



Staff Report

Finance – Budgets & Accounting

Report To: COW_Finance_Admin_Fire_Community_Services
Meeting Date: October 7, 2024
Report Number: FAF.24.113
Title: Financial Update Report for the eight months ended August 31, 2024
Prepared by: Mike Switzer, Deputy Treasurer/Manager of Budgets & Accounting

A. Recommendations

THAT Council receive Staff Report FAF.24.113, entitled “Financial Update Report for the eight months ended August 31, 2024”, for information purposes.

B. Overview

This report outlines the Town’s unaudited financial activities for the eight months ended August 31, 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 eight months ended August 31, 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 \$217,324.
- By-law Services – this revenue stream is forecasting to end the year over-budget (above revenue targets) by \$51,086.
- Beaver Valley Community Centre – this revenue stream is forecasting to end the year over-budget by \$54,751.
- Tomahawk – this revenue stream is forecasting to end the year over-budget by \$47,469.
- Landfill – this revenue stream is forecasting to end the year under-budget by \$81,241.
- Parking Revenues – this revenue stream is forecasting to end the year under-budget by \$47,598.

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 \$86,409 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 \$620,783. This is primarily due to staff vacancies.

User Fee Supported Operations

Water and Wastewater

Water and Wastewater is operating within the +/-10% threshold for the expenses budget. Both are forecasting to end the year over-budget in their revenue streams (\$650,551 and \$575,554 respectively).

Harbour

The Harbour is operating within the +/-10% threshold for the revenue budget and forecasting slightly under-budget for their expense budget. At the end of August, the Harbour has used 52% of its expense budget.

Building Services

Building is trending under-budget in their expenses. At the end of August, the Building Services division has used 51% of its expense budget. They are forecasting to end the year under-budget in their revenue stream by \$498,858 (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 \$1,121,392. Expenses are forecast to be under budget as well. The Development Engineering division has used 48% of its expense budget as of the end of August. 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.

	August 31 Year-to-Date	Year End Forecast	2024 Budget	Year-End Forecast % of Budget
Expenses	\$508,867	\$763,300	\$1,041,523	73%
Revenues	(\$150,009)	(\$983,552)	(\$2,104,943)	47%
Transfers	\$4,567	\$150,505	\$150,505	100%
Deficit/(Surplus)*	\$363,425	(\$69,747)	(\$912,915)	8%

*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 \$69,747. 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 (August 31, 2024, balance)
- Development Engineering Deferred Revenue - \$414 (August 31, 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 eight months ended August 31, 2024. The below charts are broken into the first half of the year, the July and August numbers and then a total year to date chart.

January to June 30th

Revenue Stream	Amount
Pickleball Hall Rentals	\$49,986
Less: Subsidy	(\$13,443)
Total Revenue from Pickleball	\$33,543
Other Hall Rentals	\$19,131
Less: Subsidy	(\$1,746)
Total Revenue from Other Hall Rentals	\$17,385
Total Hall Rental	\$50,928

July 1st to August 31st

Revenue Stream	Amount
Pickleball Hall Rentals	\$8,994
Less: Subsidy	(\$2,597)
Total Revenue from Pickleball	\$6,398
Other Hall Rentals	\$5,885
Less: Subsidy	(\$501)
Total Revenue from Other Hall Rentals	\$5,384
Total Hall Rental	\$11,781

Total Year to Date (YTD)

Revenue Stream	Amount
Pickleball Hall Rentals	\$55,980
Less: Subsidy	(\$16,040)
Total Revenue from Pickleball	\$39,940
Other Hall Rentals	\$25,016
Less: Subsidy	(\$2,247)
Total Revenue from Other Hall Rentals	\$22,769
Total Hall Rental	\$62,709

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

Monica Quinlan, Director of Corporate and Financial Services
Serena Wilgress, Manager of Purchasing and Risk Management
Amy Moore, Manager of Revenue
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	\$ (18,884)	1	\$ 287,183	14
August	\$ 63,593	3	\$ 50,244	6
September	\$		\$ 331,344	6
October	\$		\$ 66,992	8
November	\$		\$ 1,135,294	4**
December***	\$		\$ (142,005)	18
Total	\$ 1,055,188	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	\$ 1,055,188
2023 Year to Date Actual	\$ 7,416,612
Percent of Estimate	7%

DC Reserve Fund	DC Reserve Fund Balances August 31, 2024
General Government	\$ 184,714
Fire	\$ 1,109,271
Police	\$ 18,757
Parking & By-Law	\$ (140,979)
Public Works	\$ 1,616,232
Roads and Related	\$ 11,029,292
Solid Waste	\$ 254,982
Parks and Recreation	\$ 5,925,884
Library	\$ 2,808,052
Water	\$ 9,705,121
Wastewater	\$ 4,227,155
Total	\$ 36,738,481

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
2021-47-T-IPW Load and Haul Snow	Auto Payment Inc	\$43,100
2019-01-T-IPW Supply and Delivery of Winter Road Salt	Compass Minerals	\$116,115
OECM Contract for Apparel and Related Products and Services (\$15K / year until May 2030)	Mister Safety Shoes Inc.	\$75,000

Bid Awards over \$25,000

Contract for:	Vendor/Proponent	Amount
2024-22-P-FIT Fire Station 2 Replacement	J.L. Richards	\$999,220
Negotiated Bid Award - Leak Detection of the Town's Water Service	Watermark Solutions Limited	\$35,500
2024-30-P-ADM Tourism and Marketing Strategy	Bannikin Travel and Tourism	\$79,425
Negotiated Bid Award – Standby Diesel Generator for Arrowhead Booster Pump Station Upgrades	Cummins Canada ULC	\$253,436.82
Negotiated Bid Award - Cloudpermit Building Permit Software	Cloudpermit	\$362,000
Negotiated Bid Award – SCADA Services for Margaret Drive Sewage Pumping Station Upgrades	ARO Technologies	\$160,250

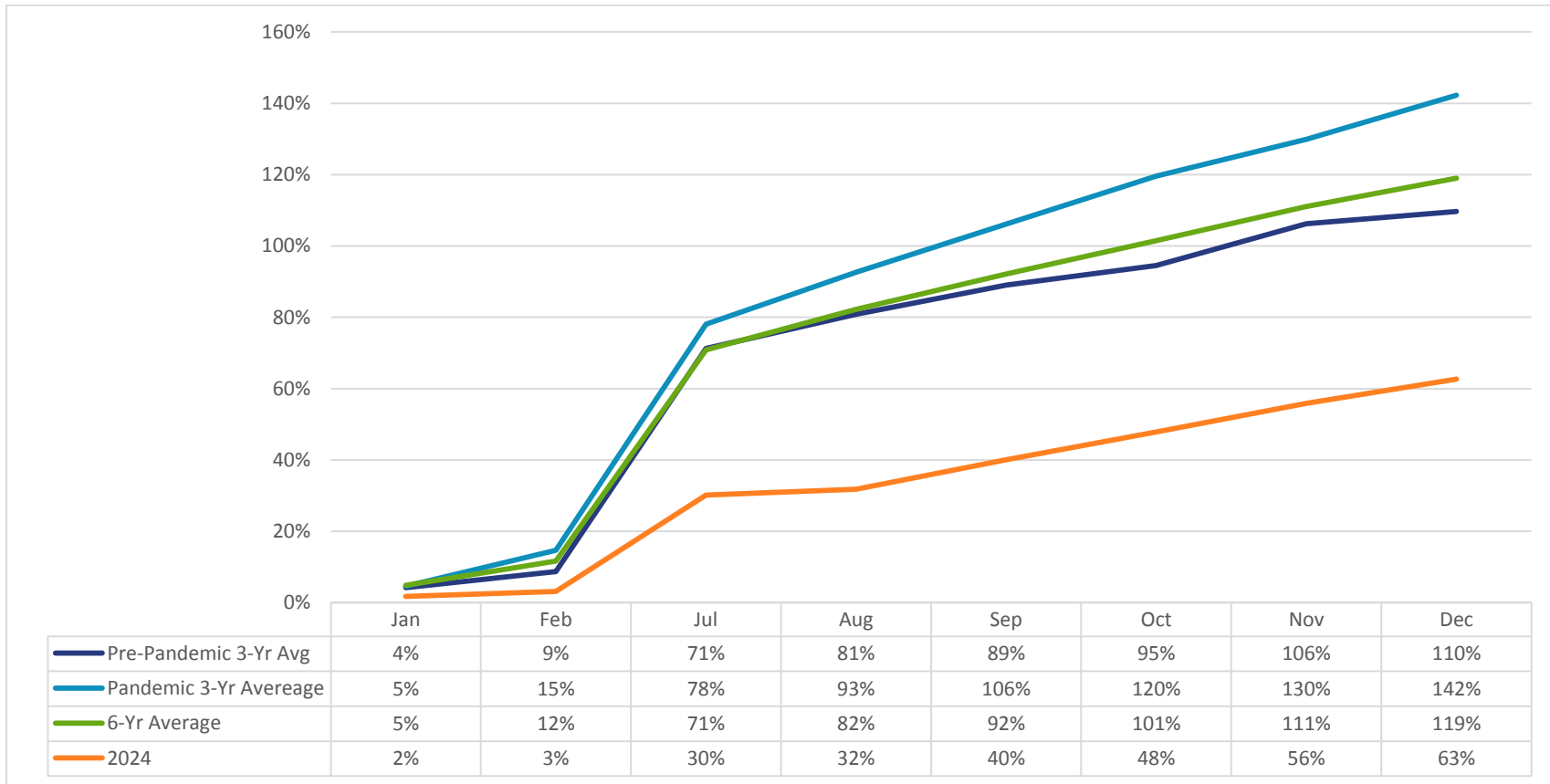
Contract for:	Vendor/Proponent	Amount
2024-09-T-OPS Parking Lot Winter Maintenance – Snowplowing, Sanding, Salting	Bay Valley Services Inc.	\$187,384
Negotiated Bid Award - Thornbury WWTP Expansion Gravel	Dalton R. Lowe & Sons Construction Ltd.	\$106,460

Exception Report - Revenues

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

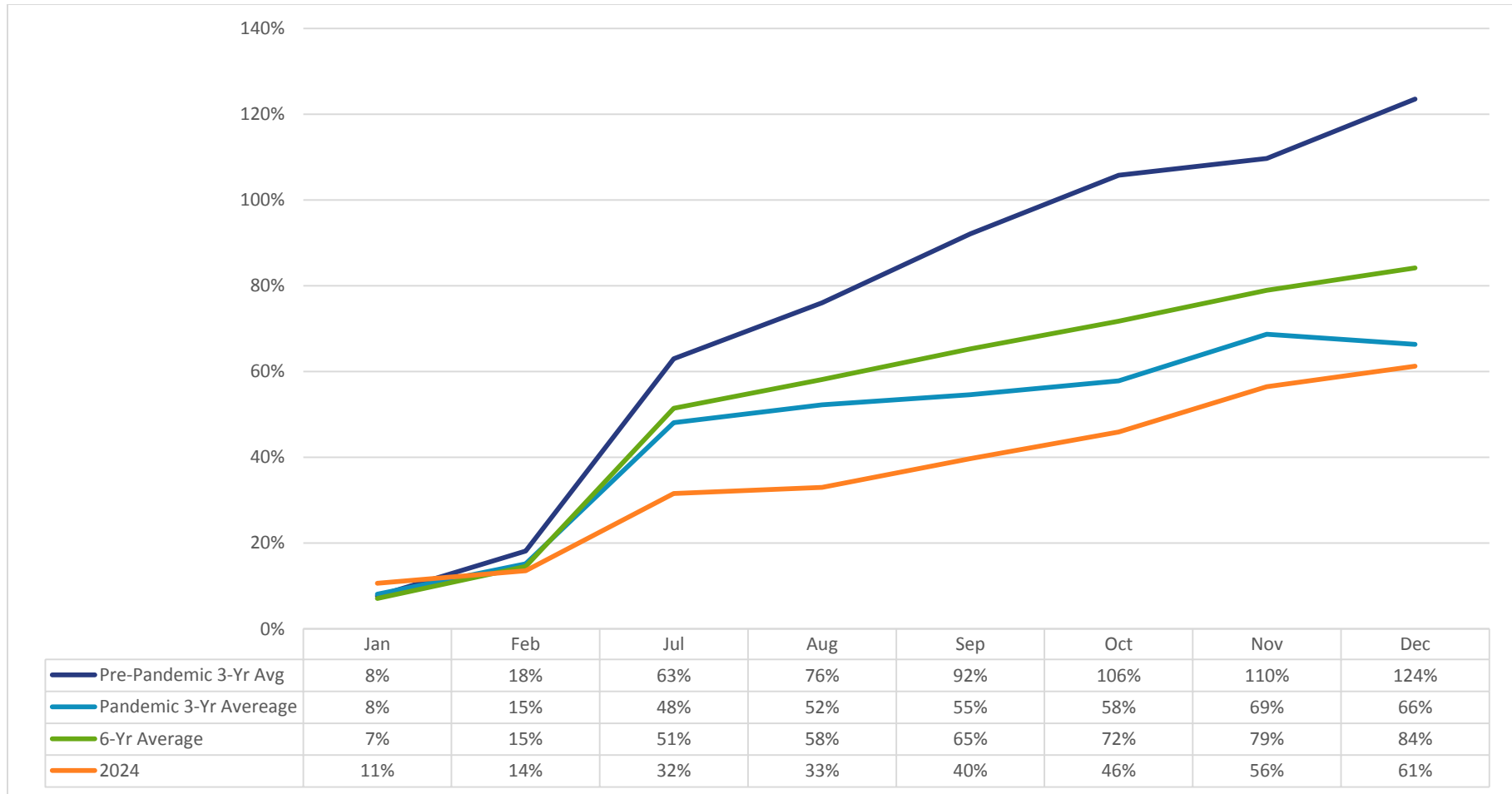
Building – 2024 Budget: \$1,336,250; YTD: \$425,403 (32% of budget); Forecast: \$837,392 (63% of budget)

- 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.



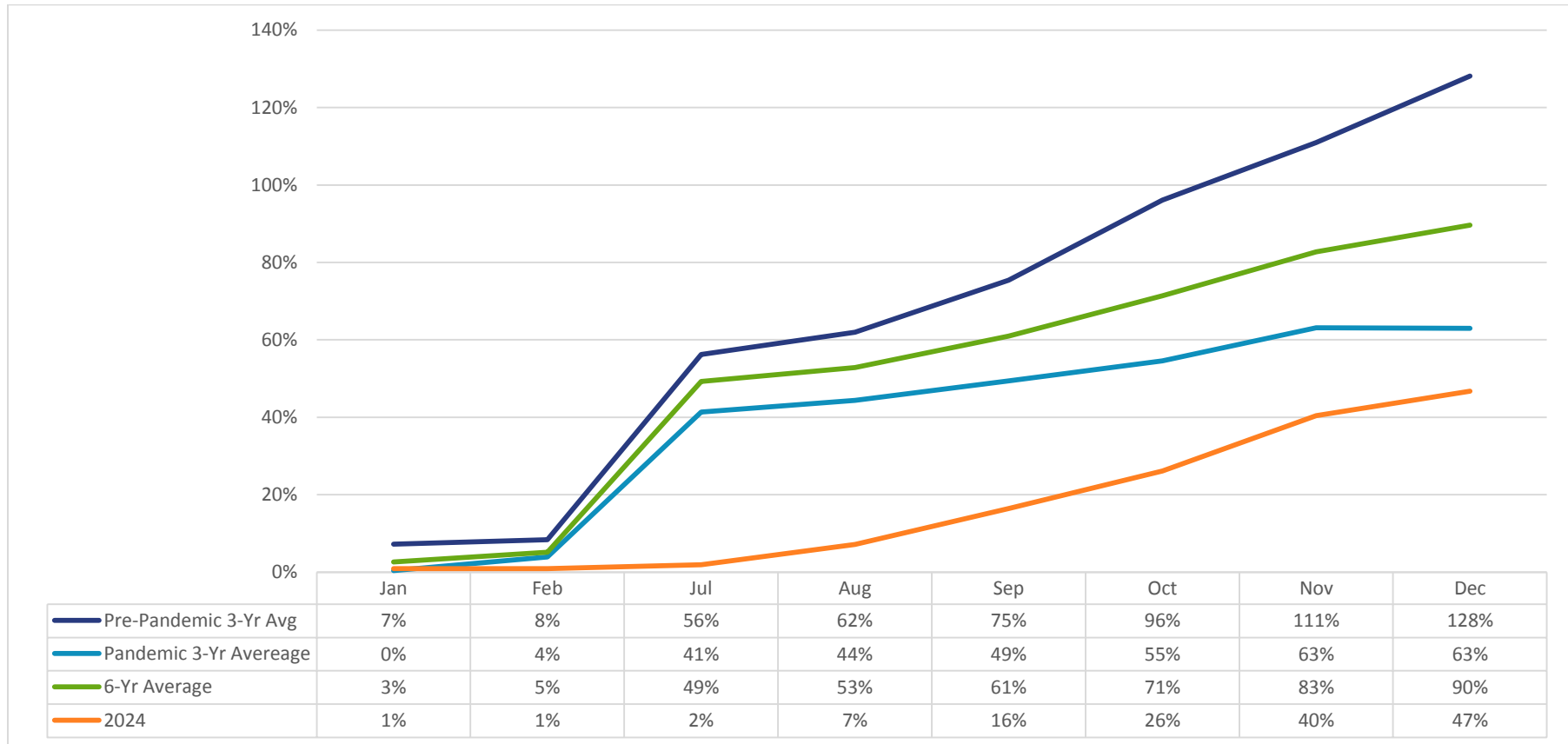
Planning - 2024 Budget: \$506,800; YTD: \$167,243 (33% of budget); Forecast: \$310,344 (61% of budget)

- Planning fees can be hard to predict and as well are impacted by the slow down in activity within the building and development industry. Planning fees are being reviewed in 2024 for input in the 2025 budget.



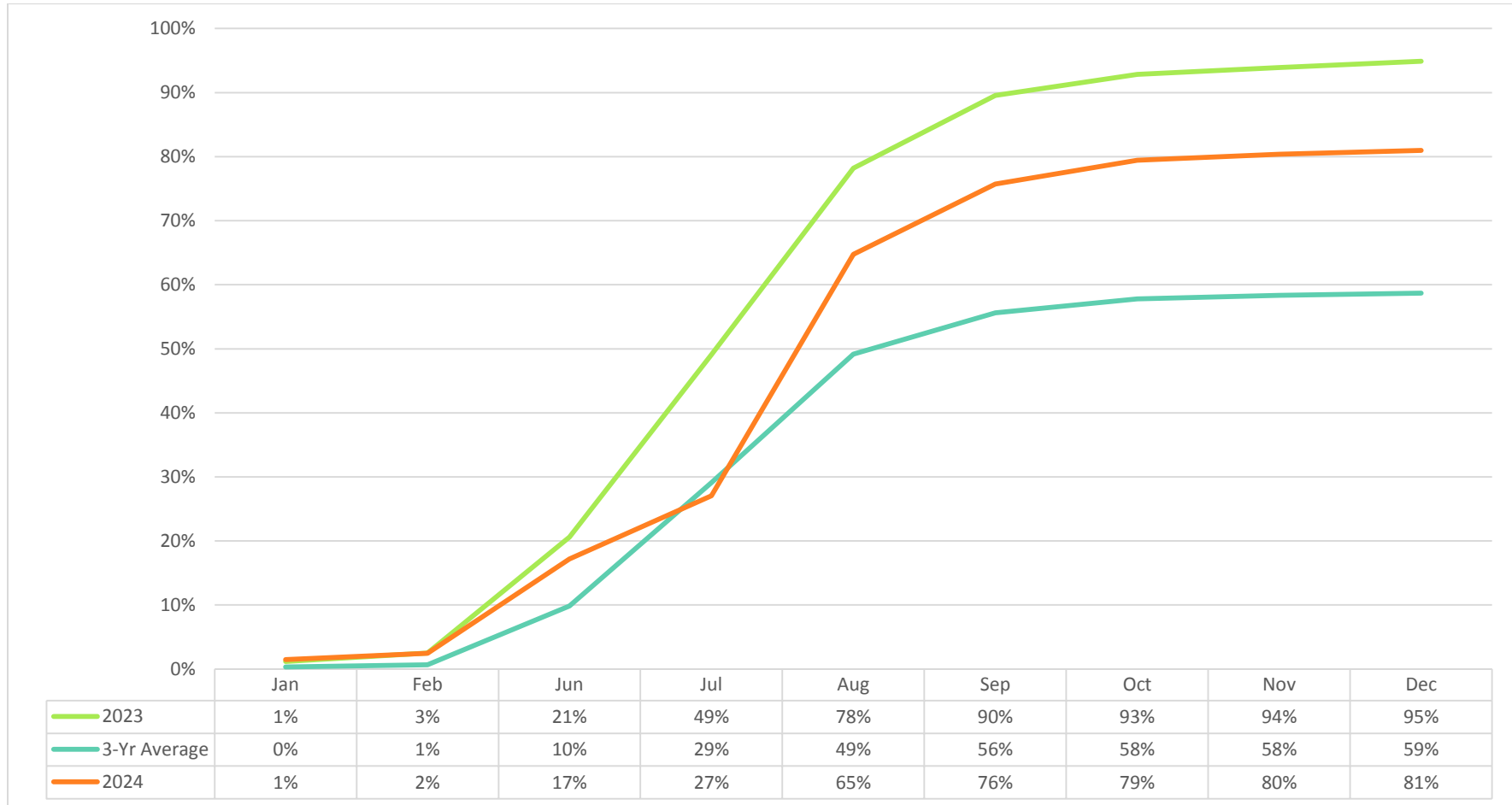
Development Engineering - 2024 Budget: \$2,104,944; YTD: \$150,009 (7% of budget); Forecast: \$983,552 (47% of budget)

- 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.



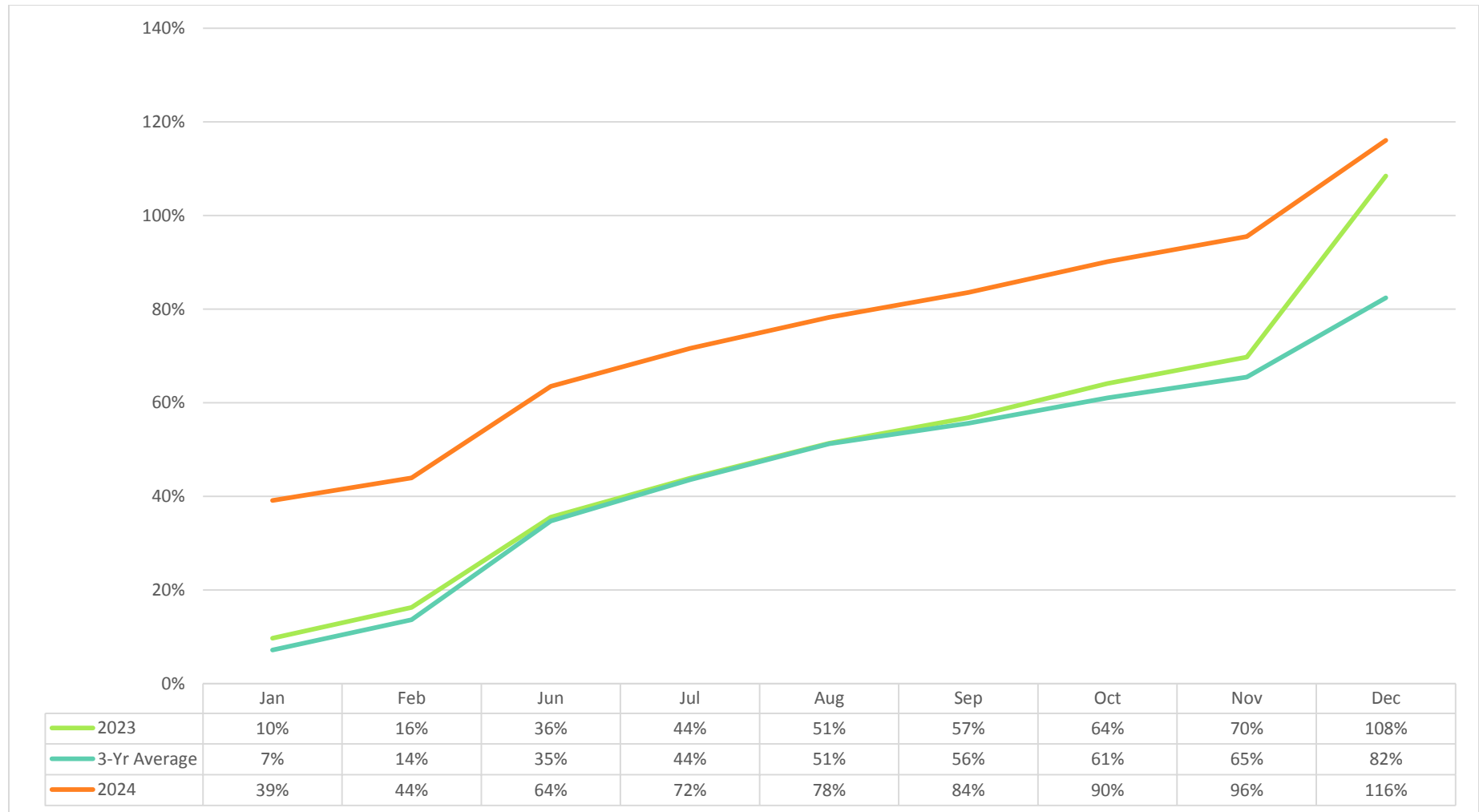
Paid Parking - 2024 Budget: \$250,000; YTD: \$161,866 (65% of budget); Forecast: \$202,402 (81% of budget)

- Paid Parking appears to be trending to end the year below revenue targets. This is due to the August Paid Parking revenues from Honk Mobile not being deposited at the time this report was written. The Net Sales for August from Honk Mobile are \$78,982. Once this amount is remitted to the Town, Paid Parking revenues will be at approximately 95% of their budget.



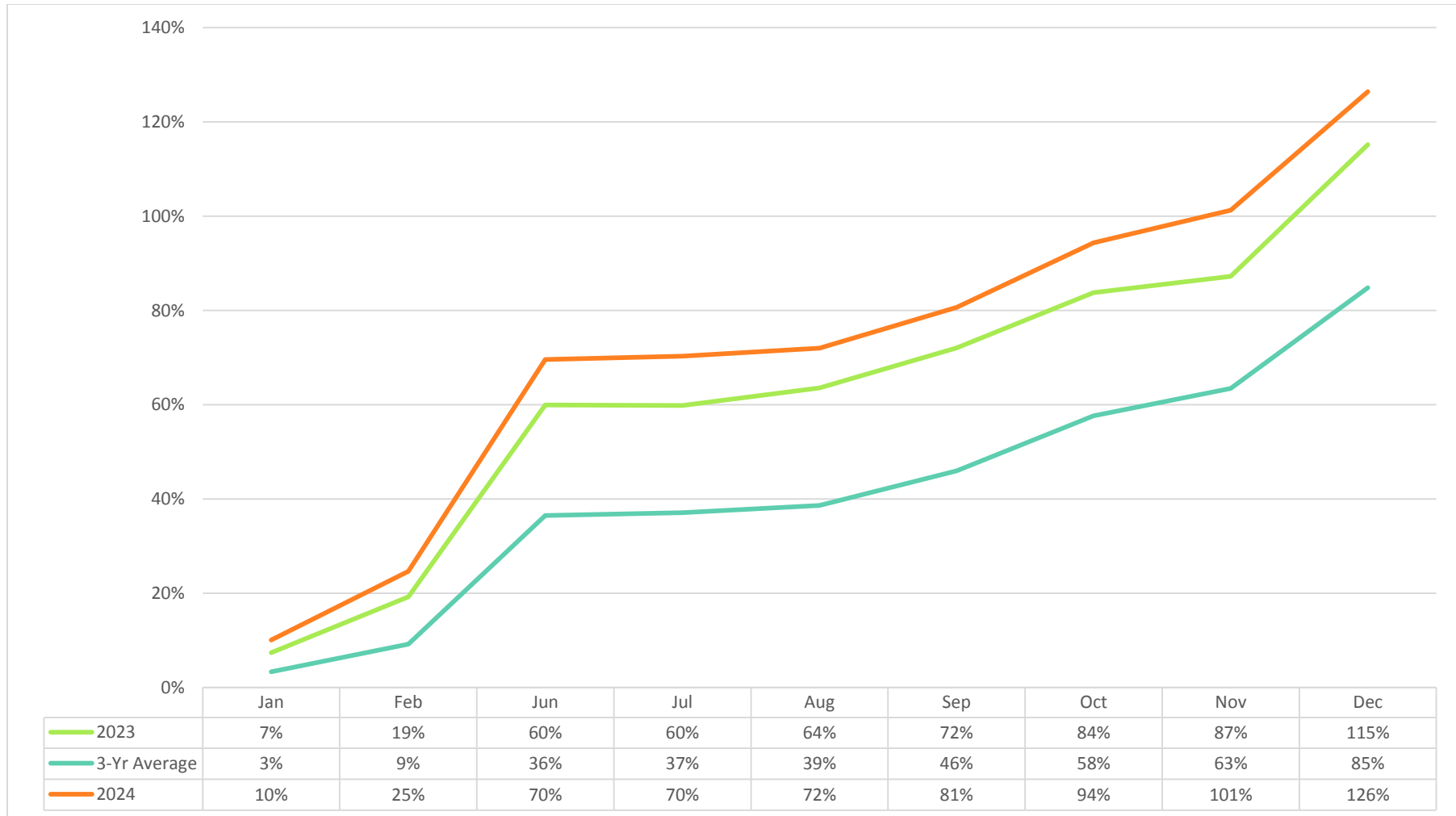
Bylaw Services - 2024 Budget: \$317,650; YTD: \$248,647 (78% of budget); Forecast: \$368,736 (116% of budget)

- By-law Revenues are trending well over-budget, largely due to the collection of Parking Fines.



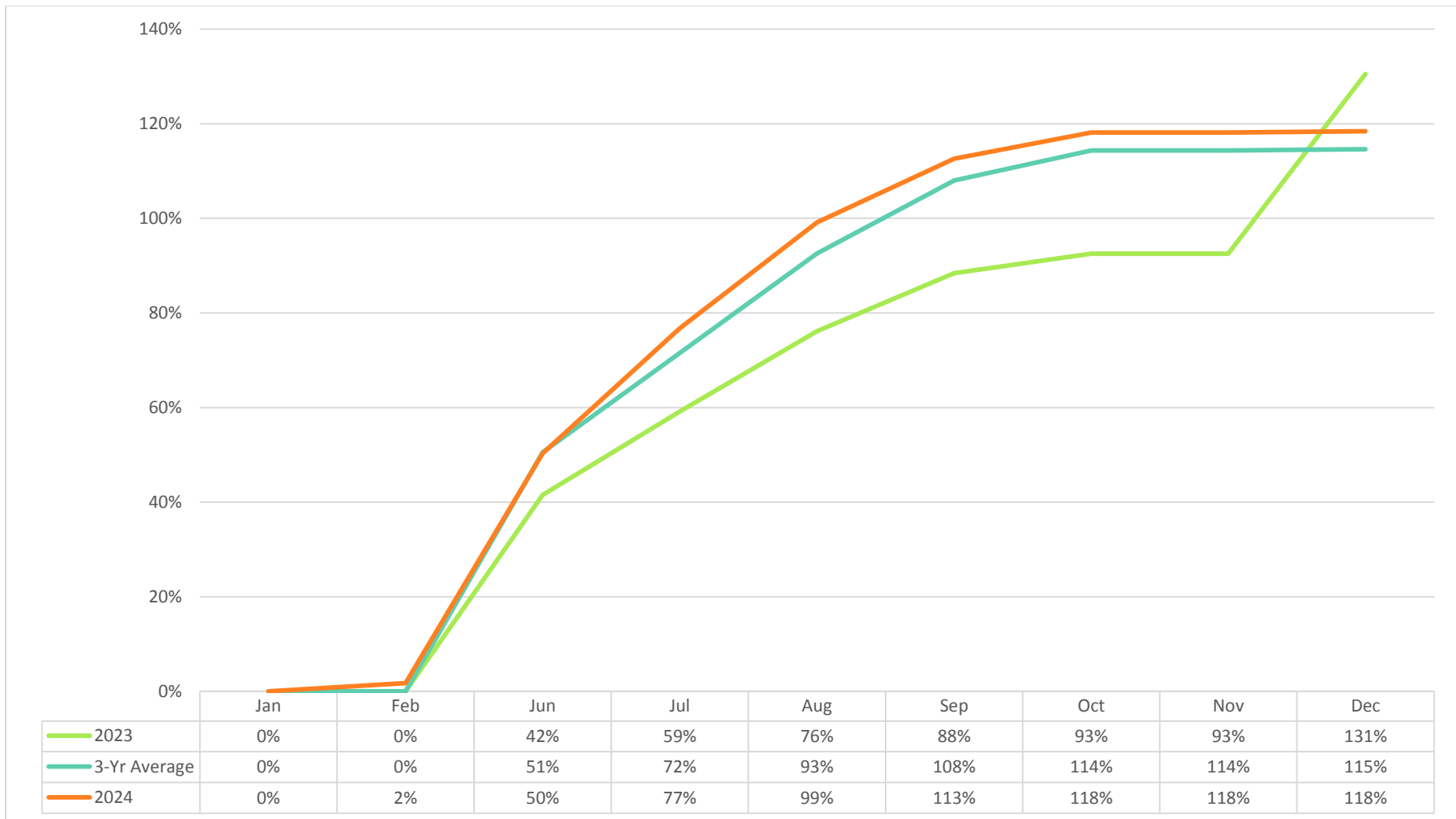
Beaver Valley Community Centre - 2024 Budget: \$207,000; YTD: \$149,067 (72% of budget); Forecast: \$261,751 (126% of budget)

- The BVCC revenue stream is forecasting to end the year well over budget. The BVCC has collected over 70% of it's budgeted revenues as of the end of August.



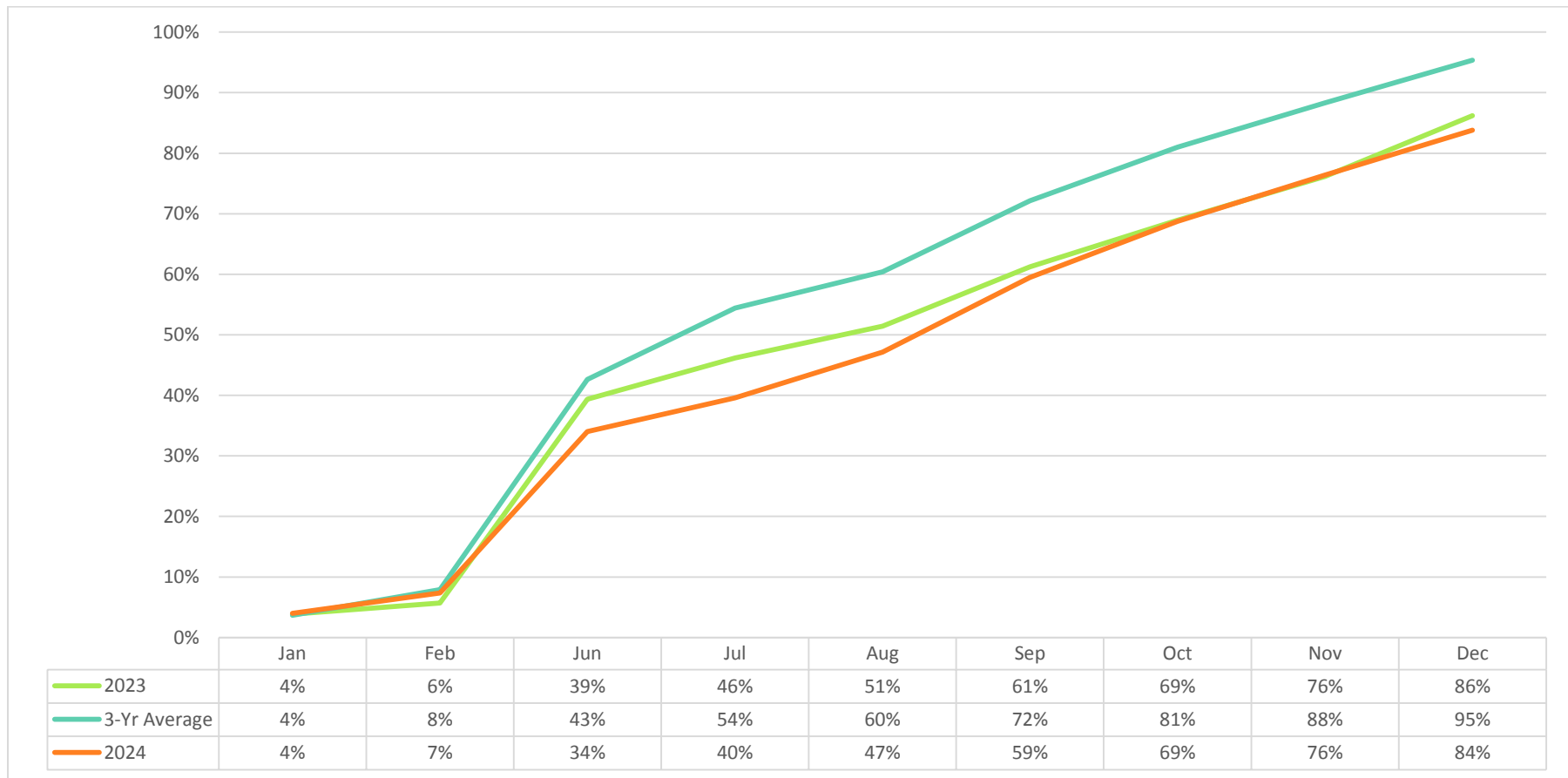
Tomahawk - 2024 Budget: \$258,018; YTD: \$255,858 (99% of budget); Forecast: \$305,487 (118% of budget)

- Tomahawk revenues are forecasting to end the year over budget. As of the end of August, Tomahawk has already collected 99% of their budgeted revenues.



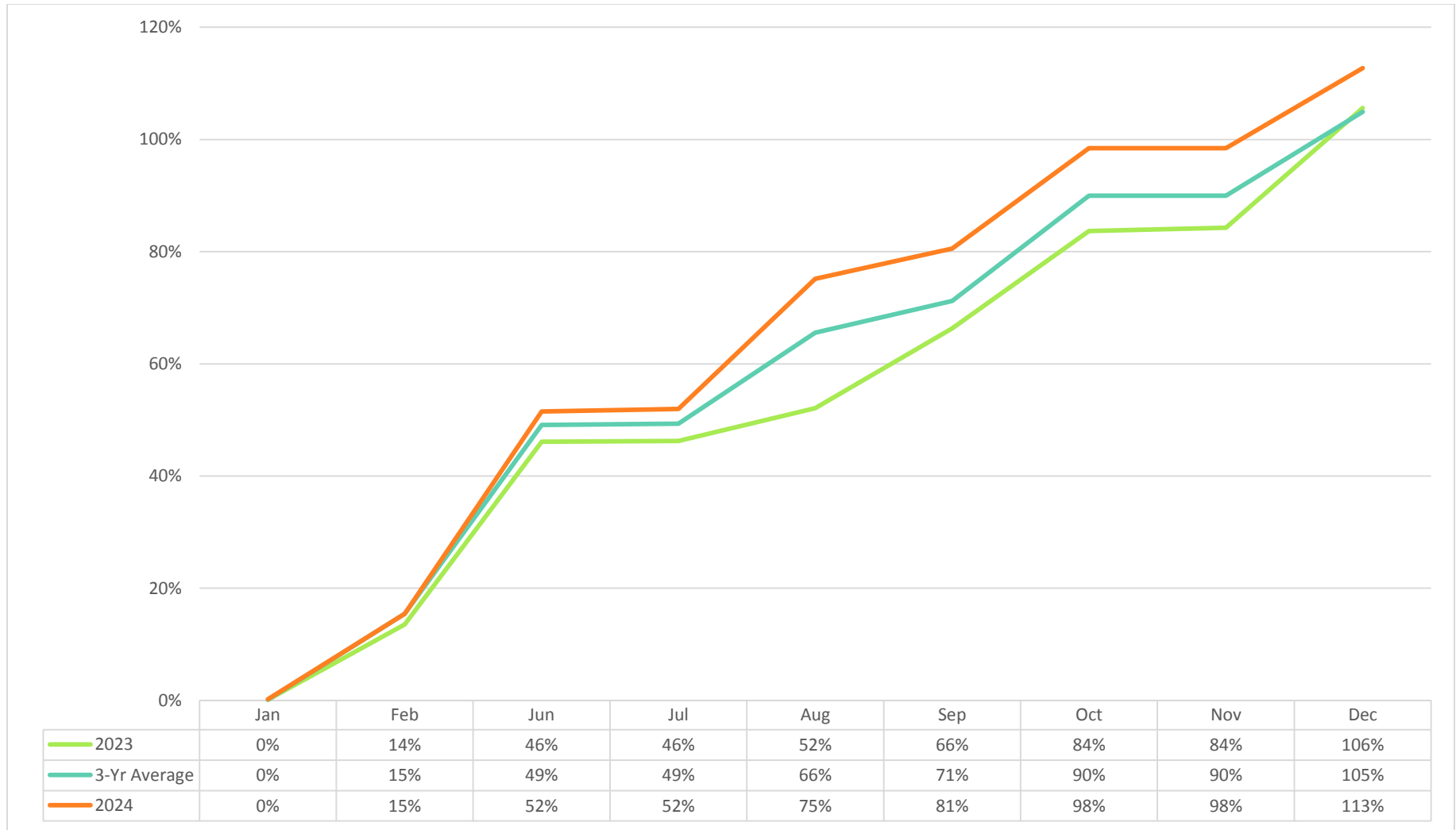
Landfill - 2024 Budget: \$501,817; YTD: \$236,594 (47% of budget); Forecast: \$420,576 (84% of budget)

- Despite a lower trend in revenue, site visits are up over 2023 by almost 10% (over 1,200 more visits in 2024). There are a few revenue streams that are notably lower in this same period compared to 2023. Fruit waste, compost sales, impacted soil and drywall are down by almost 40,000 in total compared to this period last year. Some revenue areas could make-up for this loss in the later part of the year. However, reportedly the source of fruit waste is no longer using the Town for disposal and impacted soil is not a reliable revenue source. These two items account for the majority of the lower revenue compared to 2023. Stockpiled waste metal that has not yet been sent to the market could provide a bump to the final revenue balance by the end of the year.



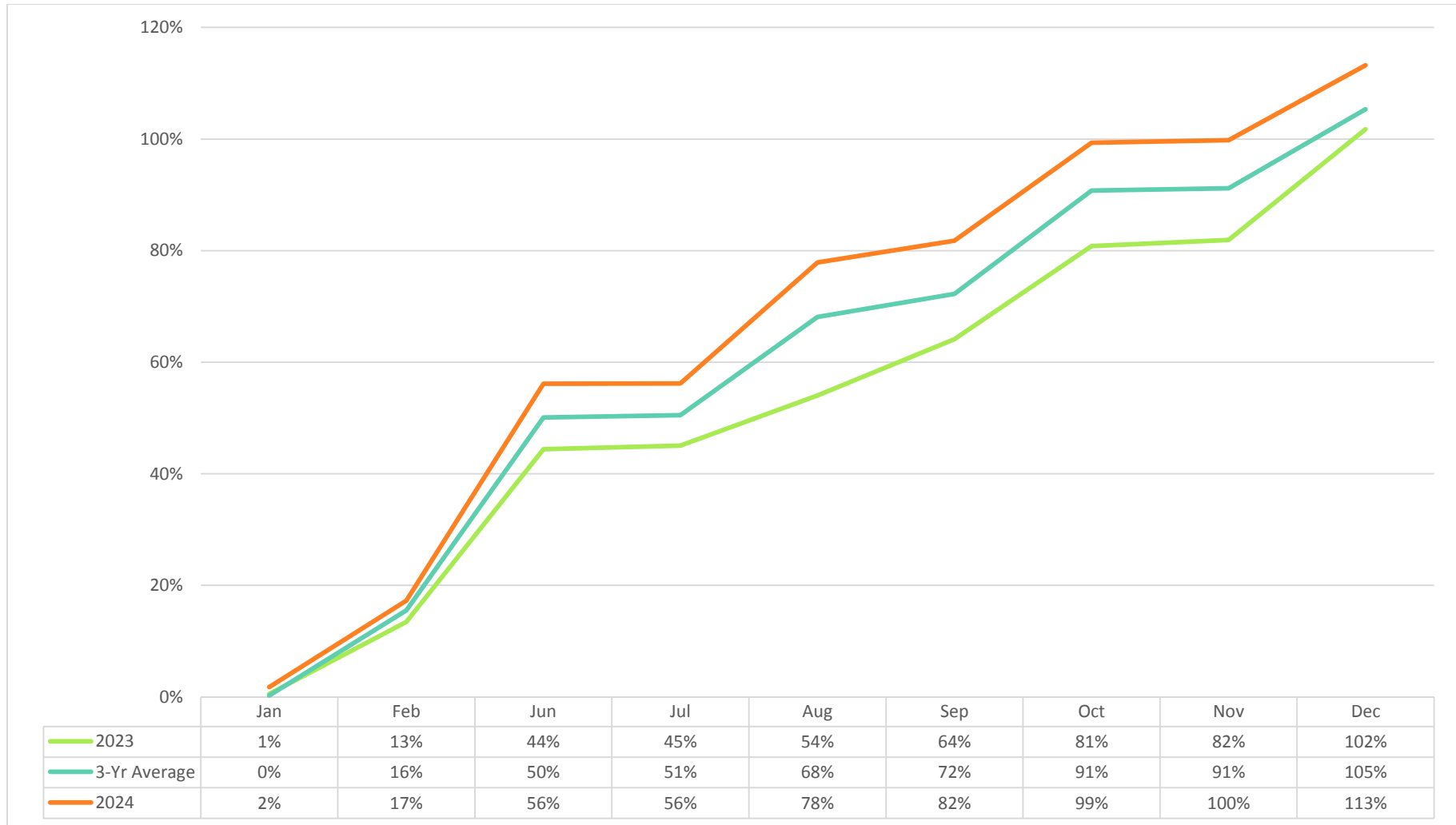
Water - 2024 Budget: \$5,122,570; YTD: \$3,851,284 (75% of budget); Forecast: \$5,773,121 (113% of budget)

- Revenues have increased due mainly to the change in user fee rates, noting that the Fixed Rate increase was 5-7% and the Consumption increase was 2% with the 3rd Tier rate increasing by 45%.



Wastewater - 2024 Budget: \$4,351,245; YTD: \$3,389,457 (78% of budget); Forecast: \$4,926,799 (113% of budget)

- Revenues have increased due mainly to the change in user fee rates, noting that the Fixed Rate increase was 5-6% and the Consumption increase was 2%.

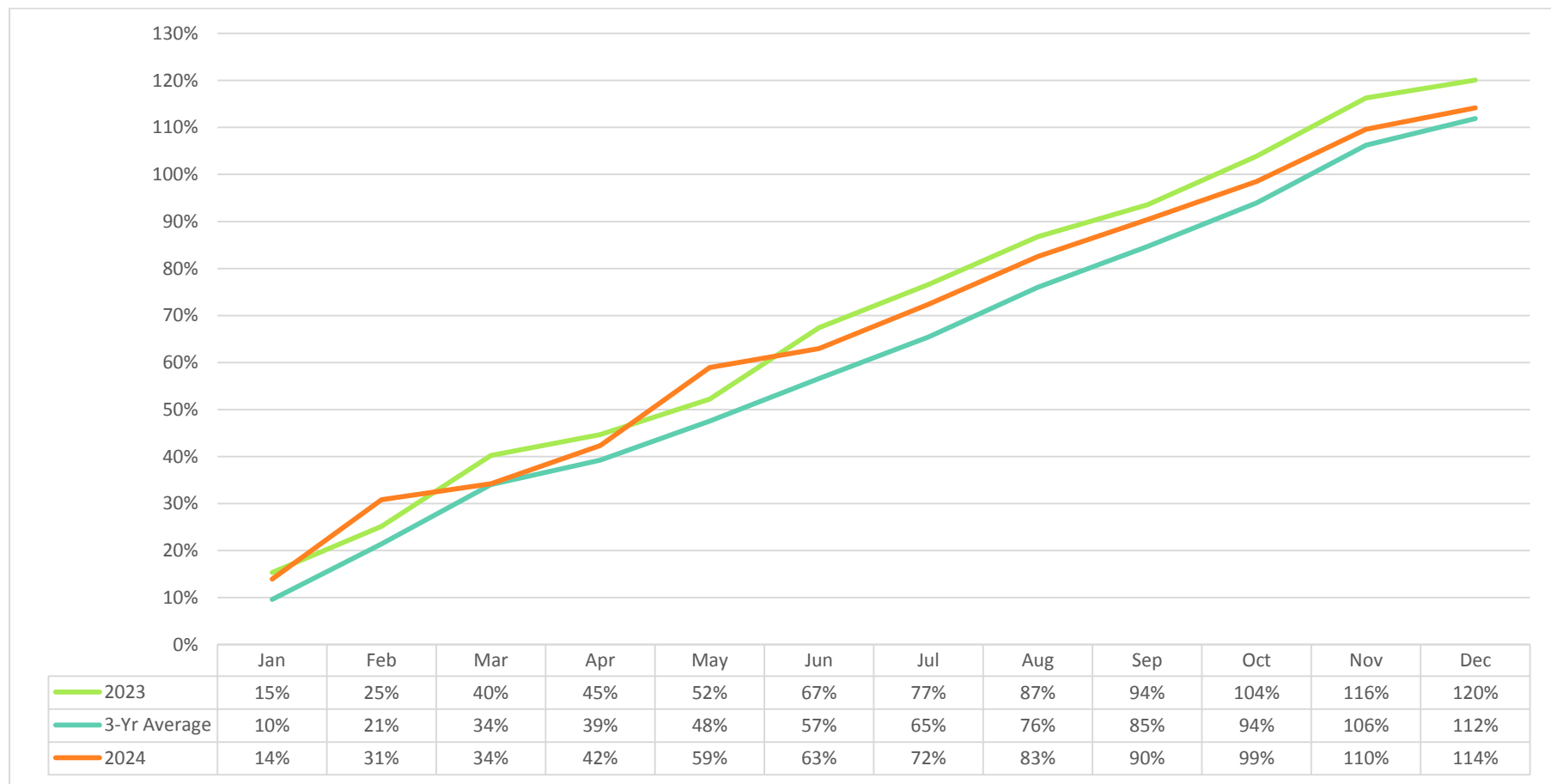


Exception Report -Expenses

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

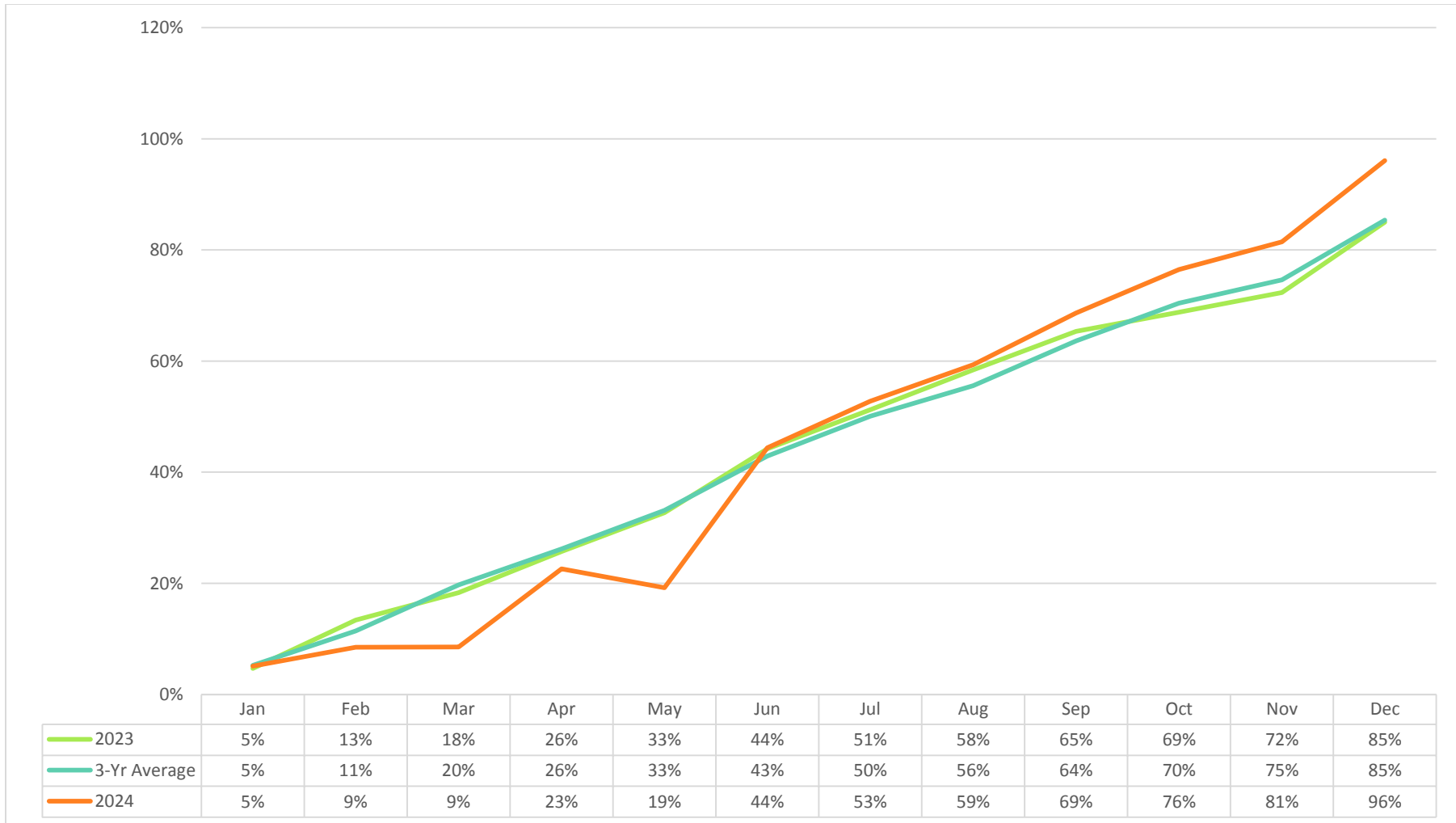
Vehicle Expenses – 2024 Budget: \$609,190; YTD: \$502,833 (83% of budget); Forecast: \$695,599 (114% of budget)

- 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: \$11,769,216 (60% of budget); Forecast: \$18,967,577 (97% of budget)

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



Report Approval Details

Document Title:	FAF.24.113 Financial Update as of August 31, 2024.docx
Attachments:	
Final Approval Date:	Sep 26, 2024

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

Monica Quinlan - Sep 26, 2024 - 12:05 PM