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## STAFF REPORT: Finance and IT Services



**REPORT TO:** Committee of the Whole  
**MEETING DATE:** June 6, 2016  
**REPORT NO.:** FAF.16.49  
**SUBJECT:** 2015 Year End Cost Savings  
**PREPARED BY:** Ruth Prince  
 Director of Finance and IT Services

### A. Recommendations

THAT Council receive Staff Report FAF.16.49 “2015 Year End Cost Savings”; and,

THAT Council approve the allocation of the 2015 year end cost savings to the following:

1. Funding of the purchase of a 2015 CAT 816F2 Landfill Compactor at a cost of \$564,768
2. \$105,420 to the Legal Reserve

THAT Council approve that any differences or remaining cost savings be transferred to or reduce the amount of the recommended transfer to the Legal Reserve.

### B. Background

The results from the 2015 Financial Statements have identified \$670,185 in cost savings for the year. These cost savings are the result of one time salary and benefit savings from unfilled positions in the 2015 fiscal year or approximately 10,160 vacant staff hours.

Staff recommends that the use of the remaining surplus to be used to fund the following project below:

#### 1. Purchase of a 2015 CAT 816F2 Landfill Compactor Landfill

At the January 16, 2016 Special Meeting of Council, the following motion was made:

Moved by: Michael Seguin      Seconded by: John McGee

THAT Council receive Staff Report CSPW.16.017, “Landfill Compactor Negotiated Procurement”;

AND THAT Council pre-approve the 2016 Budget and authorize Staff to negotiate the purchase of a 2015 CAT 816F2 landfill compactor from Toromont Cat at the negotiated price of \$545,000, excluding HST with a contingency of \$10,000 for a total budget of \$555,000;

AND THAT the Mayor and the Clerk be authorized to execute the Contract Documents with Toromont Cat, Carried.

As indicated in CSPW.16.017, the funding source for this purchase was to be a 15 year loan with Infrastructure Ontario at an annual cost of \$47,000. Funding the purchase from the 2015 year saves approximately \$132,600 in interest payments over the life of the loan.

## 2. Legal Reserve

In March 2016, Council approved the creation of a Legal Reserve. The current balance is approximately \$17,500. The balance of the 2015 cost savings should be transferred to this Reserve for any potential litigation.

## C. The Blue Mountains' Strategic Plan

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

## D. Environmental Impacts

N/A

## E. Financial Impact

A breakdown of the 2015 cost savings and recommended projects are included in the chart below:

<b>2015 Year End Cost Savings</b>	<b>\$670,188</b>
Recommendations for Cost Savings:	
Purchase of a 2015 CAT 816F2 Landfill Compactor	\$564,768
Legal Reserve	\$105,420
	<u>(0)</u>

## F. In Consultation With

Senior Management Team  
Sam Dinsmore, Deputy Treasurer/Manager of Accounting & Budgets

## G. Attached

N/A

Respectfully submitted,

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Director of Finance and IT Services

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