



Staff Report

Finance – Budgets & Accounting

Report To: COW_Finance_Admin_Fire_Community_Services
Meeting Date: August 26, 2024
Report Number: FAF.24.092
Title: Financial Update Report for the six months ended June 30, 2024
Prepared by: Mike Switzer, Deputy Treasurer/Manager of Budgets & Accounting

A. Recommendations

THAT Council receive Staff Report FAF.24.092, entitled “Financial Update Report for the six months ended June 30, 2024”, for information purposes.

B. Overview

This report outlines the Town’s unaudited financial activities for the six months ended June 30, 2024.

C. Background

Staff are bringing this report forward to give Council and the Public a snapshot of the Town’s financial activity for the six months ended June 30, 2024.

D. Analysis

As per Council direction the financial update reports are an exception-based reporting, focusing on specific expenses and revenues that are over \$100,000 and are forecasting +/-10% of budget. In addition, staff have provided details on Development Charge activity and contracts awarded through purchasing.

Staff have included forecasting graphs for the revenues and expenses that are over \$100,000 and 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.

Tax Supported Services

The following revenue streams are trending outside of the +/- 10% budget threshold:

- Planning – this revenue stream is forecasting to end the year under-budget (below revenue targets) by \$116,585.
- By-law Services – this revenue stream is forecasting to end the year over-budget (above revenue targets) by \$67,919.
- Beaver Valley Community Centre Fees – this revenue stream is forecasting to end the year over-budget (above revenue targets) by \$55,100.

Staff are monitoring specific expense lines, such as garbage and recycling/organics collections, external legal costs, vehicle costs and others. To date, the following expenses are trending outside of the +/- 10% budget threshold:

- Vehicle Expenses – these are forecasting to end the year over-budget by \$73,155 and costs are being driven by repairs and maintenance for larger fleet vehicles.
- Salaries and Benefits – these are forecasting to end the year slightly under-budget by \$765,224. This is primarily due to staff vacancies.
- Legal Expenses – these are forecasting to end the year over-budget by \$153,895 and costs are being driven by legal issues involving the Town.

User Fee Supported Operations

Water and Wastewater

Water and Wastewater is operating within the +/-10% threshold for both the expenses and revenues budget.

Harbour

The Harbour is operating within the +/-10% threshold for both the expenses and revenues budget.

Building Services

Building is operating within the +/-10% threshold for the expenses budget. They are forecasting to end the year under-budget in their revenue stream by \$349,082 (see trend analysis chart in the attachment for commentary).

Development Engineering

Development Engineering revenue is forecasting to end the year under budget (below revenue targets) by \$807,142. Expenses are forecast to be under budget as well by \$322,195. This results in a forecast surplus of \$427,968. The following section provides additional analysis on Development Engineering.

Development Engineering Analysis

At the direction of Council staff have included a summary of current year-to-date financial activities for the Development Engineering division and the related reserve/deferred revenue balances.

	June 30 Year-to-Date	Year End Forecast	2024 Budget	Year-End Forecast % of Budget
Expenses	\$359,664	\$719,328	\$1,041,523	69%
Revenues	(\$40,880)	(\$1,297,801)	(\$2,104,943)	62%
Transfers	N/A	\$150,505	\$150,505	100%
Deficit/(Surplus)*	\$318,784	(\$427,968)	(\$912,915)	47%

*The deficit/(surplus) represents the transfer to deferred revenue.

Currently Development Engineering is forecasting to end the year under-budget for expenses and revenues with a projected surplus of approximately \$427,968. This surplus could increase with the completion of several anticipated agreements resulting in a revised year end forecast for revenues of approximately \$1.6 million. Staff will continue to monitor and update these numbers.

- Development Engineering Reserve - \$48,528 (June 30, 2024, balance)
- Development Engineering Deferred Revenue - \$414 (June 30, 2024, balance, only updated at year-end)

Other Analysis

Beaver Valley Community Centre Hall Rentals

The below chart looks at the revenues and subsidies for the Hall rentals at the BVCC for the six months ended June 30, 2024.

Revenue Stream	Amount
Pickleball Hall Rentals	\$45,051
Less: Subsidy	(\$15,293)
Total Revenue from Pickleball	\$29,758
Other Hall Rentals	\$17,961
Less: Subsidy	(\$3,829)
Total Revenue from Other Hall Rentals	\$14,132
Total Hall Rental	\$43,890

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/Acting Treasurer
Heather McFarlane, Budget 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 Mike Switzer, Deputy Treasurer/Manager of Budgets & Accounting at budgetteam@thebluemountains.ca.

J. Attached

1. Financial Update Charts and Graphs

Respectfully submitted,

Mike Switzer
Deputy Treasurer/Manager of Budgets & Accounting

For more information, please contact:
Mike Switzer, Deputy Treasurer/Manager of Budgets & Accounting
budgetteam@thebluemountains.ca
519-599-3131 extension 274

2024 Development Charges Activity

Month	2024 Monthly Actuals*	2024 DC Receipts	2023 Monthly Actuals*	2023 DC Receipts
January	\$ 26,775	3	\$ 698,748	18
February	\$ 37,600	1	\$ 47,682	4
March	\$ 61,625	2	\$ 286,546	19
April	\$ 725,553	18	\$ 1,048,450	33
May	\$ 205,788	17	\$ 4,743,367	8**
June	\$ (46,862)	1	\$ 254,392	8
June Subtotal	\$ 1,010,479	42	\$ 7,079,185	90
July	\$		\$ 287,183	14
August	\$		\$ 50,244	6
September	\$		\$ 331,344	6
October	\$		\$ 66,992	8
November	\$		\$ 1,135,294	4**
December***	\$		\$ (142,005)	18
Total	\$ 1,010,479	42	\$ 8,808,237	146

*Negative balances occur when there are more refunds issued for cancelled building permits than development charges collected in a given month.

**Includes the collection of DCs for hard services through the execution of subdivision agreements.

***December actuals include year-end adjustments related to DC flow-throughs.

Estimated from the DC Background Study	\$ 14,495,286
2024 Year to Date Actual	\$ 1,010,479
2023 Year to Date Actual	\$ 7,079,185
Percent of Estimate	7%

DC Reserve Fund	DC Reserve Fund Balances June 30, 2024
General Government	\$ 62,913
Fire	\$ 1,196,591
Police	\$ 5,658
Parking & By-Law	\$ (135,175)
Public Works	\$ 1,740,814
Roads and Related	\$ 13,359,374
Solid Waste	\$ 294,326
Parks and Recreation	\$ 4,863,821
Library	\$ 3,058,443
Water	\$ 9,941,433
Wastewater	\$ (1,690,066)
Total	\$ 32,698,132

The table above does not account for capital expenditures incurred in 2024 that will be funded from Development Charge reserves. It should be noted that the Wastewater Treatment Plant Expansion is being substantially funded by DCs (\$19.8 million per the 2024 Budget). DC funding details in 2024 will be brought forward in future reports. In addition, the DC forecast column has been removed and staff will provide a more comprehensive analysis on DC reserves in the future.

Bid Awards and Contract Extensions

Contract Extensions over \$25,000

Contract for:	Vendor/Proponent	Amount
2020-21-T-OPS Leachate Haulage from The Blue Mountains' Solid Waste Disposal Site	Region of Huronia Environmental Services	\$92,000
2020-35-P-OPS Water SCADA Integrator	Ulteig	\$80,000
2020-36-P-OPS SCADA Integration and PLC Maintenance for Town Wastewater Facilities	ARO Technologies	\$40,000
2020-47-T-OPS Mattress Haulage & Recycling	Recyc Mattresses Inc.	\$27,018
2021-53-P-OPS Engineering Services for Disposal Site Monitoring & Reporting	WSP Canada Inc.	\$26,945
2022-02-T-FIT Outsourcing of Bulk Printing and Mailing (Two year extension 2024-2025)	M&T Printing	\$50,749.40
2022-26-T-OPS Supply, Haul and Application of Liquid Dust Suppressant	513125 Ontario Limited O/A Da-Lee Dust Control	\$112,200
2022-95-T-OPS Supply & Delivery of Wastewater Grade Liquid Aluminum Sulphate	Chemtrade Chemicals Canada Inc.	\$70,000
2023-04-T-OPS Bulk Fluid Supply & Delivery	Nemco Resources Lt	\$28,319.49
2023-21-T-OPS Supply, Crush. Load, Haul and Application of Granular M 5/8" Maintenance Gravel (Two year extension 2024-2025)	Dalton R. Lowe & Sons Construction Ltd.	\$1,236,900
2023-22-T-OPS Street Sweeping Services	A&G The Road Cleaners Ltd.	\$101,559.99
2023-23-T-OPS Line Painting	Miller Maintenance, A Division of MP Ltd.	\$47,000

Bid Awards over \$25,000

Contract for:	Vendor/Proponent	Amount
2023-45-T-OPS Supply & Installation of Replacement Valves and Flow Meters at Margaret Drive PS	Nevtro Pumps and Mechanical	\$57,689.85
2023-60-P-OPS Engineering Services for The Blue Mountains Landfill Expansion Phase 2	WSP Canada Inc.	\$920,000
2023-62-T-COR Standby Generator Maintenance	Pritchard Power Systems	\$31,050
2024-03-N-FIT Annual Cityview Maintenance	Harris Computer	\$37,875.16
2024-05-N-FIT – Adobe Licensing Renewal	Softchoice Canada	\$39,869.76
2024-07-N-OPS Trackless Sidewalk Machine	Work Equipment	\$450,000
2024-04-T-OPS Haulage of Biosolids (Five year contract)	Region of Huronia Environmental Services	\$366,405
2024-03-T-OPS Supply and Replacement of Air Relief Valves	AVERTEX Utility Solutions Inc.	\$147,979
2024-12-N-FIT Dell Computer Hardware Replacements	Dell Canada	\$108,000
2024-15-N-OPS Peel Street North Reconstruction Pole Relocation	Epcor Electricity Distribution Ontario Inc.	\$172,615.59
2024-17-N-FIT Security Cameras and Door Systems	MAXtech Systems	\$98,964.08
2024-20-N-FIT IT Hardware and Software	CDW Canada	\$50,000

Contract for:	Vendor/Proponent	Amount
2024-23-N-FIT Great Plains/Diamond, Virtual City Hall, HRIS Myway Renewals	Central Square	\$33,773.38
2024-11-N-FIT Dell Equipment	Dell Canada	\$76,347.59
2024-08-P-OPS Engineering Services for Aspen Way	WT Infrastructure Solutions Inc.	\$117,305
2024-05-T-COM Baseball Diamond Resurfacing at Moreau Park	Mar-co Clay Products Inc.	\$125,000
2024-19-N-FIT Parking Ticket Management Software	Gtechna	\$248,001.40
2023-02-P-ADM Gateway and Community Signage Design	Fathom Studios	\$44,745
2024-28-N-ADM 125 Peel Street Phase 2 Environmental Assessment for Land Disposal	Cambium	\$36,682.50
2024-17-T-OPS Sign Management Program (Five year contract)	Advantage Data Collection Ltd.	\$111,986
2024-26-N-COM Equipment Replacement Mower	Roberts Farm Equipment Sales Inc.	\$29,705.78
2024-18-N-FIT CDW Security Audit	CDW Canada	\$29,745
2024-31-N-FIT Harbour P2P Installation	Five9 Solutions	\$32,068.96
2024-29-N-COM Purchase of Replacement Tractor – Tomahawk	Roberts Farm Equipment Sales Inc	\$47,477.15

Contract for:	Vendor/Proponent	Amount
2024-09-T-OPS Parking Lot Winter Maintenance, Snowplowing, Sanding & Salting	Bay Valley Services	\$187,384
2024-10-T-OPS Surface Treatment Program	Duncor Enterprises Inc.	\$2,150,000
2024-13-T-OPS Overhead Door Repair & Maintenance (Two year contract 2024-2025)	On Track Door Systems	\$27,840
2024-16-P-COR External Legal Services	Aird & Berlis LLP Barriston Law LLP Boghosian Allen LLP LXM Law LLP Miller Thomson LLP SmithValeriotte Law Firm LLP WeirFoulds LLP Will Thomson Barrister & Solicitor	As required
2024-18-T-OPS Monterra Road Resurfacing	Cox Construction Limited	\$386,886
2024-26-T-OPS Pump Rebuilds Mill Street Pump Station	SPL Industrial Pumps & Equipment Inc.	\$78,823.28
2024-39-N-FIT 10 th Line Booster Stn. Roof Replacement	DJ Peat Roofing and Sheet Metal	\$30,415
2024-40-N-OPS Supply and Delivery of One Rubber Wheeled Excavator	Toromont CAT	\$572,087
2024-41-N-OPS Grader Service Maintenance	Brandt Tractors	\$43,094.93
2024-49-N-OPS Arthur Street Electrical Service Upgrades	EPCOR	\$25,000
2024-20-T-COM Union Cemetery Columbarium	Kyber Columbarium & Construction	\$68,900

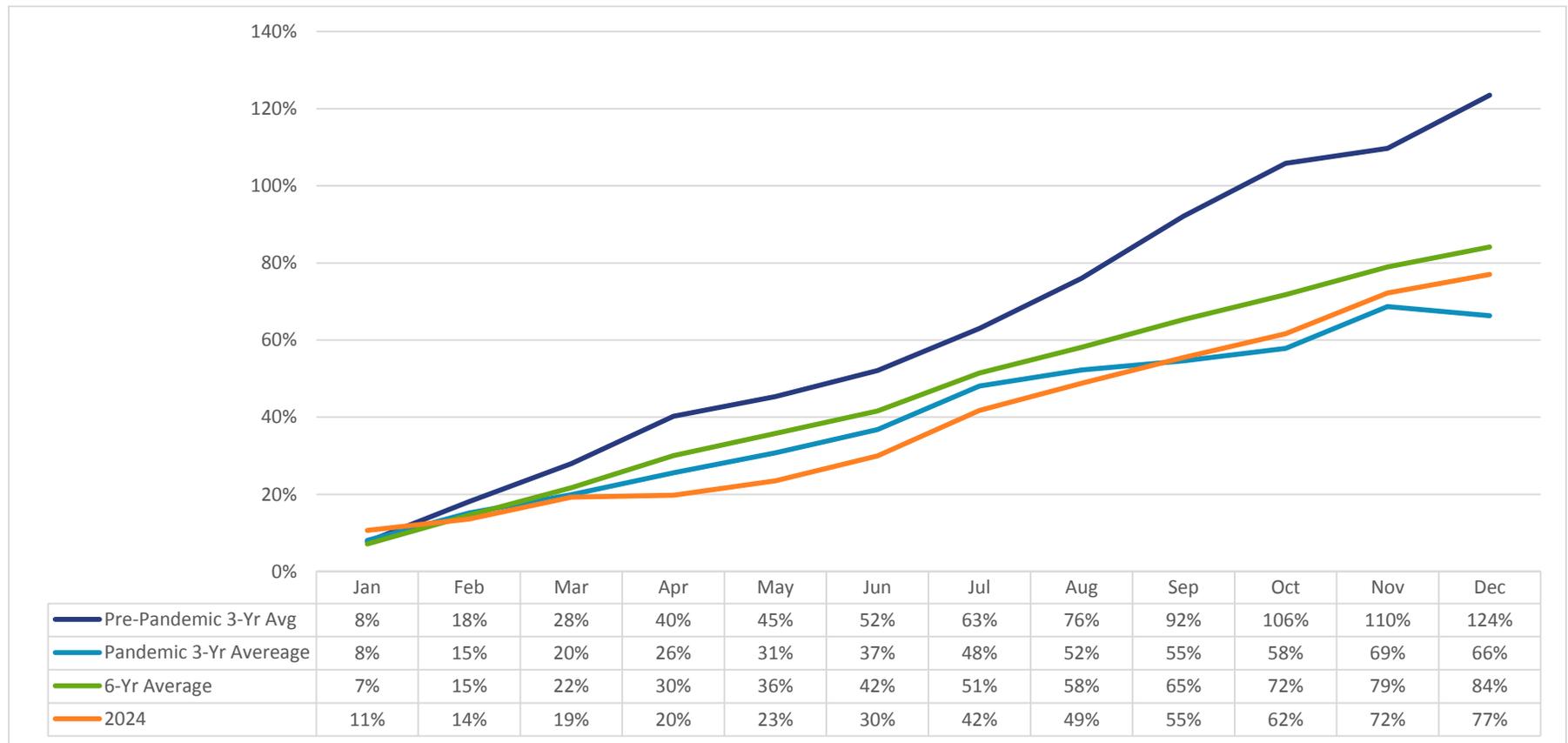
Contract for:	Vendor/Proponent	Amount
2024-53-N-OPS Grey Road 21 Sewer Repairs	Empipe Solutions Ltd.	\$36,896
2024-27-T-OPS Clarifier Refurbishment at Craigleith Wastewater Treatment Plant	Wellington Construction Contractors Inc.	\$227,000
2024-28-T-OPS Supply & Installation of One New Replacement High Lift Pump at Thornbury Water Treatment Plant	Nevtro Pumps and Mechanical	\$86,907.35

Exception Report -Revenues

This section of the report looks at revenue streams over \$100,000 that are forecasting +/-10% of budget.

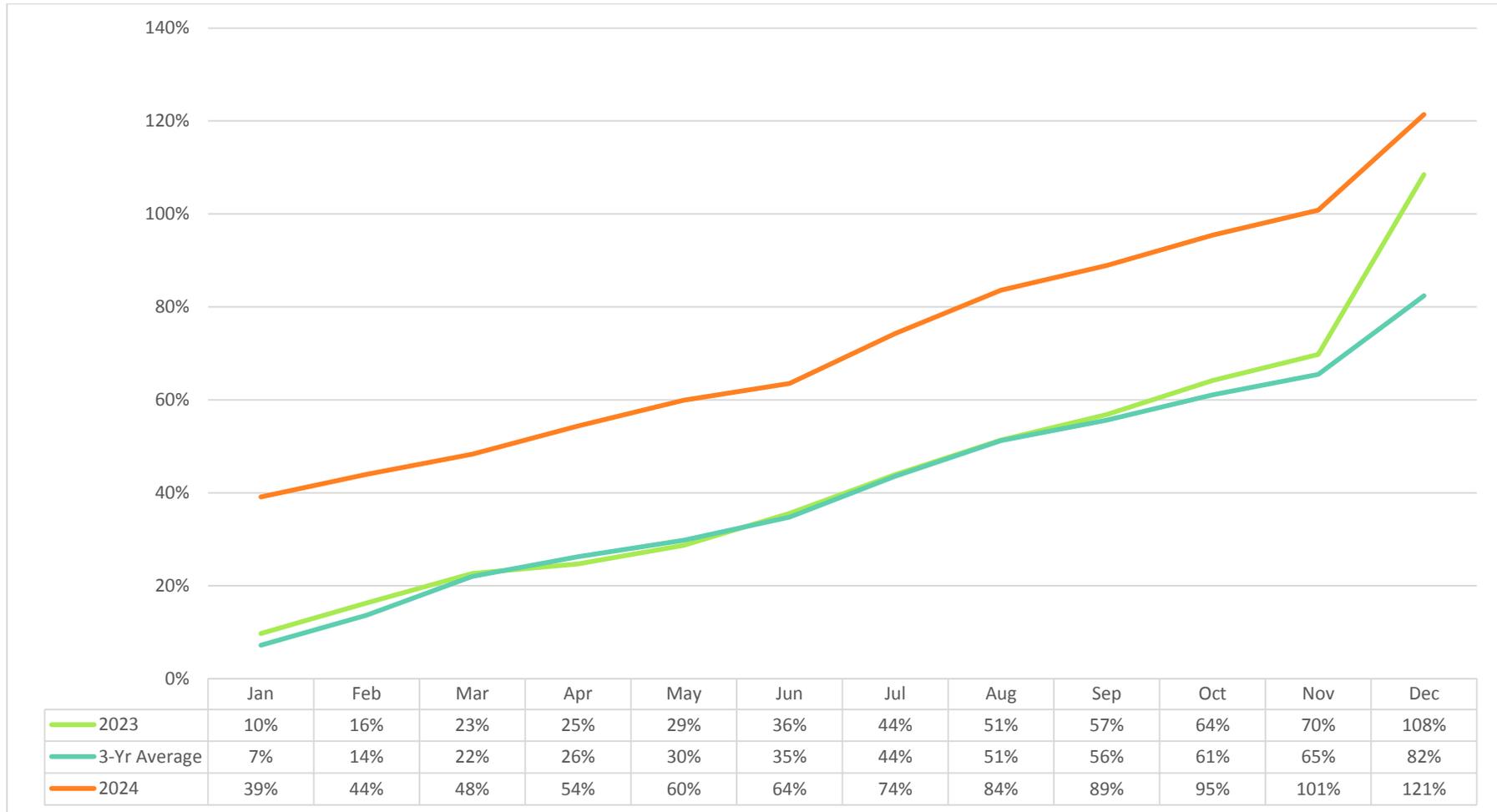
Planning – 2024 Budget: \$506,800; YTD: \$152,056 (30% of budget); Forecast: \$390,215 (77% of budget)

- Planning revenues can be hard to predict as one development can bring in significant revenues. Planning Fees are being reviewed in 2024 for input in the 2025 budget.



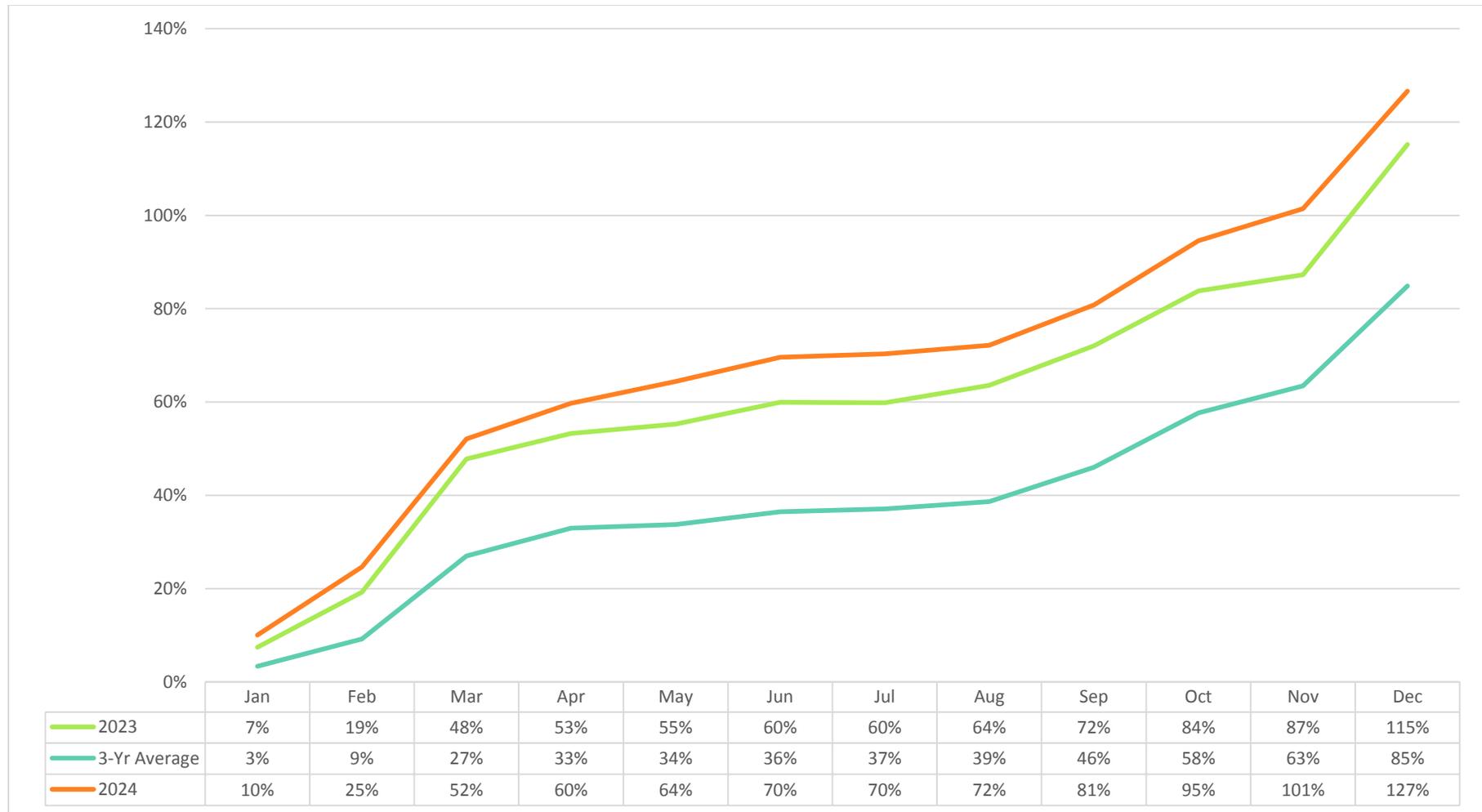
By-law Revenues - 2024 Budget: \$317,650; YTD: \$201,839 (64% of budget); Forecast: \$385,569 (121% of budget)

- By-law Revenues are trending well over-budget. At the end of June, By-law has collected over half of its budget.



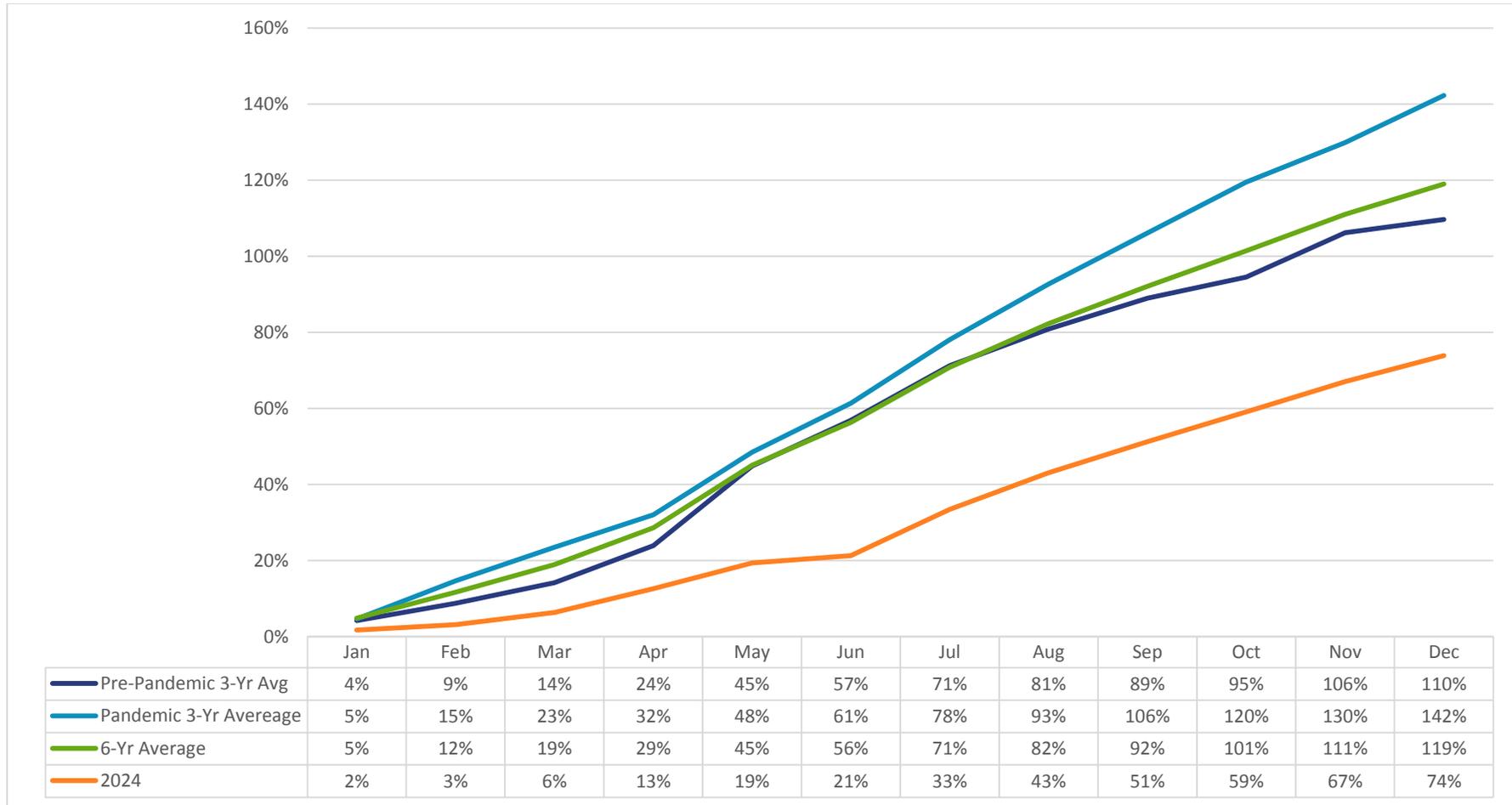
Beaver Valley Community Centre - 2024 Budget: \$207,000; YTD: \$144,120 (70% of budget); Forecast: \$262,100 (127% of budget)

- Revenues not seen since pre-pandemic are starting to come back to the BVCC, such as alcohol related hall rentals. At the end of June, the BVCC has already collected 70% of its budget.



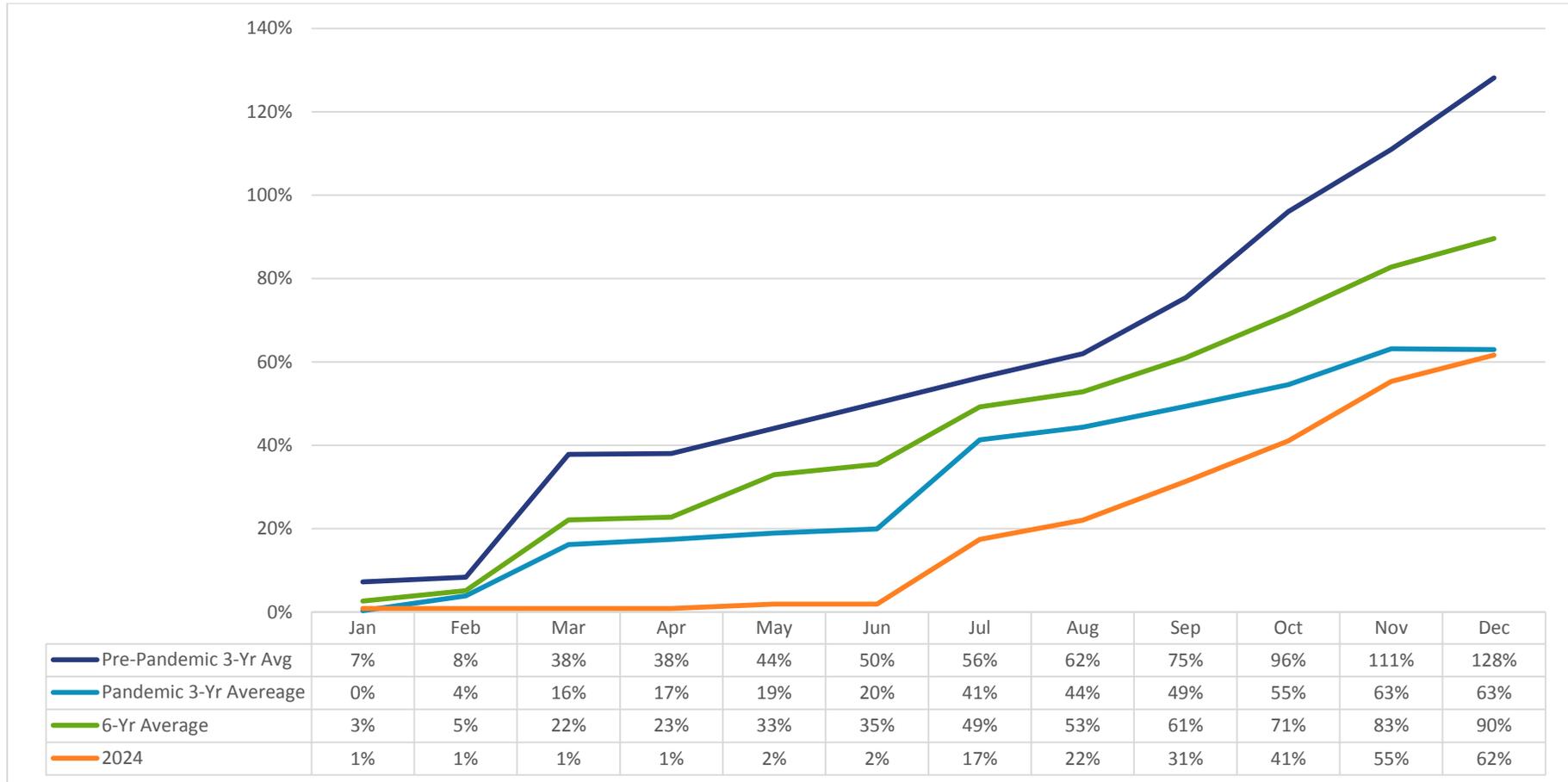
Building - 2024 Budget: \$1,336,250; YTD: \$284,431 (21% of budget); Forecast: \$987,168 (74% of budget)

- Building is seeing a major slowdown in activities as the building industry itself is slowing down. The industry is seeing little to no sales happening which is contributing to the low revenues of the Building Division. The building industry is experiencing low activity primarily due to higher interest rates. Building Fees are being reviewed in 2024 for input in the 2025 budget.



Development Engineering - 2024 Budget: \$2,104,944; YTD: \$40,880 (2% of budget); Forecast: \$1,297,801 (62% of budget)

- Development Engineering is trending to end the year under-budget. While it appears that Development Engineering Revenues are very low now, there are several agreements in the works that will be completed soon that have an estimated value of \$1.6 million for Development Engineering. Market conditions are causing a delay in fees being collected as financing is harder to obtain for developers due to higher interest rates. As well, staff vacancies within the Development Engineering division are causing delays in agreements being completed. Development Engineering Fees are being reviewed in 2024 for input in the 2025 budget.

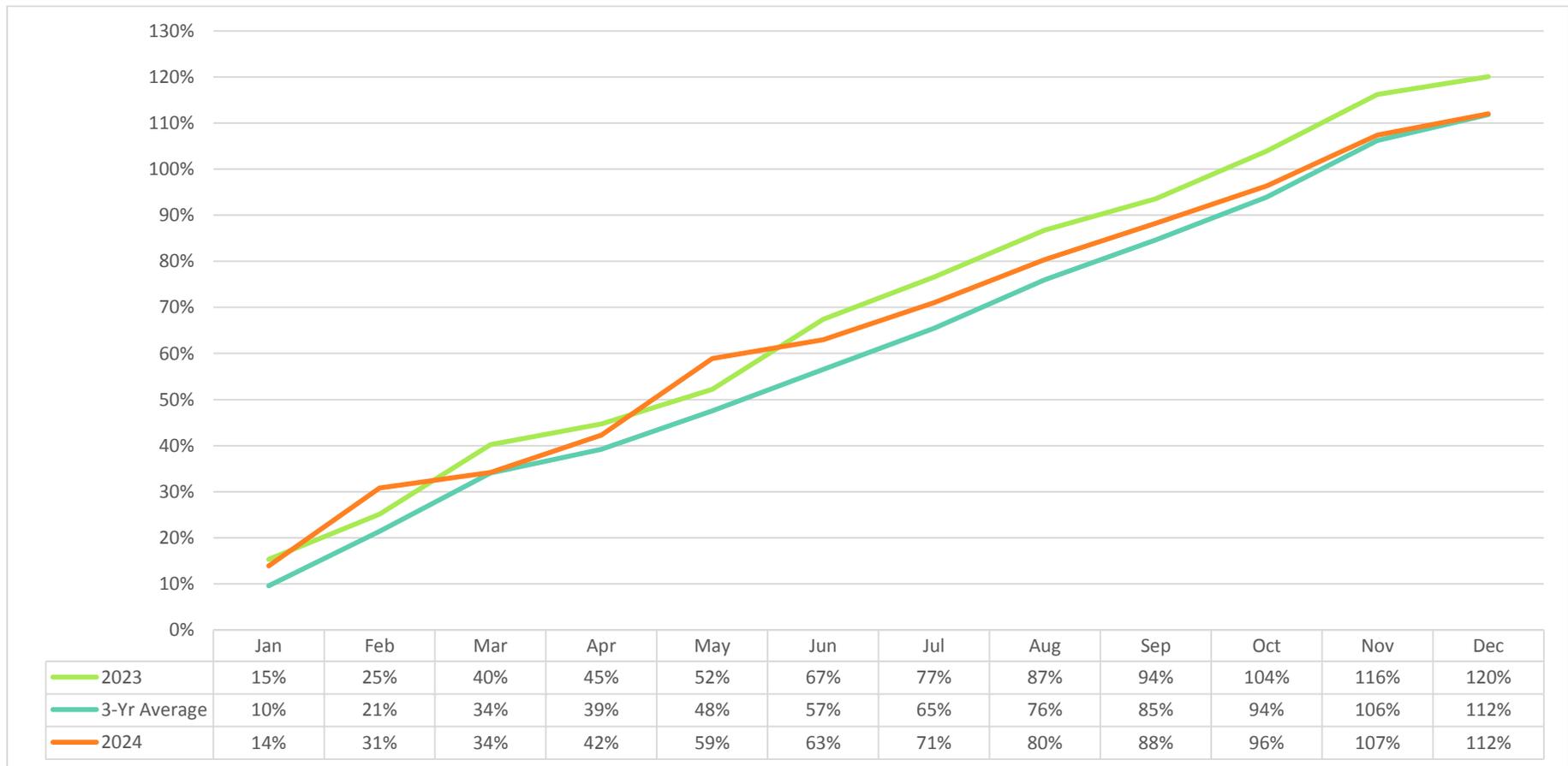


Exception Report -Expenses

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

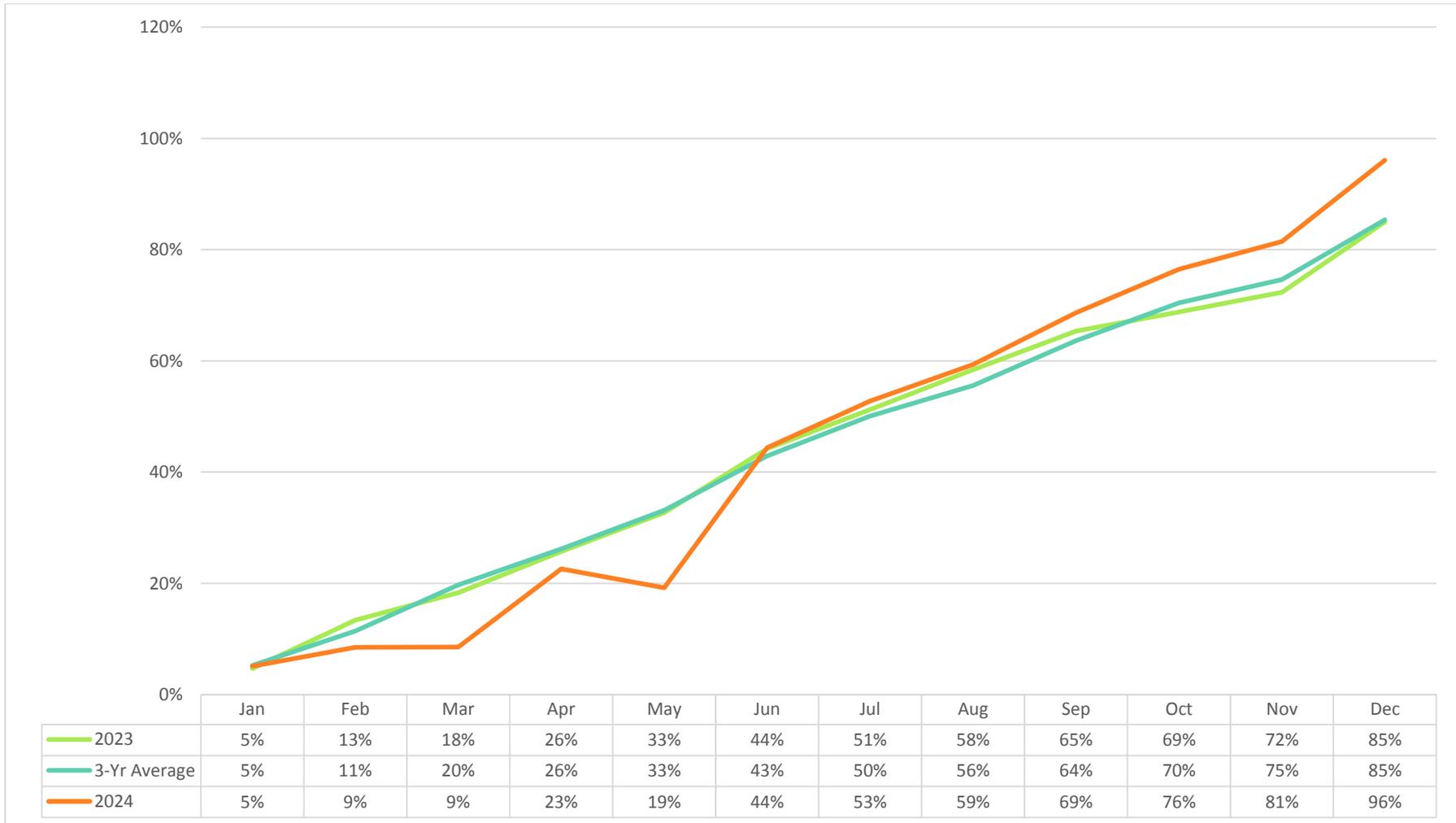
Vehicle Expenses – 2024 Budget: \$609,190; YTD: \$383,717 (63% of budget); Forecast: \$682,345 (112% of budget)

- The Town is seeing an increased cost in repairs and maintenance for the larger fleet vehicles, staff expect this to level off in future years as the older vehicles are replaced.



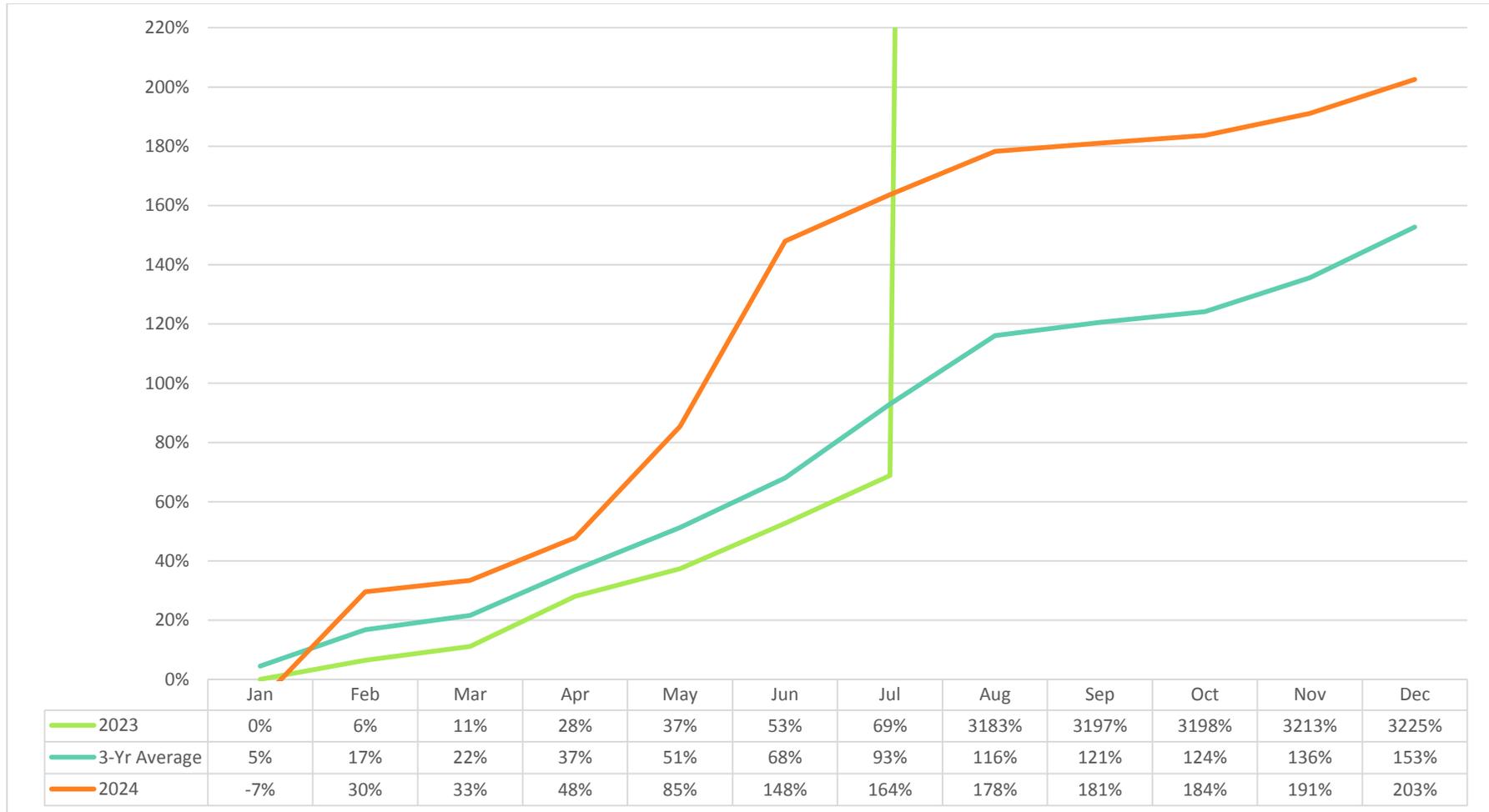
Salaries and Benefits - 2024 Budget: \$19,588,360; YTD: \$8,697,305 (44% of budget); Forecast: \$18,823,136 (96% of budget)

- Salaries and Benefits are tracking slightly under-budget due to staff vacancies.



Legal Expenses – 2024 Budget: \$150,000; YTD: \$222,001 (148% of budget); Forecast: \$303,895 (203% of budget)

- Legal expenses are forecasting to end the year over budget due to legal matters involving the Town. Legal fees often pose a significant challenge in budget planning, primarily due to the inherent unpredictability and variability of legal matters.



Report Approval Details

Document Title:	FAF.24.092 Financial Update as of June 30, 2024.docx
Attachments:	
Final Approval Date:	Aug 16, 2024

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

Michael Switzer - Aug 16, 2024 - 12:47 PM

Amy Moore - Aug 16, 2024 - 1:14 PM