

Town of Riverview

FINANCE AND IT DEPARTMENT MONTHLY REPORT



To: Colin Smith, CAO

Prepared by: Shannon Parlee, CPA (Director of Finance & IT)

Date: June 26, 2023

Month & Year: June 2023

Section 1: Operational Dashboard

Metric	Current Period	Prior Period	Annual Result	Trend
Debt Ratio	{Budget} 2023 8.97%	{Actual} 2022 8.50%	Stable	Healthy Position
Accounts Receivable (Significantly past due accounts only, i.e., 270 days+)	\$285,484 May '23	\$343,768 April '23	Balance is down month over month, with a large cut made due to the efforts in collections. We continue to show improvements in our collections whereby our staff are doing a great job monitoring and working with resident accounts. As of today (6/21/2023), the balance is \$271k, therefore showing that our positive collection results have continued this month. We issue our bills quarterly, which occurred last in May and next in August.	The balance has decreased . Financial relief measures have ended therefore allowing us more ability to collect overdue balances (since September 1 st). Collection efforts have shown progress with the balance declining.
Accounts Payable Processed (April '23 vs. May '23)	\$3,650,410 (333 Cheques)	\$1,516,611 (310 Cheques)	Results are as expected . Some larger settlements this month for planned capital projects, and we also had a large	Consistent with our understanding of billing trends and schedules of payments.

			scheduled installment to pay City of Moncton for our share of the CRPA and Fire Dispatch costs.	
% Of Residential Water & Sewer bills sent electronically (May '23 vs. February '23)	20.40% (1,275 of 6,250)	20.08% (1,255 of 6,249)	Improving over time. Residential bills are sent out quarterly in February, May, August, and November.	Update from most recent February quarterly billing. Slight increase from previous quarter. Continually showing improvement however, still plenty of progress to be made.

Section 2: Status of Department's Operational Priorities for 2023

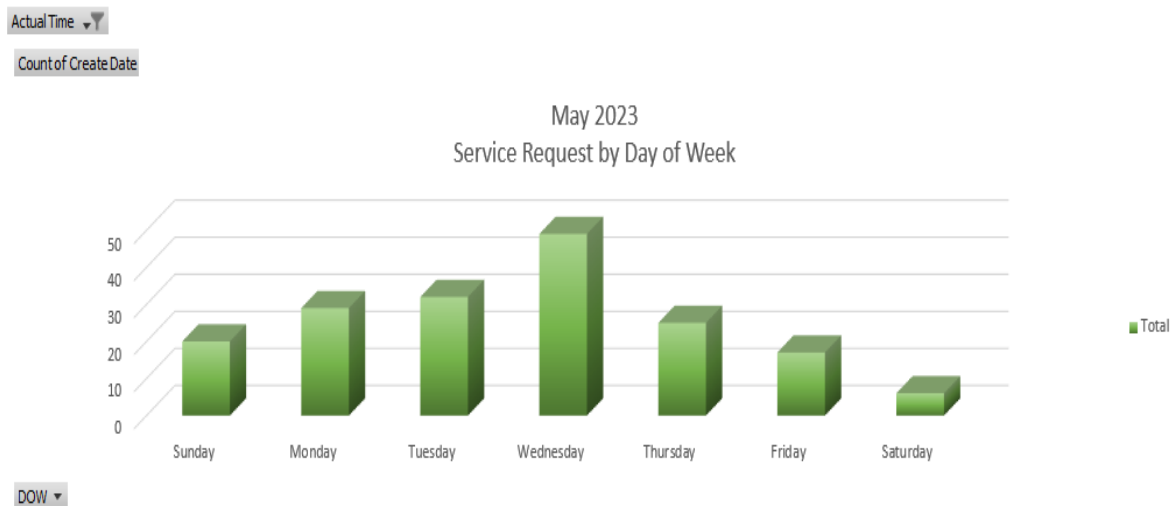
Priority	Status
Oversight and Management of the Finance & IT functions to align with the Service Excellence expectations of the Town's Strategic Plan	<p><u>Budget vs Actuals</u></p> <p>Costs are more stable and falling in line with budget thus far for both operating and capital, except for the one tender discussed previously. The Finance Department continues track capital year to date weekly including detailed purchases for each project.</p> <p>As at end of May 2023, we are showing a surplus in both the general and utility funds operating budgets as follows:</p> <ul style="list-style-type: none"> • General: \$232,257 • Utility: \$161,929 <p><u>Quick Highlights:</u></p> <p>General:</p> <ul style="list-style-type: none"> • Revenue: non-tax revenue is higher than expected by \$172k. • Expenses: \$61k under budget in total whereby savings in other area (admin of \$169k) helped offset higher costs in other areas (works/engineering \$54k above budget; parks and rec 58k above budget). <p>Utility:</p> <ul style="list-style-type: none"> • Revenue: is \$231k above budget due to more consumption than anticipated (Water and sewer – commercial – new builds/more usage) • Expenses: are \$70k more than budget, which thankful to higher revenue, was absorbed. Mostly higher purchases of water (25k) and water and sewer

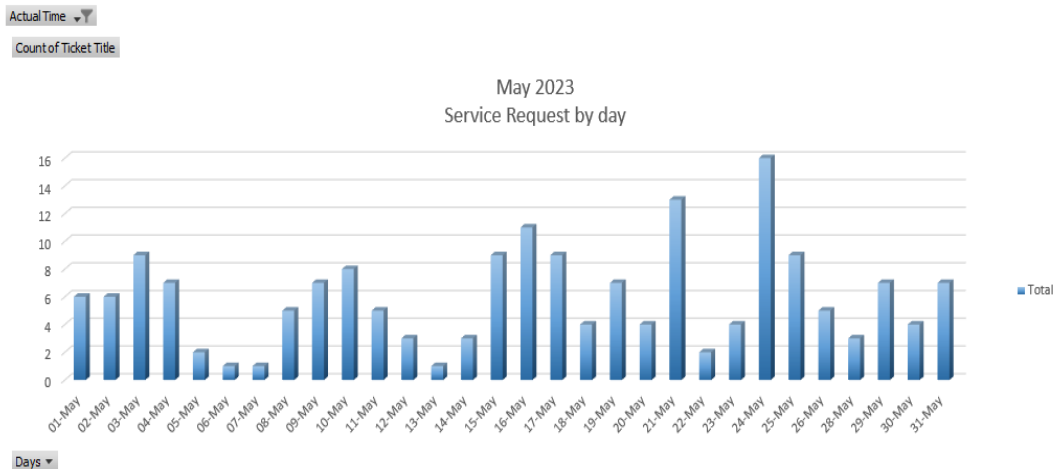
	<p>operating costs (\$55k) – which is offset by a few smaller savings thus far in the fiscal year. Higher revenue equates to higher expenses.</p> <p>Council can look forward to future COW meetings whereby Director Parlee will report on quarterly results in more detail.</p> <p><u>Borrowing Long Term Debt</u></p> <p>The 2023 budget included borrowing of ~\$3.2m for General Capital and ~\$1.8M for Utility Capital. Director Parlee completed the Application for Authorization to Borrow for proposed Capital Projects. We have received confirmation from the Municipal Capital Borrowing Board that our request for authority to borrow was successful for both the General and Utility funds. Given there have been changes in the timeline for capital projects, namely, the Riverview Recreation Complex and with the news of the utility funding via the infrastructure project (Discussed below in section 3), we can anticipate borrowing less in the year than previously anticipated in 2023, and will defer spending to 2024 for the RRC and for future years for the utility fund as there are some projects in the plan that would require significant borrowing in the latter years of the ten year plan causing rates to likely need to increase. We will review as the year progresses.</p>
Asset Management (Capital & Inventory)	<p>Director Parlee along with relevant staff have begun to identify, analyze, and implement stronger management and control measures around asset management (both capital and inventory). The staff have already begun to identify potential operational/control weakness to improve for operational means as well as audit requirements.</p> <p>An Asset Management Committee (AMC) has been formed with the first three members (Shannon Parlee, Martin Dube, and Marcel LeBlanc) having met informally to first discuss how to get things started. Council may recall that there used to be an AMC, but it dwindled away. This committee will be very important to look at plans for the management and maintenance of Town assets (and ensure plans are budgeted for), to ensure we are all on same page between departments (share in ideas, and ensure no double efforts are being made), and to ensure legal/regulatory requirement are satisfied. The members that need to be involved have been identified, and our next step is determining a date that works for everyone to meet.</p> <p>As for the inventory management, Director Parlee had her first meeting with Geoff Crossman (Public Works Manager), and Marcel Leblanc (IT Manager) to go over the current system and identify and discuss ways to improve it. We had some key takeaways from the meeting mainly task driven, where we are to investigate POS systems for tracking and managing inventory and reach out to other municipalities (both local and those similar in size) to gather information on what they use for managing inventory, in hopes to piggyback off their systems and collect valuable feedback.</p>

	<p>Director Parlee will also work on developing a capital asset policy (guidelines) in Q2/Q3 to allow for clarity and consistency on the accounting treatment (expense vs. capital) for all departments.</p> <p>These objectives align with the Strategic Plan of strong financial management of the Town's Assets and in creating a sustainable plan for the long term.</p>
Operational Process Improvements & Internal Controls	<p>The largest task in this objective involves the Accounts Payable Automation plan. We continue to work with our developer and ensuring the system is compatible with our current accounting software. We recently purchased "Integration Suite" from Central Square that is required to integrate our software and are in regular communication to ensure things are on target. Everything is moving along as expected.</p>

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

Information Technology Service Request May 2023





CCBF Funding

We received communication that under the Canada Community-Building Fund (CCBF), the Town will receive the regular allocation of \$1,478,459. This will be transferred in two equal installments with the first payment July 31, 2023, and second March 31, 2024. These allocations are to be invested in municipal infrastructure or capacity building projects from our 2019-2023 CCBF Capital Investment Plan (CIP).

ACOA

We received ACOA funding which was held back from our first claim until the invoices were paid, in the amount of \$88,996, which totals \$323,846 of funding received to date. Total amount we can claim, which we will in the year, is \$469k. Future claims will be made as the Play4All project takes shape.

Finance and IT Staff Changes

The Finance and IT Department had some shifts in staff that occurred over the past month. First, Mary Sanderson retired after twenty years with the Town! We had Haley MacAlpine move from the accounts receivable side to the payables side to fill Mary's position. We then added a former Town employee, Pamela LeBlanc, as a casual to fill Haley's position until the transition period ends.

CAMA Conference

Director Parlee attended the annual CAMA conference in place of Colin Smith, CAO, who could not attend. It was a very successful conference, where she made many connections and participated in interesting conferences including industry sponsorship and diversity, equity, and inclusion sessions.

Utility Funding

As part of the Infrastructure Renewal Program, the Town was successful in receiving requested grant money for replacing existing water, storm and wastewater systems that are near the end of life and in need of replacement such that the town can continue meeting their needs now and into the future. The total financing for the projects was \$13.97M, of which 83.33% of eligible expenses will be incentivised by the federal and provincial government (\$6.985M Federal; \$4.256M Provincial). Excellent news for the Town that will allow us to keep our rates steady over the next 3 years and not require us to borrow in the next two years under the assumptions built on the current financial projections.

Insurance

Claims were made in the past month to recover funds related to the plow accident. We also saw an unexpected amount received for the Christmas Lights that were damaged in 2022. We were not anticipating any recovery given our last conversation with the insurance provider for the damage to the Christmas lights, however, they did come back to us recently and stated they would cover it. The town therefore received \$42k from our providers in 2023.

Ten-Year Capital Plan

The Directors along with the CAO met earlier this month to review the ten-year plan. Director Parlee met separately in meetings with both Michel Ouellet (Public Works & Engineering) and David Shea (Parks and Recreation) to discuss their changes/outlook in more detail (they have the most capital requests and large projects related to the water master plan and the RRC). We went over items in detail, and now Director Parlee is in the process of going over the sources of financing for the ten-year plan to see what is feasible and make suggestions as needed to keep our tax rate and debt ratio reasonable and in line with regulations.

Consistent with prior year, Director Parlee intends on providing council an update on the capital plan in August/September including updates on capital spent to date for fiscal 2023.