

FINANCE DEPARTMENT MONTHLY REPORT

To: Colin Smith, CAO

Prepared by: Shannon Parlee, CPA

Month: October 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, i.e., 270 days+)	\$426,000 October '22	\$462,000 September '22	Balance is declining month over month.	Decreasing Financial relief measures have ended therefore allowing us more ability to collect overdue balances (since September 1 st). Collection efforts have shown progress with balance declining.
Accounts Payable Processed (September '22)	\$3,751,743 (341 Cheques)	\$4,653,238 (308 Cheques)	Higher in September due mostly to large amounts due in that month, i.e., RCMP.	Consistent
% Of Residential Water & Sewer bills sent electronically (August '22 vs. May '22)	19.49% (1,213 of 6,224)	19.23% (1,195 of 6,215)	Improving over time. Bills are sent out quarterly in February, May, August and November.	Update will be available next billing cycle for November.

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

Priority	Status
<p>Continue the development of the long-range capital Asset Management Plan (AMP)</p>	<p>A goal of the new Director of Finance, Shannon Parlee, is to provide a revamp and update to the current capital asset policy to allow for consistency between departments and the Town of Riverview as a whole on our capitalization policy.</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 revised Application for funding or 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 Canada Community Revitalization Fund {CCRF} 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 up to \$469,700 or 50% of the estimated \$939,400 costs for this initiative.</p> <p>We were informed on October 7th, that the CCRF program has been extended to March 31, 2024 (from the current deadline of December 31, 2022). So far, we have just two expenses related to this claim (project planning and sand) for a total of \$13,234, therefore no claim has been made yet as we accumulate more items to submit (after confirming we have paid them therefore allowing them to be eligible to claim).</p> <p>Municipal Park Project Status:</p> <ol style="list-style-type: none"> 1. Anticipated project completion date: Oct 31, 2023 2. We expect \$375,760 of available funding to be claimed before March 31, 2023, with \$563,640 carried to the following fiscal year.

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

Financial Results Year to Date: September 2022

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

Director Parlee met with Accounting Supervisor, Cathy Molnar, to review the September financials (budget vs. actuals) prior to distribution.

Highlights:

Operating (Surplus/Deficit: $-\$1,115$)

Administration:

- Building permits and rezoning: \$32K ahead of budget due to the large influx of new buildings/rezoning required in 2021-2022.
- Rink Arena revenue: \$60k below budget due to the rink renovations not yet complete.
- LTD interest: \$171K higher due to borrowing being originally budgeted over 15 years rather than the correct 10-year period.
- Public Transit expenses: \$43K lower than budgeted due to a \$114K grant received from RCS to assist in costs of providing public transit.
- Salaries in many areas are lower than budgeted due to positional changes.

Fire Department:

- O/T Sickness: \$72k increase in O/T sickness related to one employee.
- A savings of \$31K in OT fire call ins (unpredictable number by nature as depends on actual calls that come in).

Engineering and Public Works:

- Oil, gas and diesel: \$35K higher due to supply chain pressures and inflation.
- Street patching: \$79k less than budgeted due to costs being higher; there was a departmental decision to only do what is necessary to avoid any large cost overruns.
- Salaries: \$40k higher due to a more demanding winter requiring more maintenance. The rougher winter also led to an increase in salt (\$68K more than budget) and an increase in snow removal (\$23k more than budget).

Parks and Recreation:

- Salaries: \$82K less than budget as the department saw a lot of movement in employees (of note is the vacant superintendent position not yet replaced).
- Oil, gas and diesel: similar to above, supply chain pressures and inflation resulted in the actuals being \$37K higher than budgeted for to date.

Utility (Surplus/Deficit: 119,052)

Overall, consumption has been higher than the prior year, and there are also more units as the Town of Riverview continues to welcome more residents and commercial activity.

- Commercial water revenue: \$86K higher than budgeted for to date. Some users were higher than usual and there were also new apartments built causing higher usage.
- Connection and service charges: \$70K more than budget to date due to same reasons as above.

Budget 2023

The Director of Finance has created the budget spreadsheet templates in preparation for the development of the 2023 Operating Budget. Each department head and other responsible parties have been given their templates to update projections to year-end and budget for 2023. We are on track to receive their respective budgets by the 25th of this month for deliberation. Director Parlee met with several people to review the process and discuss any items.

Director Parlee has already attended meetings with some third party shared service providers to discuss preliminary budget figures including Trans Aqua (for sewer treatment). She has also received updates from the Codiac RCMP and the Regional Service Commission (RSC).

As well, Council and staff have received budget presentations from various third parties to whom the Town provides annual funding. Some questions were posed by council regarding the process around submitting applications for funding. There is a need going forward to have a more formal policy in place to ensure that parties providing presentations have the required information council needs to make decisions, such as financial information. Director Parlee will work with CAO, Colin Smith, on a more formalized approach for future years.

The Director of Finance is meeting with the CAO and all Directors scheduled over two days (October 27th and 28th) to review and discuss the proposed 2023 budget for presentation to Council in early November. The focus is to stay within the budget parameters previously agreed to by Council. The schedule for budget preparation includes dates for delivery to Council of budget information binders on Thursday, November 3rd followed by public presentation(s) and deliberation sessions on Wednesday, November 9th and Saturday, November 12th (if necessary).

Budget highlights:

- Tax Assessment Base: \$2,066,279,800 (15% increase from 2022)
- Equalization Grant: \$1,302,500 (11% decrease from 2022)
- Fire Services LSD: \$570,991 (25% increase from 2022).
- RCMP Latest Budget: \$ 4,791,402 allocated to Riverview (10.63% in 2023 vs. 10.93% in 2022 – cost sharing formula). A 12% increase from PY as part of the new proposed RCMP budget.
- Insurance: We are continuing with our long-time provider via Luke Cain. The original outlook was a 12-15% change in costs due to market, however based on recent conversations with Luke, the changes are coming in around 8-10%.
- TransAqua rate to remain at \$210
- Southeast Regional Service Commission (Draft):
 - Existing Mandated Services: \$916,064
 - New Mandated Services: \$117,664
 - Existing Non-Mandated Services: \$57,094 (Mosquito Control – see below)

Local Governance Reform:

With the recent changes introduced with *An Act Respecting Local Governance Reform*, flexibility was given in setting the non-residential rate ratio and heavy industrial rate ratio to range from 1.4 to 1.7 times the local residential rate, instead of having to use the current ratio that had been fixed at 1.5 times.

Previously, we were provided with the tax base for rate used to calculate your tax rate. The previous tax base formula consisted of the total residential assessment plus 1.5 times the non-residential assessment.

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. We have seen a decline month over month in severely delinquent accounts therefore efforts to collect are taking effect.

Report Approval Details

Document Title:	FIN-Report OCT 2022.docx
Attachments:	
Final Approval Date:	October 20 th , 2022

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

Colin Smith,

