

FINANCE DEPARTMENT MONTHLY REPORT

To: Colin Smith, CAO

Prepared by: Robert Higson, CPA, CA

Date: Sept, 2017

Month: July-Sept 2017



Agenda Item: 7b.1

Meeting Date: COW 09/25/2017

For use by Office of the Town Clerk only

Section 1: Operational Dashboard

Metric	Current Period	Prior Period	Annual Result	Trend
Debt Ratio (beginning of year)	15.75% 2017	11.99% 2016	Increasing	Due to debt for Ops Ctr.
Accounts Receivable (significantly past due accounts only)	\$194,000 (Sept/17)	\$184,000 (June/17))	Stable	Slight increase (Director to review accounts)
Accounts Payable processed (Aug '17 vs. July'17)	\$4,197,790 (429 cheques)	\$2,319,025 (371 cheques)	-	-
% of Water & Sewer Bills sent electronically (quarterly Aug' 17 vs. May '17)	10.0%	10.0%	Gradual growth in e- billing	Stable (clerk/receptionist is promoting this option at the municipal payments counter)

Section 2: Status of Department's Operational Priorities for 2017

Priority	Status
Lead the Town in the development of a long range capital Asset Management Plan (AMP)	<p>The continued development of the AMP is among the performance objectives for the Director of Finance during 2017.</p> <p>The team has met with the external consultant (Opus) and provided volumes of information, studies and assessments for the major categories of Town assets. The team has participated in three workshops to date lead by the consultants. The first was held on February 24 during which the Level of Service to be provided through Town assets was discussed in detail. The Level of Service plays a role in determining the nature, type and cost of investment in assets by the Town.</p>

Priority	Status
	<p>The second AMP workshop was held on Tuesday, March 14 during which the <i>State of the Infrastructure</i> (condition of assets) was reviewed.</p> <p>A third workshop was held on April 27th during which the Town's ongoing activities related to the cycle of maintaining/replacing capital assets was discussed.</p> <p>The last workshop was held on July 6 to review the level of <i>financial investment</i> required related to long term capital planning based upon agreed levels of service.</p> <p>This process will culminate with a report to Council in the latter part of 2017.</p>
Long Term Financial Planning and Managing Debt Ratio	<p>Monitoring and managing the level of the debt ratio is one of the objectives for the Director of Finance. He will ensure the best combination for utilization of capital reserves, capital financed from operations and project funding grants from senior levels of government in order to minimize the necessity for using long term debt to achieve long term asset management. The current objective is to maintain a debt ratio lower than 16% with continued vigilance in this area.</p> <p>Council recently approved borrowing for the balance (\$4.1m) needed to finance the Operations Center. The paperwork has been sent to the Province with formal PNB approval and receipt of funds expected by early December. The total amount borrowed for the Operations Center is \$14.1million (\$10.0 million last year) versus an initial capital budget of \$16.6 million. This very positive result is due to lower than budgeted construction costs and financing a portion through "capital from operating revenues". The Town has reduced interest costs by over \$120,000 in 2017 by borrowing this \$4.1m final amount in the later part of this year rather than earlier in 2017.</p>
Technology Options	<p>The Director of Finance is undertaking a review of certain aspects of the Finance Department operations with the objective of identifying opportunities for the adoption of technologies that may improve efficiencies and/or allow staff to provide enhanced service to both internal and external customers.</p> <p>Examples of this may include banking technology, customer relationship and financial budgeting, planning and reporting tools.</p> <p>The Director has met with bank personnel to discuss some of these opportunities. Our IT consultant is also reviewing opportunities and will be meeting with staff to try to capitalize on them moving forward.</p>

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

Budget 2018 Preparation

Staff have developed a timeframe for the budget preparation process. Each department is already reviewing their year to date results and has started to work on developing plans for 2018 and beyond. This year the process will be even more difficult due to the PNB's decision to freeze property assessments thereby virtually eliminating revenue growth in 2018. This, in combination with inflationary and contractual obligations for expenses, will make prioritization even more critical than in the past.

The Director of Finance and CAO have had initial discussions to determine the recommended financial parameters to be used throughout the budget process. These parameters are being presented to Council for discussion at the COW meeting on September 25th.

Directors will begin meeting as a group with the CAO in the first week of November after each department submits their proposed budget(s) and current year projections to Finance.

Codiac RCMP Building Committee

Ongoing. Recently an RFP was issued to engage consultants for professional services related to assisting in the preparation of a tender for this large project. This RFP closed on June 30 and the scoring has been completed. The successful proponent shall be informed shortly. It is currently projected this new facility will open in fiscal 2020. The additional costs for the Town of Riverview's share of operating/building this facility must be factored into long term financial planning.

Safety Leadership

The Director of Finance has been appointed to the *Safety Governance Committee* and is participating in a *Safety Leadership Program* sponsored by Work Safe NB designed to enhance the Town's safe work culture. An introductory workshop was held on March 22 followed by additional workshops on April 28 and June 16 related to this initiative. Two additional workshops will be held in October. To date the workshops have been received quite positively by the attendees.

Asset Management Planning (AMP) Grant Application

The Town successfully received a grant that will cover approximately 80% of the 2017 costs for this initiative. This approximate \$30,000 revenue grant was not budgeted so it will have a positive impact on actual vs. budget variances in the 2017 general operating budget.

Report Approval Details

Document Title:	FIN-Monthly Report Sept-17.docx
Attachments:	
Final Approval Date:	Sep 20, 2017

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

Colin Smith - Sep 20, 2017 - 3:42 PM