



Staff Report

Finance and IT Services

Report To: Committee of the Whole
Meeting Date: April 23, 2018
Report Number: FAF.18.52
Subject: 2018 Financial Report – First Quarter
Prepared by: Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

A. Recommendations

THAT Council receive Staff Report FAF.18.52 entitled “2018 Financial Report – First Quarter” for information purposes.

B. Overview

This report outlines the Town’s financial activities for the first quarter of 2018, from January 1, 2018 to March 31, 2018.

C. Background

On a monthly bases Finance staff provides Council with an update on the financial activities of the Town. This report is broken down into 3 sections; Taxation, which looks at all tax funded departments, Water and Wastewater, and the Building Department and the Harbour. Also attached are charts that highlight major areas of the Town; such as Development Charges collected, Salaries and Benefits, and other important financial indicators.

Charts are also included to outline Bid Awards and Contract Extensions in excess of \$25,000, as awarded by Staff as per the Town’s Purchasing Policy. These charts will reflect the contracts awarded and extended within that particular month.

D. Analysis

Tax Supported Services

After the first three months of 2018 the Taxation funded departments are operating as expected. The interim tax bills have been levied and the first installment of 2018 was due at the end of March.

Salaries and Benefits are operating slightly below budget. This is expected as the Town continues efforts to fill the positions created in the 2018 Approved Budget. Other notable expenses include Hydro, which is operating at 16% of budget (the Town has only been billed for January and February), and IT Service Agreements which are currently at 42% (this level is expected as some agreements are due at the beginning of the year).

Major commitments include Maintenance Gravel (Operating Expenses), large studies including the Thornbury West Stormwater and Clarksburg Servicing (Purchased Services), and Cleaning (Premise and Site).

Capital expenditures are at expected levels as most projects are still working through the Purchasing phase of the project.

After the first quarter staff are expecting the Taxation Departments to end 2018 on budget.

Water and Wastewater Operations

Water and Wastewater has started 2018 as expected. To date only January and February utility bills have been processed. Revenues are sitting at a similar level as they were at this time in 2017, with both sitting slightly over-budget. Revenues are expected to end 2018 on budget.

To date the large expenses such as Salaries and Benefits are running on budget at 23%, Hydro is operating at 17% (the Town has only been billed for January and February), as is the Collingwood Water Taking Agreement. Some of the major commitments include the Water Modeling EA and the Wastewater Model (both in Purchased Services), annual SCADA work (Equipment Related), and annual maintenance on the facilities (Premise and Site).

After the first three months of 2018, capital expenditures are at expected levels with most projects still in the Purchasing phase. Work is ongoing for the various Clean Water and Wastewater Fund (CWWF) projects including the replacement of the plant roofs and the renovations at the pumping stations.

After the first quarter staff are expecting both Water and Wastewater to be on budget for 2018.

User Fee Supported Operations (Building and Harbour)

Building and Harbour have started 2018 as expected with Harbour being slow at this time of year and Building permits still at strong levels. Salaries and Benefits are operating below budget but this is to be expected, as seasonal Harbour staff haven't started yet and Building is still working on filling the new contracts created in 2018.

Included in the Transfer to Capital and External Revenue is the \$611,890 of long-term debt that the Harbour took out to fund the Dredging and Dock Replacement projects. The Town received the funding in early February of 2018, the first payment will be made on August 1 of \$30,140 with the final payment being made on February 1, 2033.

To date no capital funding has been spent, as the projects are still in the Purchasing phase.

After the first quarter staff are expecting both the Harbour and Building Department to be on budget for 2018.

E. The Blue Mountains' Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

None.

G. Financial Impact

As per above.

H. In consultation with

Vicky Bouwman, Financial Analyst
Debbie Brown, Budget Analyst
Serena Wilgress, Manager of Purchasing and Risk Management

I. Attached

1. First Quarter 2018 Flash Report
2. First Quarter 2018 Budget Variance Report Tax Levy Summary
3. First Quarter 2018 Budget Variance Report Water and Wastewater Services Summary
4. First Quarter 2018 Budget Variance Report User Fee Summary

Respectfully Submitted,

Sam Dinsmore
Deputy Treasurer/Manager of Accounting and Budgets

Ruth Prince
Director of Finance and IT Services

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2018 Development Charges Collected

Month	2018 Monthly Actuals	2017 Monthly Actuals
January	\$ 638,363	\$ 129,562
February	\$ 47,326	\$ 158,002
March	\$ 154,834	\$ 83,664
April		\$ (158,413)
May		\$ 307,322
June		\$ 1,728,837
July		\$ 554,993
August		\$ 111,324
September		\$ 206,639
October		\$ 1,521,477
November		\$ 764,727
December		\$ 133,537
Total	\$ 840,523	\$ 5,541,671

Reserve Fund	Reserve Fund Balance
General Government	\$ (264,218)
Fire	\$ 325,658
Police	\$ (7,091)
Public Works	\$ 728,126
Roads and Related	\$ 2,219,253
Parks and Recreation	\$ 877,340
Library	\$ 972,075
Water	\$ 3,801,409
Wastewater	\$ 1,780,793
Total	\$ 10,433,345

Estimated from the DC Background Study	\$ 4,370,518
2018 Year to Date Actual	\$ 840,523
2017 Year to Date Actual	\$ 371,228
Percent of Budget	19%

2018 Legal Fees

Month	2018 Monthly Actual	2017 Monthly Actuals
January	\$ 4,910	\$ 550
February	\$ 6,342	\$ 16,059
March	\$ 23,702	\$ 25,364
April		\$ 12,533
May		\$ 62,012
June		\$ 27,299
July		\$ 12,822
August		\$ 24,705
September		\$ 17,597
October		\$ 31,562
November		\$ 82,589
December		\$ 109,787
Totals	\$ 34,954	\$ 422,878

Annual Budget	\$ 305,100
2018 Year to Date Actual	\$ 34,954
2017 Year to Date Actual	\$ 41,973
Percent of Budget	11%

2018 Building Permits Collected

Month	2018 Monthly Actual	2017 Monthly Actuals
January	\$ 29,555	\$ 65,503
February	\$ 27,911	\$ 17,479
March	\$ 87,650	\$ 62,864
April		\$ 115,727
May		\$ 138,001
June		\$ 183,659
July		\$ 185,551
August		\$ 70,182
September		\$ 123,321
October		\$ 243,128
November		\$ 69,845
December		\$ 46,772
Totals	\$ 145,026	\$ 1,322,032

Annual Budget	\$ 967,719
2018 Year to Date Actual	\$ 145,026
2017 Year to Date Actual	\$ 145,846
Percent of Budget	15%

2018 Interest Income

Month	2018 Monthly Actual	2017 Monthly Actuals
January	\$ 37,072	\$ 30,024
February	\$ 36,749	\$ 28,522
March	\$ 42,906	\$ 25,760
April		\$ 21,974
May		\$ 23,596
June		\$ 26,531
July		\$ 25,901
August		\$ 29,827
September		\$ 38,846
October		\$ 37,832
November		\$ 42,681
December		\$ 41,309
Totals	\$ 116,727	\$ 372,803

Annual Budget	\$ 311,200
2018 Year to Date Actual	\$ 116,727
2017 Year to Date Actual	\$ 84,307
Percent of Budget	37%

2018 Town Salaries and Benefits

Month	2018 Monthly Actual	2017 Monthly Actuals
January	\$ 968,349	\$ 812,049
February	\$ 886,576	\$ 796,055
March	\$ 912,921	\$ 924,110
April		\$ 859,673
May		\$ 981,854
June		\$ 976,887
July		\$ 898,749
August		\$ 1,018,843
September		\$ 894,973
October		\$ 1,002,532
November		\$ 849,794
December		\$ 1,089,568
Totals	\$ 2,767,846	\$ 11,105,087

Annual Budget	\$ 12,106,465
2018 Year to Date Actual	\$ 2,767,846
2017 Year to Date Actual	\$ 2,532,214
Percent of Budget	23%

2018 Hydro Costs and Consumption

Month	2018 Monthly Dollars	2018 Monthly Consumption	2017 Monthly Dollars	2017 Monthly Consumption
January	\$ 106,175	594,618	\$ 105,000	568,352
February	\$ 82,657	471,078	\$ 102,652	513,368
March			\$ 102,138	522,343
April			\$ 77,082	418,625
May			\$ 80,600	398,299
June			\$ 80,736	374,062
July			\$ 79,678	384,980
August			\$ 80,540	376,957
September			\$ 88,624	342,588
October			\$ 84,102	412,761
November			\$ 76,676	382,890
December			\$ 89,831	490,674
Total	\$ 188,832	1,065,696	\$ 1,047,659	5,185,899

Annual Budget	\$ 1,098,555
2018 Year to Date Actual	\$ 188,832
2017 Year to Date Actual	\$ 207,652
Percent of Budget	17%

2018 Grants

Grant	Funding Received	Total Grant
Ontario Municipal Partnership Fund	\$ 317,325	\$ 1,151,300
Gas Tax	\$ -	\$ 205,534
Ontario Community Infrastructure Fund	\$ 100,467	\$ 602,799
Clean Water and Wastewater Fund	\$ 416,504	\$ 1,279,961
Green House Gases Fund	\$ 103,575	\$ 2,310,750
Rural Economic Development Fund	\$ -	\$ 5,250
Main Street Revitalization	\$ -	\$ 43,860
Federation of Canadian Municipalities	\$ -	\$ 47,000
Total	\$ 937,871	\$ 5,646,454

2018 Long-Term Debt Payments

Debt	Payments to Date	Annual Payments	Balance
Town Hall	\$ -	\$ 255,733.90	\$ 2,202,724.80
OPP Station	\$ -	\$ 37,373.78	\$ 530,532.35
Water Reservoir	\$ 68,851.20	\$ 136,056.00	\$ 1,080,000.00
Harbour Docks/Dredging	\$ -	\$ 30,141.37	\$ 611,989.94
Sobeys Road Improvements	\$ 298,532.80	\$ 298,532.80	\$ 395,120.51
Total	\$ 367,384.00	\$ 757,837.85	\$ 4,820,367.60

2018 Major Capital Projects

Project	Expenditures	Committed	Spent	Budget
Library Barrel Roof	\$ -	\$ 32,930	\$ 32,930	\$ 437,000
Moreau Park Pavilion	\$ -	\$ -	\$ -	\$ 207,800
Hwy 26 Crossing Northwinds Beach	\$ -	\$ 6,197	\$ 6,197	\$ 416,500
Elma & Alice Street Reconstruction	\$ -	\$ 44,664	\$ 44,664	\$ 5,669,050
Peel Street Reconstruction	\$ -	\$ -	\$ -	\$ 94,500
Ravenna Yard Improvements	\$ -	\$ -	\$ -	\$ 175,000
Sidewalk Replacement	\$ -	\$ -	\$ -	\$ 188,000
Leachate Management	\$ 4,423	\$ 240,340	\$ 244,763	\$ 2,452,800
Harbour Fuel Storage	\$ -	\$ 18,817	\$ 18,817	\$ 240,000
Total	\$ 4,423	\$ 342,948	\$ 347,371	\$ 9,880,650

Bid Awards and Contract Extensions

2018 Contract Extensions to March 31, 2018 over \$25,000

Contract for:	Vendor/Proponent	Amount	Budget
Haulage of Bio-solids	Wessuc Inc.	\$ 29,540.00	\$ 31,000
SCADA Integration Services – Water	Next Level SCADA	\$ 31,102.00	\$ 38,350
Facility Cleaning	Morris Janitorial	\$ 49,957.00	\$ 58,225
Leachate Haulage	ROHES	\$ 140,000.00	\$ 154,300

2018 Bid Awards to March 31, 2018 over \$25,000

Contract for:	Vendor/Proponent	Amount	Budget
Camperdown Road Drainage Improvements	Roubos Farm Services LTD.	\$ 260,942.60	\$ 287,885
Development Charges Background Study and By-Law	Hemson Consulting LTD.	\$ 59,970.00	\$ 60,000
UV Unit Replacement at the Thornbury & Craigeleith Wastewater Treatment Plants	H2Ontarion Inc.	\$ 922,700.00	\$ 922,700
Building Condition Assessment	CION Coulter	\$ 41,733.53	\$ 74,000
IT Server Storage Array	Softchoice	\$ 75,313.36	\$ 180,500
Supply and Delivery of Wastewater Grade Aluminum Sulphate	Chemtrade Chemicals Canada	\$ 187,520.40	\$ 202,125
Engineering Services for Roof Replacement at The Blue Mountains Public Library	C. C. Tatham & Associates Ltd.	\$ 29,930.00	\$ 52,500
Supply, Haul and Application of Liquid Dust Suppressant	Da-Lee Dust Control	\$ 71,700.00	\$ 85,000
Supply, Crush, Load, Haul and Application of Granular 'M' Maintenance Gravel	Dalton R. Lowe & Sons Construction Ltd.	\$ 343,750.00	\$ 348,000
Supply and Delivery of One New Triplex Greens Mower	G. C. Duke Equipment Ltd.	\$ 34,495.00	\$ 40,000
Supply and Delivery of One New 2017 Wheel Loader	Toromont CAT	\$ 201,315.00	\$ 300,000
Supply and Installation of Rubberized Flooring at BVCC	Sound Barriers	\$ 45,728.60	\$ 50,000
Supply and Delivery of One New 2018 or newer Single Axle Snow Plow	Lewis Motors	\$ 266,764.00	\$ 285,000

Cheque Register by Type of Expenses January to March 2018

Expense Type	Amount
Advertising	\$ 18,917.62
Cleaning and Janitorial Supplies	\$ 35,213.16
Conservation Authority	\$ 94,607.00
Consulting	\$ 98,980.87
Contract Services	\$ 1,296,442.15
Council	\$ 1,132.64
Donations, Grants, and Sponsorships	\$ 68,870.82
Employee Related	\$ 2,454,855.76
Engineering	\$ 588,348.77
Equipment	\$ 170,918.44
Equipment Repairs and Maintenance	\$ 151,679.26
Facility Maintenance	\$ 28,640.37
Financial Obligations	\$ 344,510.54
Grey County	\$ 7,512,470.51
Individuals	\$ 11,023.33
Insurance	\$ 151,074.95
IT Software & Hardware	\$ 212,374.81
Legal	\$ 195,647.78
Library Cheques	\$ 76,637.56
Materials and Supplies Total	\$ 29,946.74
Memberships and Licenses	\$ 51,871.78
Office Supplies	\$ 40,302.98
Other Municipalities	\$ 61,664.09
P-Cards	\$ 161,581.80
School Boards	\$ 2,405,244.81
Special Events	\$ 13,453.66
Utilities	\$ 403,465.84
Vehicle Expenses	\$ 238,341.94
Total	\$ 16,918,219.98

Notes:

The cheque registers represents all cheques prepared by the Town in the months of January to March 2018. This does not mean that it was for a 2018 expense or even an expense to the Town. For example, in the Contract Services total, the good or service could have been received in 2017 and the cheque not prepared until 2018. In this scenario, this would represent a 2017 expense and been included on the Town's 2017 Financial Statements.

Included in the Employee Related total are payments made to the Receiver General (CRA). This includes Income Tax deducted from employees, which is not a Town expense. Another example is under the Financial Obligations total are deposits or securities received by the Town in previous years that is being returned. These are not Town expenses and will not be shown in any year on the Town's Financial Statements as expenses or revenue.

Tax Levy Summary

2018 Budget Variance Report
For the months ending March 31, 2018

	March	YTD Actuals	Committed	Total YTD	Total Budget	Unexpended \$	% of Budget
Expenses							
Salaries, Wages, and Benefits	\$717,173	\$2,210,760	\$0	\$2,210,760	\$9,432,420	\$7,221,660	23%
Administrative Expenses	\$4,657	\$23,541	\$2,663	\$26,204	\$135,650	\$109,446	19%
Personnel, Training and Travel	\$17,490	\$72,124	\$0	\$72,124	\$270,825	\$198,701	27%
Operating Expenses	\$4,767	\$36,833	\$489,440	\$526,273	\$640,380	\$114,107	82%
Communications	\$17,363	\$47,395	\$15,500	\$62,895	\$228,440	\$165,545	28%
Utilities	\$34,017	\$94,766	\$0	\$94,766	\$434,475	\$339,709	22%
Equipment Related	\$26,353	\$147,269	\$31,101	\$178,370	\$540,630	\$362,260	33%
Vehicle Related	\$38,253	\$113,702	\$0	\$113,702	\$294,240	\$180,538	39%
Purchased Services	\$550,261	\$1,238,333	\$974,406	\$2,212,739	\$5,255,555	\$3,042,816	42%
Financial Expenses	\$123,160	\$276,663	\$3,562	\$280,225	\$1,079,865	\$799,640	26%
Premises and Site	\$22,293	\$63,485	\$74,468	\$137,953	\$453,235	\$315,282	30%
Total Expenses	\$1,555,785	\$4,324,870	\$1,591,141	\$5,916,011	\$18,765,715	\$12,849,705	32%
Transfers							
Transfers to Capital	\$59,107	\$55,607	\$0	\$55,607	\$278,300	\$222,693	20%
Transfers to Reserves	\$494,350	\$492,618	\$0	\$492,618	\$1,977,400	\$1,484,782	25%
Interfunctional Transfers	(\$68,642)	(\$220,226)	\$0	(\$220,226)	(\$777,528)	(\$557,302)	28%
Total Transfers	\$484,815	\$327,999	\$0	\$327,999	\$1,478,172	\$1,150,173	22%
Total Transfers and Expenses	\$2,040,600	\$4,652,869	\$1,591,141	\$6,244,010	\$20,243,887	\$13,999,877	31%
Revenue							
Grants and Donations	\$61,147	\$409,835	\$0	\$409,835	\$1,498,300	\$1,088,465	27%
External Revenue	\$160,310	\$538,851	\$0	\$538,851	\$2,884,215	\$2,345,364	19%
Internal Revenue	\$12,385	\$11,621	\$0	\$11,621	\$712,790	\$701,169	2%
Total Revenue	\$233,842	\$960,307	\$0	\$960,307	\$5,095,305	\$4,134,998	19%
Net Cost of Service	\$1,806,758	\$3,692,561	\$1,591,141	\$5,283,702	\$15,148,582	\$9,864,880	35%

Water and Wastewater Services Summary

2018 Budget Variance Report
For the months ending March 31, 2018

	March	YTD Actuals	Committed	Total YTD	Total Budget	Unexpended \$	% of Budget
Expenses							
Salaries, Wages, and Benefits	\$79,314	\$228,064	\$0	\$228,064	\$995,720	\$767,656	23%
Administrative Expenses	\$621	\$1,034	\$0	\$1,034	\$6,150	\$5,116	17%
Personnel, Training and Travel	\$1,305	\$4,826	\$0	\$4,826	\$32,490	\$27,664	15%
Operating Expenses	\$40,282	\$49,957	\$0	\$49,957	\$173,375	\$123,418	29%
Communications	\$4,740	\$8,618	\$0	\$8,618	\$31,835	\$23,217	27%
Utilities	\$21,013	\$49,689	\$0	\$49,689	\$332,280	\$282,591	15%
Equipment Related	\$16,413	\$29,453	\$37,182	\$66,635	\$220,325	\$153,690	30%
Vehicle Related	\$1,657	\$2,105	\$0	\$2,105	\$39,150	\$37,045	5%
Purchased Services	\$7,718	\$25,630	\$113,427	\$139,057	\$80,800	(\$58,257)	172%
Financial Expenses	\$4,523	\$89,891	\$0	\$89,891	\$202,545	\$112,654	44%
Premises and Site	\$3,509	\$9,401	\$1,308	\$10,709	\$30,750	\$20,041	35%
Total Expenses	\$181,094	\$498,670	\$151,917	\$650,586	\$2,145,420	\$1,494,834	30%
Transfers							
Transfers to Capital	\$0	\$0	\$0	\$0	\$1,450	\$1,450	0%
Transfers to Reserves	\$364,787	\$364,787	\$0	\$364,787	\$1,459,147	\$1,094,360	25%
Interfunctional Transfers	\$32,613	\$97,839	\$0	\$97,839	\$388,655	\$290,816	25%
Total Transfers	\$397,400	\$462,626	\$0	\$462,626	\$1,849,252	\$1,386,626	25%
Total Transfers and Expenses	\$578,494	\$961,295	\$151,917	\$1,113,212	\$3,994,672	\$2,881,460	28%
Revenue							
Grants and Donations	\$0	\$0	\$0	\$0	\$0	\$0	0%
External Revenue	\$23,507	\$664,893	\$0	\$664,893	\$3,857,167	\$3,192,274	17%
Internal Revenue	\$0	(\$5,461)	\$0	(\$5,461)	\$137,505	\$142,966	-4%
Total Revenue	\$23,507	\$659,432	\$0	\$659,432	\$3,994,672	\$3,335,240	17%
Net Cost of Service	\$554,987	\$301,863	\$151,917	\$453,780	\$0	(\$453,780)	0%

User Fee Summary

2018 Budget Variance Report
For the months ending March 31, 2018

	March	YTD Actuals	Committed	Total YTD	Total Budget	Unexpended \$	% of Budget
Expenses							
Salaries, Wages, and Benefits	\$57,159	\$161,328	\$0	\$161,328	\$970,565	\$809,237	17%
Administrative Expenses	\$500	\$793	\$0	\$793	\$11,750	\$10,957	7%
Personnel, Training and Travel	\$0	\$9,431	\$0	\$9,431	\$42,460	\$33,029	22%
Operating Expenses	\$0	\$7,094	\$0	\$7,094	\$74,860	\$67,766	9%
Communications	\$617	\$1,871	\$0	\$1,871	\$7,400	\$5,529	25%
Utilities	\$200	\$1,155	\$0	\$1,155	\$15,375	\$14,220	8%
Equipment Related	\$23	\$1,342	\$0	\$1,342	\$9,635	\$8,293	14%
Vehicle Related	\$1,537	\$4,192	\$0	\$4,192	\$14,690	\$10,498	29%
Purchased Services	\$1,118	\$3,033	\$0	\$3,033	\$56,120	\$53,087	5%
Financial Expenses	\$1,026	\$3,093	\$0	\$3,093	\$79,635	\$76,542	4%
Premises and Site	\$20,926	\$21,863	\$800	\$22,663	\$123,665	\$101,002	18%
Total Expenses	\$83,106	\$215,196	\$800	\$215,996	\$1,406,155	\$1,190,160	15%
Transfers							
Transfers to Capital	\$0	\$611,990	\$0	\$611,990	\$31,950	(\$580,040)	1,915%
Transfers to Reserves	\$0	\$0	\$0	\$0	\$0	\$0	0%
Interfunctional Transfers	\$13,728	\$41,184	\$0	\$41,184	\$165,732	\$124,548	25%
Total Transfers	\$13,728	\$653,174	\$0	\$653,174	\$197,682	(\$455,492)	330%
Total Transfers and Expenses	\$96,834	\$868,369	\$800	\$869,169	\$1,603,837	\$734,668	54%
Revenue							
Grants and Donations	\$7,414	\$7,414	\$0	\$7,414	\$0	(\$7,414)	0%
External Revenue	\$105,145	\$850,889	\$0	\$850,889	\$1,603,569	\$752,680	53%
Internal Revenue	\$0	\$0	\$0	\$0	\$268	\$268	0%
Total Revenue	\$112,558	\$858,302	\$0	\$858,302	\$1,603,837	\$745,535	54%
Net Cost of Service	(\$15,725)	\$10,067	\$800	\$10,867	\$0	(\$10,867)	0%