

This document can be made available in other accessible formats as soon as practicable and upon request

STAFF REPORT: Finance and IT Services



REPORT TO: Committee of the Whole
MEETING DATE: April 25, 2016
REPORT NO.: FAF.16.40
SUBJECT: 2016 Monthly Financial Report – First Quarter
PREPARED BY: Debbie Brown, Budget Analyst

A. Recommendations

THAT Council receive Staff Report FAF.16.40, entitled “2016 Monthly Financial Report – First Quarter” for information purposes.

B. Background

Finance Staff provide regular financial reporting to the Finance and Administration Committee of the Whole for review and receipt by Council. The attached documentation provides Council with information on the financial activity of the Town as undertaken in relation to the 2016 Approved Budget.

The purpose of this report is to provide Council with the financial results for Operating and Capital spending for the three-month period ended March 31, 2016. The bulk of the Town’s activity occurs in the third quarter and therefore the third quarter report provides a better indicator of a forecasted year-end position.

Operating

Tax Supported Departments

Attachment 1 of the January to March Financial Report represents tax supported departments’ financials for the three months of the 2016 fiscal year. Tax supported departments would be Roads, Public Works, Parks and Community Services, Police, Fire Services, By-Law Enforcement, General Government and Planning. For the purposes of consolidation the Blue Mountains Public Library is also included. The total amount spent is \$3.7 million of the \$18.8 million budget, or 26%. Expenses are trending as expected through the first three months of 2016, with some items such as memberships, service and maintenance agreements being paid in full for the year.

This is an expected position at this time due to the seasonality of the Town’s business. Certain revenues not yet realized are:

- Final and Supplemental tax billing
- Quarterly Grants from OMPF

Analysis

Property Taxes

The Town has levied 48% of the \$14,105,311 for property tax revenue for the Town's Operating and Capital Budgets. The Town is presently at 25% of budget for Interest on Tax Arrears, having levied \$106,225 of the \$431,900 budget.

Policing

Policing costs to date are reflective of the contract rate of \$2,704,000 for 2016.

Winter Control

Winter Control is currently running at 46% of the annual budget of \$832,960; any cost overruns by year end will be funded from the Winter Control Reserve.

Library

The Library is at 21% of their operating budget at March 31, 2016.

User Rate Supported (Water and Wastewater)

Attachment 2 of the Report contains the user rate supported departments' financials for the first three months of 2016.

Analysis

The total amount spent is \$821,500 of the \$6.8 million budget, or 26%. Consumption billings are at 25% of budget. The Thornbury Water Treatment Loan Payment has been paid for half of the year during this period, which increases the financial expenses. Private wastewater collection is at 39% of budget and continues to experience strong demand.

User Fee Supported Operations (Building, Harbour & BIA)

Attachment 3 of the Report represents the user fee supported departments' financials for the first three months of the 2016 fiscal year.

The total amount spent for these departments is \$153,863 of the \$1.1 million budget, or 17%. It should be noted that any deficit in the Building Department will be funded from the Reserve Fund.

Analysis

Building Permit Revenue at March 31st is at 17% of Budget. The Town has collected \$87,490 of the \$500,000 budget. The building department has issued a total of 16 New Dwelling permits in the first three months of 2016 which is an increase from last year of 6 permits.

Harbour seasonal mooring revenue is budgeted at \$366,000, with the mooring revenues starting in April and their operations beginning early May. 2016's work plan includes the replacement of fuel lines and pump at the Fuel Dock.

Development Charges

By March 31, 2016 the Town had collected \$106,521 in Development Charges; representing 5% of Staff's annual forecast. The majority of these collections were on building permit applications.

Density Bonusing

None have been collected during the first three months of 2016.

Capital

Capital expenditures for the three months ended March 31, 2016 totalled \$249,559 or 4% of the 2016 Approved Capital Budget of \$5.7 million. This is to be expected as major capital projects cannot begin until tenders are awarded and load restrictions are lifted. Of the \$5.7 million budgeted, \$1 million is to be funded from property taxes; \$4.6 million is budgeted to be funded from non-tax levy funded. The remaining is to be funded from debt.

Overall, capital expenditures are within budget with no variance to report at March 31, 2016. Spending compared to budget at the end of the year will likely be on target for projects within the Town's control.

The following Tenders have been awarded in the past three months:

- 10th Line & 33rd Sideroad Reconstruction \$880,991 to E.C. King
- Demountable Aluminum Dash Board System \$119,698 Welmar Recreational Products for the Arena
- Light Duty Vehicles – 4 Pickup Trucks and 2 Crossovers

The following tenders are being reviewed by staff:

- Hillcrest Drive Resurfacing

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

The Blue Mountains is committed to environmental sustainability.

E. Financial Impact

As per above.

F. In Consultation With

Sam Dinsmore, Manager of Accounting and Budgets
Vicky Bouwman, Financial Analyst

G. Attached

1. 2016 Budget Variance Report Tax Levy Summary
2. 2016 Budget Variance Report Water & Wastewater Services Summary
3. 2016 Budget Variance Report User Fee Summary
4. March 2016 Flash Report

Respectfully submitted,

Debbie Brown
Budget Analyst

Ruth Prince
Director of Finance and IT Services

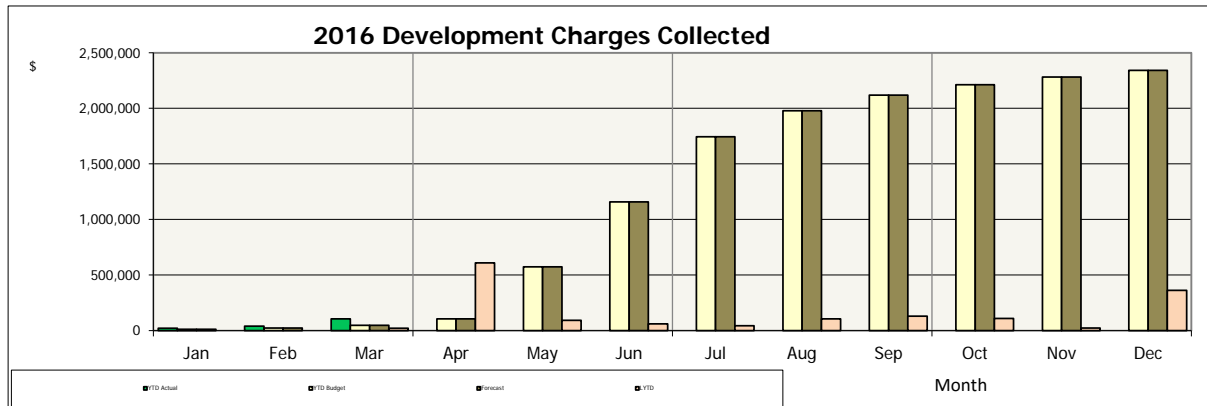
For more information, please contact:
Debbie Brown
dbrown@thebluemountains.ca
519-599-3131 extension 230

**The Blue Mountains
Monthly Flash Report -- Operating
March 31/2016**

**FAF.16.40
Attachment 1**

**Development Charges
Collected**

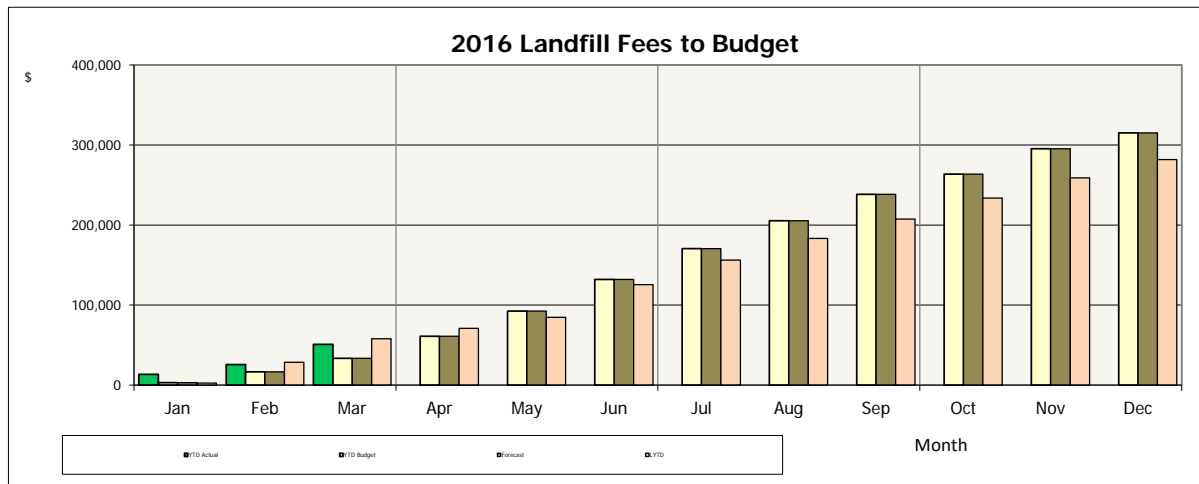
Estimated from the DC Background Study	YTD Actual	% Collected
2,340,885	106,521	5%



Commentary
Total Development Charges Collected from Jan to March was \$ 106,521 on Building Permit Applications
Soft Services -Total \$ 72,963
General Government - \$10,933
Fire - \$ 16,946
Police - \$ 3,051
Public Works - \$8,392
Parks & Recreation - \$ 22,379
Library - \$ 11,261
Hard Services - Total \$33,558
Roadways - \$ 33,679
Water - \$ -151
Wastewater - \$ 30

Landfill Site Fees

Annual Budget	YTD Actual	% of Budget
315,000	50,904	16%



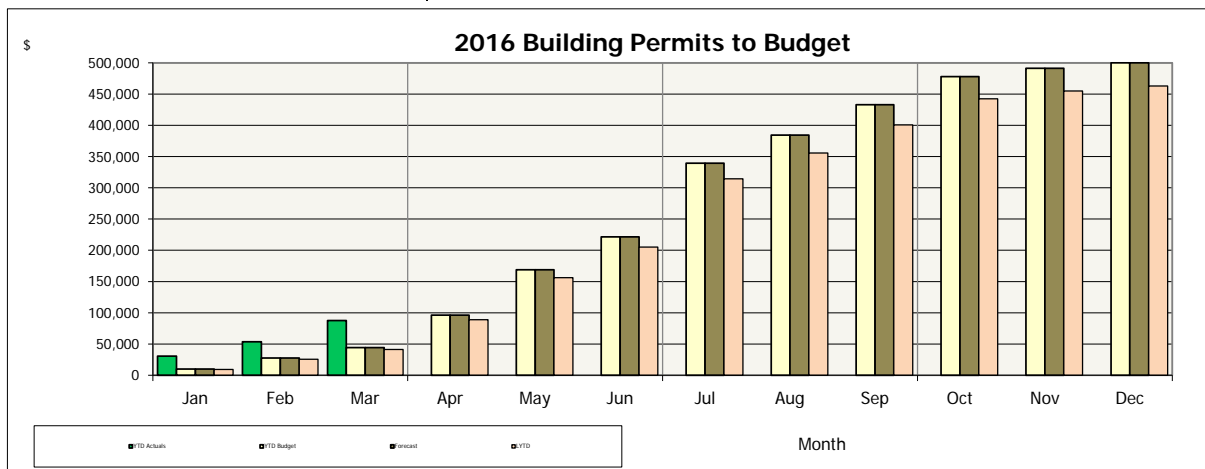
Commentary
Total Landfill Site fees collected for Jan to March were \$50,904
2016 Jan to March YTD has increased over 2015 Jan to March YTD by \$ 10,979

Note: YTD Budget is an extrapolation of the Annual Budget based on estimated occurrence of transactions in our business cycle.

**The Blue Mountains
Monthly Flash Report -- Operating
March 31/2016**

Building Permits

Annual Budget	YTD Actual	% of Budget
500,000	87,491	17%



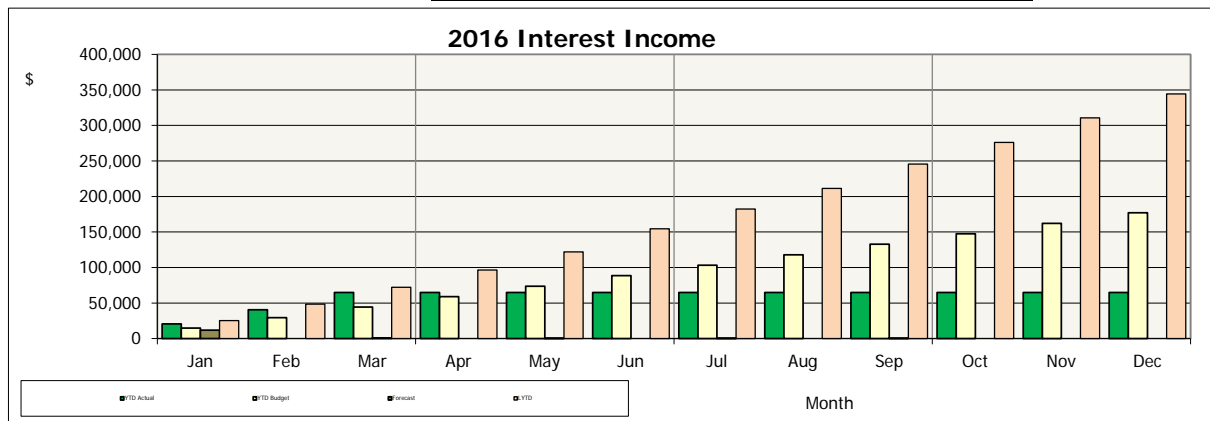
Commentary

Total Building Permit Fees collected from Jan to March were \$ 87,491

2016 Jan to March YTD has increased over 2015 Jan to March YTD by \$ 26,106

Interest Income

Annual Budget	YTD Actual	% of Budget
177,000	64,926	37%



Commentary

Town Operating Bank Account Balance at March 31, 2016 was \$ 16,287,301.

TD Canada Trust GIC Matured February 29 and was not re-invested at this time.

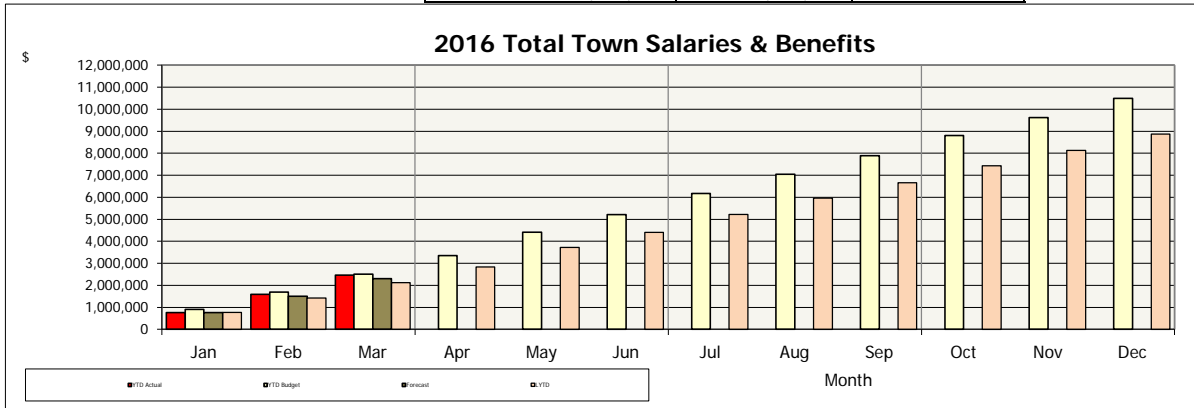
The County Levey was \$3,423,497 and the School Boards were \$ 2,388,867, these monies were due March 31st.

The Town's First Tax Installment Due Date was March 24th.

**The Blue Mountains
Monthly Flash Report -- Operating
March 31/2016**

Total Town Salaries & Benefits

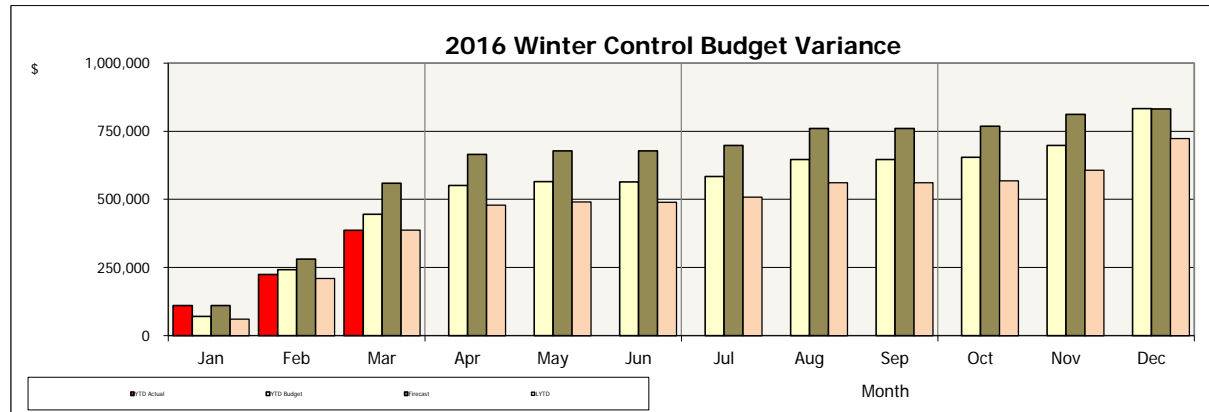
Annual Budget	YTD Actual	% of Budget
10,493,580	2,462,660	23%



Commentary
Salaries & Benefits for January to March were \$2,462,660

Winter Control

Annual Budget	YTD Actual	% of Budget
832,960	386,605	46%



Commentary
The Winter Control budget is at 46% at this time. Any cost overruns by year end will be funded from the Winter Control Reserve

Town of The Blue Mountains
2016 Budget Variance Report
For the Three Months Ending March 31, 2016

	2016						
	Mar	YTD Actuals	Committed	Total YTD	Budget	Unexpended \$	% of Budget
EXPENSES							
Salaries, Wages & Benefits	\$692,869	\$1,966,985	\$0	\$1,966,985	\$8,611,320	\$6,644,335	23%
Administrative Expenses	8,511	18,427	0	18,427	121,830	103,403	15%
Personnel, Training and Travel	31,868	68,179	1,500	69,679	272,135	202,456	26%
Operating Expenses	6,696	27,465	64,089	91,554	531,550	439,996	17%
Communications	9,241	36,201	0	36,201	200,060	163,859	18%
Utilities	89,576	114,797	0	114,797	403,290	288,493	28%
Equipment Related	39,390	133,455	30,575	164,030	328,735	164,705	50%
Vehicle Related	22,629	72,043	0	72,043	318,650	246,607	23%
Purchased Services	495,880	1,117,805	506,808	1,624,613	5,133,505	3,508,892	32%
Financial Expenses	28,148	151,619	0	151,619	1,045,835	894,216	14%
Premises and Site	48,340	78,136	140,782	218,918	448,405	229,487	49%
Minor Capital Work	0	0	0	0	25,500	25,500	0%
TOTAL EXPENSES	1,473,148	3,785,112	743,754	4,528,866	17,440,815	12,911,949	26%
TRANSFERS							
Transfers to Capital & Reserves	38,991	38,991	0	38,991	2,334,874	2,295,883	2%
Interfunctional Transfers	(82,415)	(227,960)	0	(227,960)	(969,515)	(741,555)	24%
TOTAL TRANSFERS	(43,424)	(188,969)	0	(188,969)	1,365,359	1,554,328	-14%
TOTAL TRANSFERS & EXPENSES	1,429,724	3,596,143	743,754	4,339,897	18,806,174	14,466,277	23%
REVENUE							
Tax Revenues	6,829,231	6,823,397	0	6,823,397	220,000	(6,603,397)	3,102%
Grants & Donations	35,850	308,136	0	308,136	1,541,100	1,232,964	20%
Reserve Revenue	0	0	0	0	630,075	630,075	0%
Interest and Investment	6,256	131,115	0	131,115	859,488	728,373	15%
Sales	6,168	15,243	0	15,243	87,900	72,657	17%
Fee and Charges	55,313	140,894	0	140,894	1,147,800	1,006,906	12%
Facilities Rental	9,681	45,564	0	45,564	214,500	168,936	21%
TOTAL REVENUE	6,942,499	7,464,349	0	7,464,349	4,700,863	(2,763,486)	159%
NET POSITION	5,512,775	3,868,206	(743,754)	3,124,452	(14,105,311)	(17,229,763)	-22%

Town of The Blue Mountains
2016 Budget Variance Report
For the Three Months Ending March 31, 2016

	2016						
	Mar	YTD Actuals	Committed	Total YTD	Budget	Unexpended \$	% of Budget
EXPENSES							
Salaries, Wages & Benefits	\$140,942	\$386,796	\$0	\$386,796	\$1,561,455	\$1,174,659	25%
Administrative Expenses	567	1,524	0	1,524	8,550	7,026	18%
Personnel, Training and Travel	2,695	22,695	0	22,695	42,575	19,880	53%
Operating Expenses	37,311	41,974	23,117	65,091	321,490	256,399	20%
Communications	5,791	13,500	0	13,500	52,575	39,075	26%
Utilities	85,675	124,396	0	124,396	528,650	404,254	24%
Equipment Related	30,526	63,628	39,598	103,226	408,825	305,599	25%
Vehicle Related	3,625	7,152	0	7,152	65,020	57,868	11%
Purchased Services	12,978	1,689	10,792	12,481	123,225	110,744	10%
Financial Expenses	34,037	142,177	0	142,177	363,220	221,043	39%
Premises and Site	11,989	16,013	25,595	41,608	64,375	22,767	65%
TOTAL EXPENSES	366,136	821,544	99,102	920,646	3,539,960	2,619,314	26%
TRANSFERS							
Transfers to Capital & Reserves	0	0	0	0	2,403,461	2,403,461	0%
Interfunctional Transfers	68,021	184,809	0	184,809	772,832	588,023	24%
Transfer To/From Unfinanced Capital	0	0	0	0	88,443	88,443	0%
TOTAL TRANSFERS	68,021	184,809	0	184,809	3,264,736	3,079,927	6%
TOTAL TRANSFERS & EXPENSES	434,157	1,006,353	99,102	1,105,455	6,804,696	5,699,241	16%
REVENUE							
User Rate Billings	556,679	1,647,359	0	1,647,359	6,573,126	4,925,767	25%
Reserve Revenue	0	0	0	0	183,570	183,570	0%
Interest and Investment	1,030	4,192	0	4,192	20,000	15,808	21%
Fee and Charges	320	1,455	0	1,455	28,000	26,545	5%
TOTAL REVENUE	558,029	1,653,006	0	1,653,006	6,804,696	5,151,690	24%
NET POSITION	123,872	646,653	(99,102)	547,551	0	(547,551)	0%

Town of The Blue Mountains
2016 Budget Variance Report
For the Three Months Ending March 31, 2016

	2016						
	Mar	YTD Actuals	Committed	Total YTD	Budget	Unexpended \$	% of Budget
EXPENSES							
Salaries, Wages & Benefits	\$35,468	\$108,879	\$0	\$108,879	\$463,295	\$354,416	24%
Administrative Expenses	87	163	0	163	57,500	57,337	0%
Personnel, Training and Travel	2,615	6,088	0	6,088	31,500	25,412	19%
Operating Expenses	0	46	0	46	88,500	88,454	0%
Communications	261	2,635	0	2,635	15,800	13,165	17%
Utilities	1,367	2,593	0	2,593	18,585	15,992	14%
Equipment Related	880	3,039	0	3,039	8,200	5,161	37%
Vehicle Related	714	2,922	0	2,922	24,035	21,113	12%
Purchased Services	1,781	1,816	0	1,816	36,550	34,734	5%
Financial Expenses	1,293	4,673	0	4,673	25,470	20,797	18%
Premises and Site	92,990	21,009	390	21,399	112,280	90,881	19%
TOTAL EXPENSES	137,456	153,863	390	154,253	881,715	727,462	17%
TRANSFERS							
Transfers to Capital & Reserves	0	0	0	0	95,967	95,967	0%
Interfunctional Transfers	14,394	43,151	0	43,151	196,683	153,532	22%
TOTAL TRANSFERS	14,394	43,151	0	43,151	292,650	249,499	15%
TOTAL TRANSFERS & EXPENSES	151,850	197,014	390	197,404	1,174,365	976,961	17%
REVENUE							
User Rate Billings	375	1,285	0	1,285	7,000	5,715	18%
Sales	894	2,323	0	2,323	124,450	122,127	2%
Fee and Charges	91,276	174,060	0	174,060	1,000,715	826,655	17%
Facilities Rental	0	0	0	0	42,200	42,200	0%
TOTAL REVENUE	92,545	177,668	0	177,668	1,174,365	996,697	15%
NET POSITION	(59,305)	(19,346)	(390)	(19,736)	0	19,736	0%