

FINANCE DEPARTMENT MONTHLY REPORT

To: Colin Smith, CAO

Prepared by: Robert Higson, CPA, CA

Month(s) of June - Aug 2022

Section 1: Operational Dashboard

Metric	Current Period	Prior Period	Annual Result	Trend
Debt Ratio	(Budget) 2022 8.05%	(Actual) 2021 9.42%	Stable	Stable
Accounts Receivable (significantly past due accounts only)	\$375,000 Sept '22	\$437,000 July '22	Increase. Should start to decline after financial relief measures end on June 30	Increasing due to Covid financial relief measures
Accounts Payable processed (Aug '22 vs. July '22)	\$4,653,238 (308 cheques)	\$2,071,066 (293 cheques)	-	-
% of residential Water & Sewer bills sent electronically (Quarterly Aug '22 vs May '22)	19.49% (1,213 of 6,224)	19.23% (1,195 of 6,215)	Gradual growth in e-billing	Increasing

Section 2: Status of Department's Operational Priorities for 2022

Priority	Status
Continue the development of the long-range capital Asset Management Plan (AMP)	<p>The most recent formally approved version of the five (5) year Capital plan was passed through Council Resolution on November 15, 2021. (See below notes for status of update).</p> <p>Of particular significance, the long-term financial impact of the <i>Riverview Recreation Center</i> is a key component of the existing Capital Plan. The construction and operation of this facility shall result in higher borrowing costs leading to an increasing debt ratio plus a need to adjust the</p>

Priority	Status
	<p>property tax rate (unless continued significant growth in the tax base assessed values can offset this).</p> <p>As new information becomes available, including funding application results, changes to the Equalization Grant formula and tender results, amendments to the financial projections shall be brought to Council's attention and incorporated into the long-term plan.</p> <p>It has been the accepted practice that the Town bases decision making for prioritization of asset management activities on independent third-party condition assessments in combination with staff input. Of course, Council has the final approval authority.</p> <p>The Director of Finance and Facilities Manager have incorporated the results of the Town Hall and Fire Station building condition assessments into the 2022 - 2031 capital plan. Further analysis, review and discussion at the staff level and with Council is required to determine the scope of refurbishments and/or disposition of Town Recreational Facilities. The Director continues to hold discussions re: asset condition assessment activities with each Department Director in Public Works, Parks and Facilities Management.</p>
<p>Actively explore all external funding opportunities available to support the Capital Budget priorities</p>	<p><u>Funding Application(s)</u></p> <p>The Town is still awaiting a decision on a <i>revised</i> Application for funding for the Riverview Recreation Center through the <i>Integrated Bilateral Agreement for the Investing in Canada Infrastructure Program (ICIP)</i>. Talks are continuing with senior provincial representatives.</p> <p>As previously reported, we also received a positive decision on an application under the <i>Canada Community Revitalization Fund (CCRF)</i> program. The objective for this application is to receive funding to upgrade/revitalize certain parks and playgrounds in Riverview. This will result in a shift in the timing (but not overall amounts) for the completion of the Playground infrastructure portion of our long-term capital plan. The Town received approval for funding of <u>up to</u> \$469,700 or 50% of the estimated \$939,400 costs for this initiative.</p>

Section 3: Other Notable Developments & Highlights for Council's Attention

Director of Finance

The most significant activity of note is the hiring of the new Director of Finance, Shannon Parlee. Robert Higson is currently in the process of orienting Shannon with focus on the annual budget process.

Robert's formal retirement date is effective September 30th.

Capital and Financial - Ten Year Plan Update

Annually, staff and council review the long-term capital plan. This year, given the recent tender results, supply chain issues, and significant inflationary pressures, staff are currently reviewing ten-year departmental capital plans and projected costs. Directors, along with the CAO, met on May 26 to review revised projected figures along with any changes to project(s) scope to determine what impact this will have on the property tax rate and the debt ratio. The Director of Finance and CAO then met to review next steps and the CAO created a few scenarios for discussion purposes.

It is clear the current ten (10) year plan requires amendments to remain within parameters established by Council for the property tax rate and debt ratio. Staff had a planning session with Council to review and discuss these long-term financial projections and will incorporate certain changes into the capital budget plan.

Financial Results Year To Date – 2022

Staff continue to monitor departmental financial results given rising inflation and its impact vs. the 2022 budget this year. As at August 31 the Town is on track to achieve "*close to budgeted*" results for this fiscal year.

Debenture Borrowing

The Director of Finance filed the application with the Province (MCBB) to drawdown the pre-authorized debenture amount of \$2,987,000. These funds shall be received in November and will be used to finance a portion of the 2022 Capital Expenditures.

Budget 2023

The Director of Finance has created the budget spreadsheet templates in preparation for the development of the 2023 Operating Budgets.

As well, on June 22 Mr. Higson participated in a tri-community meeting to review the 2023 water purchase rate from the City of Moncton. The rate per cubic meter is expected to increase by 12%.

Also, the Codiac RCMP have provided a 2023 draft budget for review by the Executive Insight Committee.

Water & Sewer Accounts - Financial Relief Measures

The temporary relief measures implemented at the start of the pandemic in early 2020 ended effective June 30, 2022. Resumption of normal collection activity for past due accounts has commenced to reduce the level of severely past due accounts receivable. Residents are subject to the Town collection policy and may now be subject to consequences including water shut off for severely delinquent accounts.

Report Approval Details

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

Colin Smith - Sep 21, 2022 - 10:01 AM