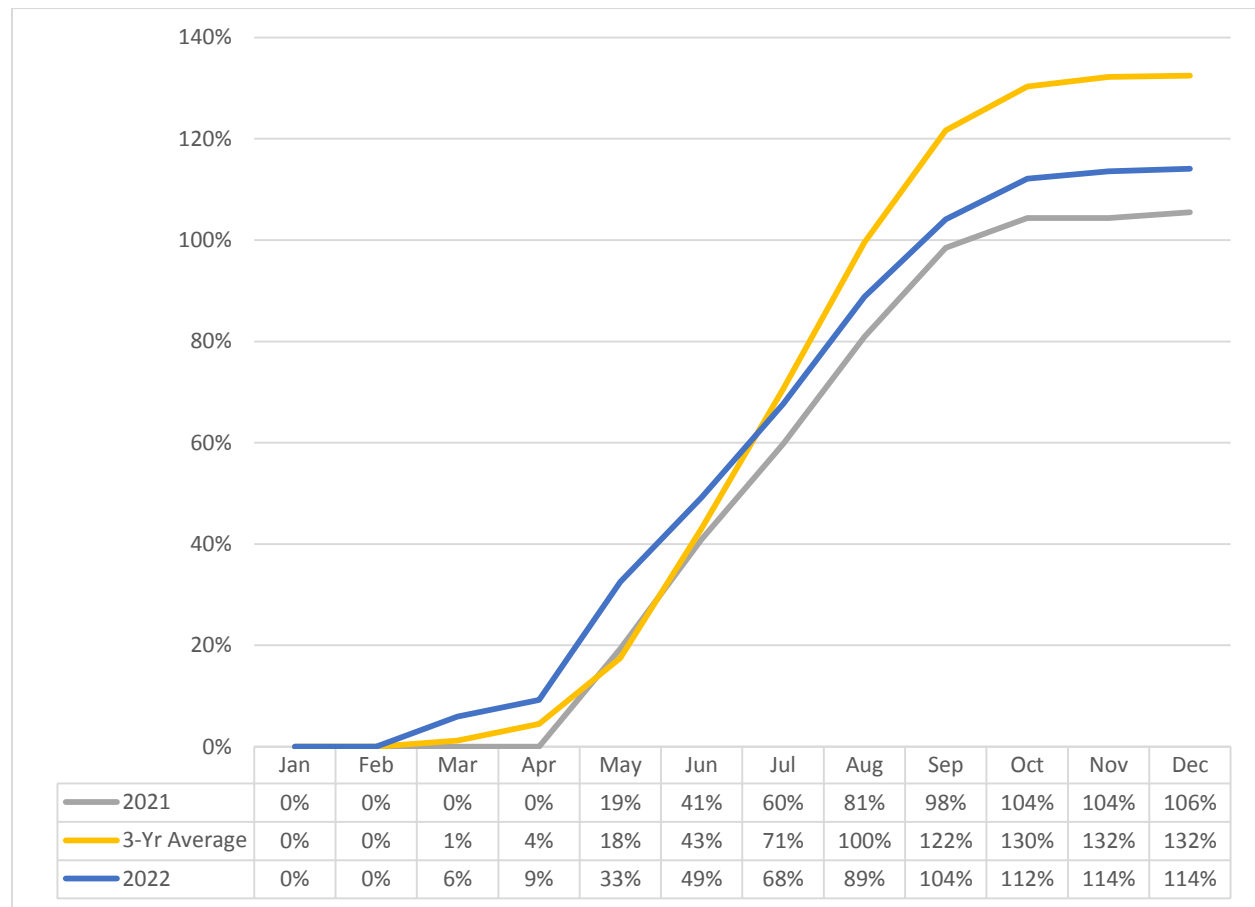


- Landfill is now trending to meet budgeted revenues by year-end

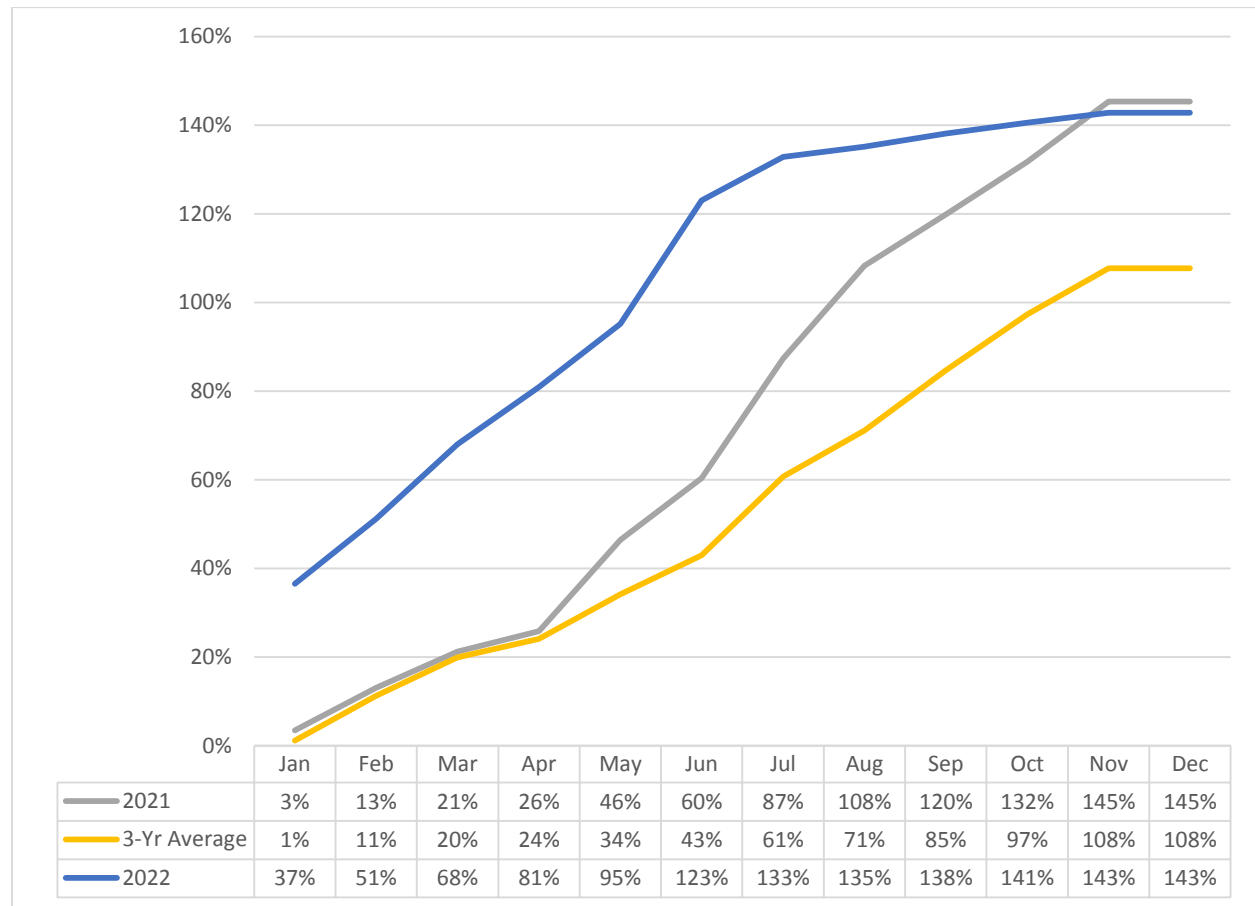
Building Permits - 2022 Budget of \$1,075,606



Tomahawk Greens Fees - 2022 Budget of \$168,133



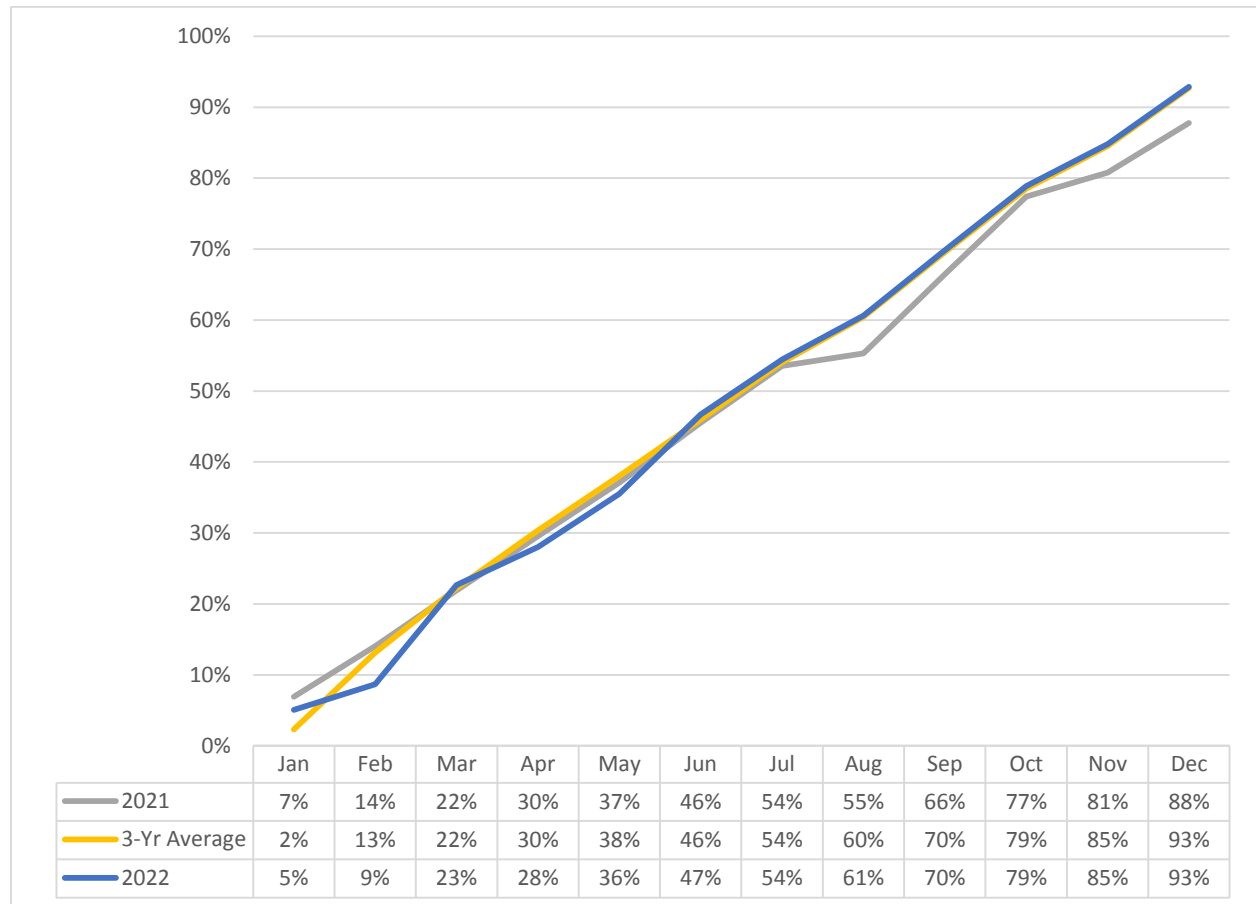
Licensing Revenues - 2022 Budget of \$370,042



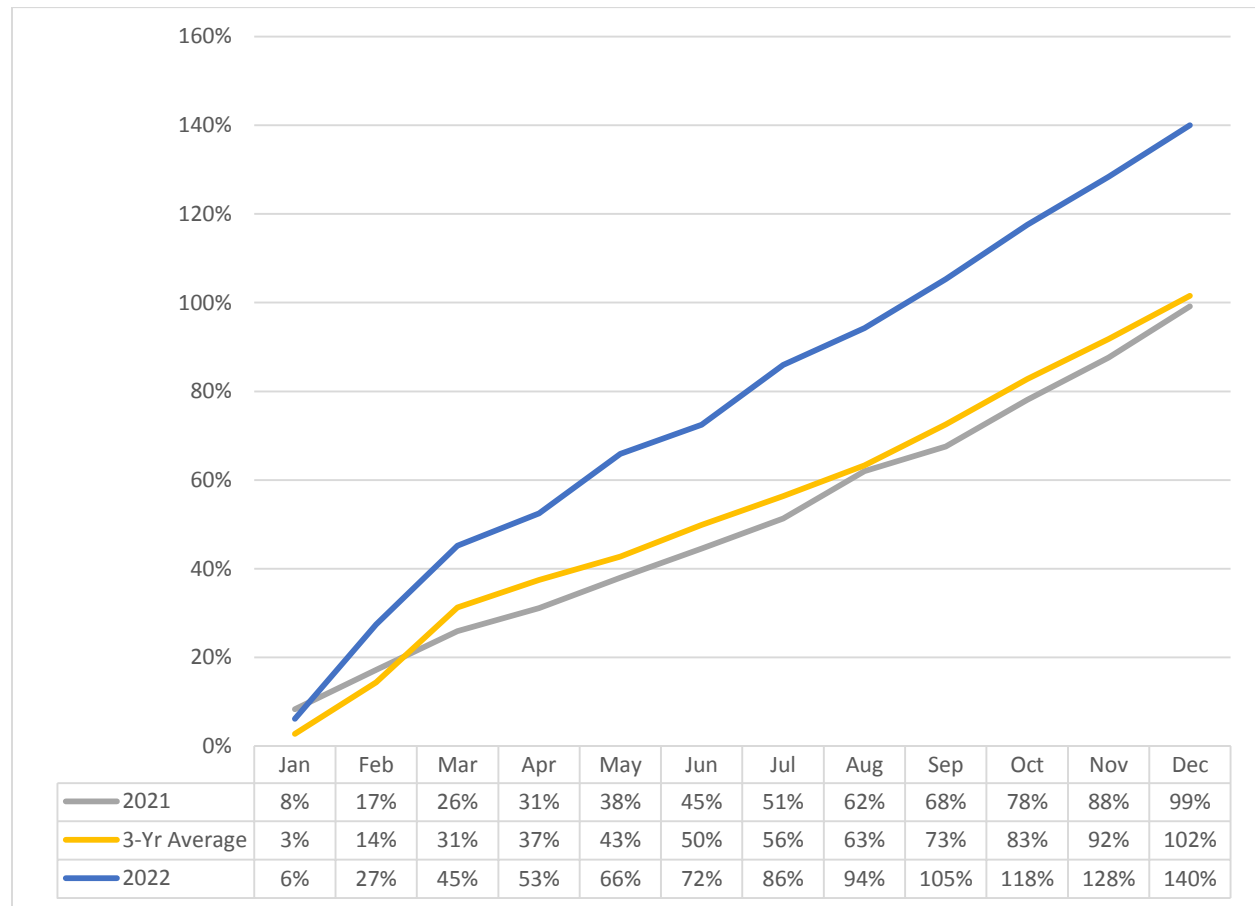
Exception Report -Expenses

These graphs look at the Expenses over \$100,000 that are forecasting +/-10% of budget. Although tracking within +/-10% of the budget staff have included Salaries and Benefits as well as this is the Town's largest expense.

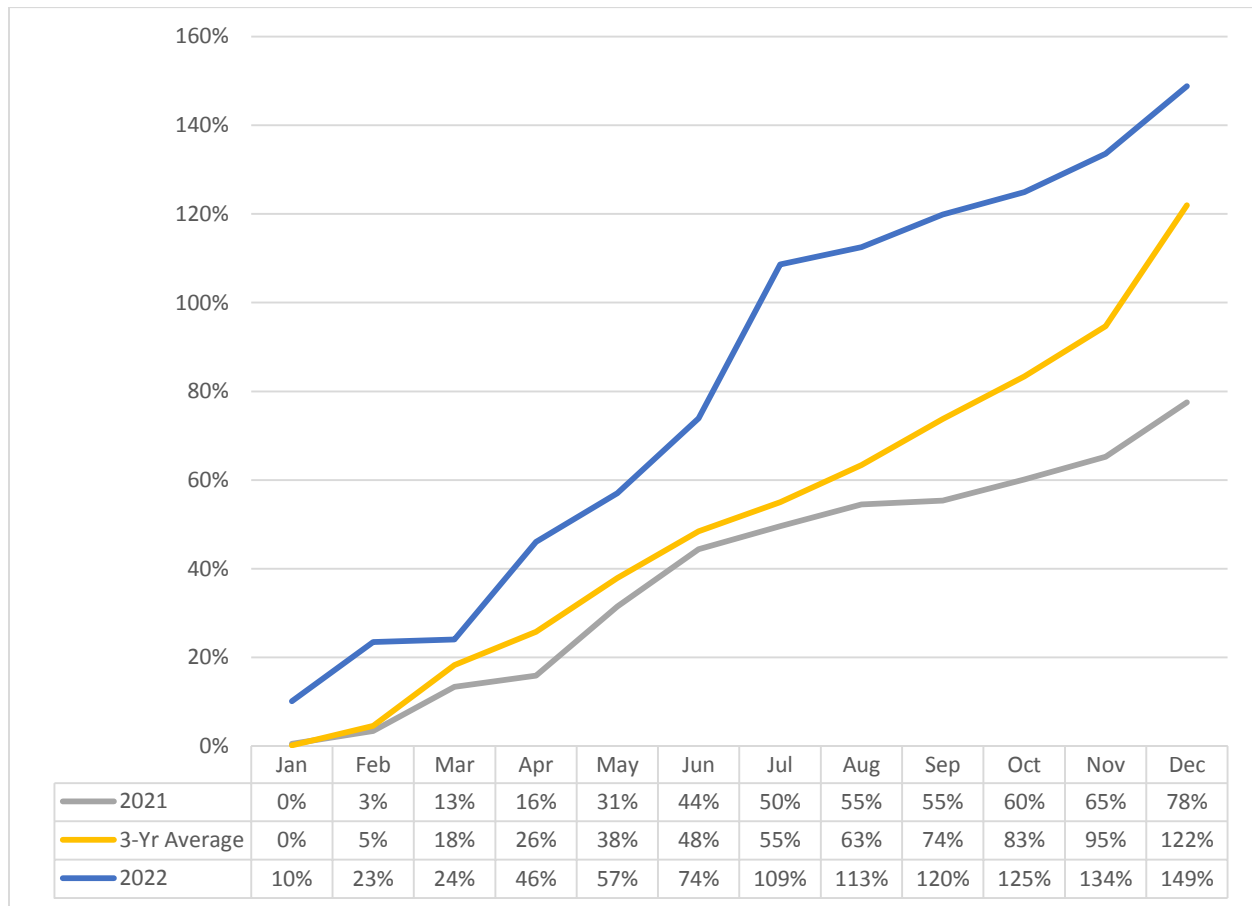
Salaries and Benefits - 2022 Budget of \$17,229,670



Vehicle Expenses - 2022 Budget of \$456,830



Legal Expenses - 2022 Budget of \$230,260



- cost overruns are being driven by Legal costs associated with Ontario Land Tribunal (OLT) matters, currently sitting at 147% of the budget for 2022
- Resolved 3 hearings in 2022 to date with 5 still in process

Major Capital Projects

Working with the Operations Department staff have included additional information around the large-scale capital projects. The chart has been split into six sections:

- 1) Budget Stage – this is the preliminary stage of a project which has an approved budget (+/-50% accuracy)
- 2) 30% Design – the project is in early stages of engineering which has an estimate of construction (+/-35% accuracy)
- 3) 60% Design – the project is past the mid-point and have a more accurate estimate of construction (+/-25% accuracy)
- 4) 90% Design – the engineering portion is nearing completion and a tender package is being prepared (+/-10% accuracy)
- 5) Construction – the construction contract has been awarded
- 6) On Hold – the project has been put on hold

	Project	Spent to Date	Committed	Estimated Cost to Complete	Budget	Variance
	Budget Stage					
1.	Mountain Drive BPS	\$4,841	\$0	\$1,000,000	\$1,000,000	(\$4,841)
2.	CWWTP Blower Replacement	\$135,974	\$25,277	\$1,740,000	\$1,900,000	(\$1,251)
3.	Craigleith and Mill SPS and Forcemain	\$0	\$0	\$14,110,000	\$2,000,000	(\$12,110,000)
4.	Timmons Easement Lining	\$0	\$0	\$2,005,000	\$2,005,000	\$0
5.	Lakewood Drive Reconstruction	\$6,470	\$432,480	\$3,200,000	\$3,770,000	\$131,050
6.	Servicing 125 Peel Street	\$0	\$0	\$11,500,000	\$11,500,000	\$0
	30% Design					
7.	Water Tower Renovations	\$40,058	\$0	\$1,775,000	\$1,527,500	(\$287,558)

	Project	Spent to Date	Committed	Estimated Cost to Complete	Budget	Variance
8.	10 th Line Reservoir	\$88,694	\$0	\$3,930,000	\$3,381,900	(\$636,794)
9.	Twin Watermains	\$87,791	\$0	\$3,890,000	\$3,347,500	(\$630,291)
10.	Camperdown Pump Upgrades	\$15,008	\$0	\$665,000	\$572,300	(\$107,708)
11.	Peel Street Reconstruction	\$118,744	\$388,395	\$2,279,536	\$2,702,000	(\$84,674)
60% Design						
12.	Substandard Watermain Replacement	\$1,523,895	\$56,757	\$3,600,000	\$5,213,400	\$32,748
13.	TWWTP Expansion	\$987,628	\$2,905,708	\$18,606,664	\$22,500,000	\$0
90% Design						
14.	Tyrolean Lane Wastewater Servicing and Watermain Works	\$174,114	\$67,343	\$2,304,817	\$2,273,500	(\$272,774)
15.	Thornbury West Road Improvement Phase 1B	\$302,819	\$422,701	\$5,629,700	\$5,629,700	(\$725,520)
Construction						
16.	Arthur Street West Parking Lot	\$467,724	\$305,720	\$0	\$791,000	\$17,557
17.	Water Pressure Zone 4C Works	\$2,012,049	\$133,384	\$0	\$2,121,200	(\$24,233)

	Project	Spent to Date	Committed	Estimated Cost to Complete	Budget	Variance
18.	Bridge #2 and #3 Replacement	\$103,314	\$2,058,457	\$0	\$2,210,000	\$48,229
19.	Price's Development Wastewater Servicing and Drainage	\$2,126,406	\$262,971	\$0	\$2,564,600	\$175,223
20.	Birch View Trail Wastewater Servicing and Watermain Works	\$91,191	\$1,369,970	\$0	\$1,197,200	(\$263,960)
21.	TWWTP Headworks	\$3,893,642	\$137,210	\$0	\$4,045,200	\$14,348
22.	Thornbury West Road Improvement Phase 1A	\$352,844	\$7,721,319	\$0	\$6,559,700	(\$1,514,463)
	On Hold					
23.	WTP Shoreline Stabilization	\$31,226	\$18,774	\$1,100,000	\$1,150,000	\$0
24.	Landfill Expansion Phase 2	\$0	\$0	\$5,120,000	\$5,120,000	\$0
	Non-Operations Projects					
25.	Thornbury Pier Resurfacing	\$648,075	\$20,000	\$0	\$682,200	\$14,125
26.	Aerial Replacement	\$0	\$0	\$1,500,000	\$1,500,000	\$0
27.	BVCC Renovations (ICIP Grant)	\$341,655	\$6,000	\$1,371,095	\$1,718,750	\$0
28.	Ravenna Road Depot Expansion	\$0	\$0	\$8,561,000	\$8,561,000	\$0

Notes

3. Craigleith and Mill SPS and Forcemain – newly created and approved project. The \$12,110,000 represents staff's construction estimate, no budget has been requested for this amount rather the project will be included in the 2023 Proposed Capital Budget.

5. Peel Street Reconstruction – the engineering came in over-budget

6. Lakewood Drive Reconstruction – the engineering came in under-budget

8., 9., 10., 11. Westside Water Distribution EA – staff have broken out the 4 recommended projects that have come out of the Westside Water Distribution EA.

14., 20. Tyrolean Village Wastewater Servicing and Watermain Replacement – this project has been split into two phases, as compared to the original budget Tyrolean Lane is forecasting over-budget for construction and Birch View Trail is over-budget on the awarded construction.

15., 22. Thornbury West Road Improvements – this project has been split into two phases, as compared to the original budget both phases are forecasting over-budget. Phase 1B's estimated cost of completion includes the estimates for the parkettes.

23. WTP Shoreline Stabilization – this project is on hold due to the lowering water levels of Georgian Bay.

24. Landfill Expansion Phase 2 – this project is on hold for one year due to the tonnage received at the Landfill being lower than projected.

Definition of *Committed* – costs awarded to a vendor on a specific project.

Report Approval Details

Document Title:	FAF.22.121 - Financial Update - June and July 2022.docx
Attachments:	
Final Approval Date:	Aug 8, 2022

This report and all of its attachments were approved and signed as outlined below:

Ruth Prince - Aug 8, 2022 - 4:10 PM