

Town of Riverview
FINANCE AND IT DEPARTMENT MONTHLY REPORT



To: Colin Smith, CAO

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

Date: September 25, 2023

Month & Year: June to August 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+)	\$257,696 August '23	\$293,790 July '23	Balance is down month over month, with a sizable reduction made due to staff collection efforts. We are happy to see this balance the lowest it has been since we resumed collection efforts post-covid. Staff are doing a great job monitoring and working with resident accounts. As of today (9/18/2023), the balance is \$244k, therefore showing that our positive collection results have continued this month. We issue our bills quarterly, which occurred last in August and next in November.	The balance has decreased . Collection efforts have shown progress with the balance declining.

Accounts Payable Processed (August '23 vs. July '23)	\$4,142,975 (341 Cheques)	\$3,366,647 (330 Cheques)	Results are as expected. Some large, planned settlements for both months related to capital projects, and we also had a large scheduled quarterly installment for the Greater Moncton Wastewater Commission.	Consistent with our understanding of billing trends and schedules of payments.
% Of Residential Water & Sewer bills sent electronically (August '23 vs. May '23)	20.77% (1,301 of 6,265)	20.40% (1,275 of 6,250)	Improving over time. Residential bills are sent out quarterly in February, May, August, and November.	Update from most recent August 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 stable overall and falling in line with budget thus far for the operating budget. The Finance Department continues to track capital year to date weekly, including, detailed purchases for each project.</p> <p>As at end of August 2023, the Town is projecting a surplus in both the general and utility funds operating budgets as follows:</p> <ul style="list-style-type: none"> • General: \$268,069 • Utility: \$267,835 <p><u>Highlights:</u></p> <p>General Fund</p> <ul style="list-style-type: none"> • Revenue: overall is \$274k above budget. This is mostly driven by non-tax revenue which is \$187k above budget. \$109k of this total relates to proceeds on the sales of assets, which was much higher than expected.

	<ul style="list-style-type: none"> Expenses: overall are \$6k above budget in total whereby savings in other areas (admin of \$198k) helped offset higher than budgeted costs elsewhere (Fire & Rescue \$48k above budget; Public Works & Engineering \$51k above budget; and Parks & Recreation \$105k above budget). <p>Utility Fund:</p> <ul style="list-style-type: none"> Revenue: is \$342k above budget due to more consumption than anticipated (Water and sewer – commercial – new builds/more usage) Expenses: are \$74k more than budget, which is offset by higher revenue (higher revenues equates to higher expenses, due to more service being provided). There were higher purchases of water (\$31k) and water and sewer operating costs (\$62k) – which the higher revenue helps offset. <p>Council can look forward to future COW meetings whereby Director Parlee will report on quarterly results in more detail to explain all notable variances once she reviews and collects all information in detail from staff.</p> <p><u>Borrowing Long Term Debt</u></p> <p>See Section 3 below with further details related to borrowing. As previously noted, 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 Renewal Project, Director Parlee anticipated borrowing needs would be less than budgeted, which did materialize. An update on the borrowing application for the RRC is also provided.</p>
<p>Asset Management (Capital & Inventory)</p>	<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 weaknesses to improve the operational 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) who have met numerous times in the year. The members that need to be involved were identified, and the first whole committee meeting is set for October 5th. Director Parlee also continues to work on plans to develop strong controls around inventory management.</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>

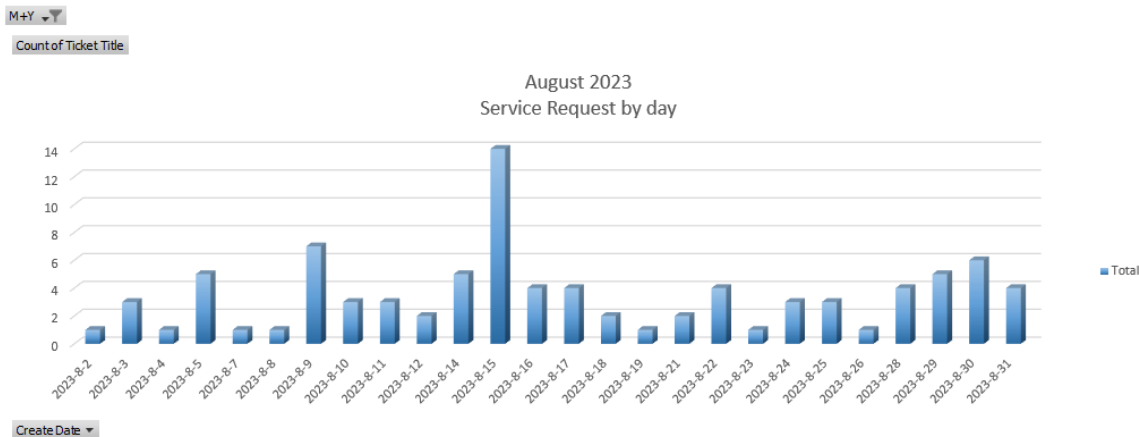
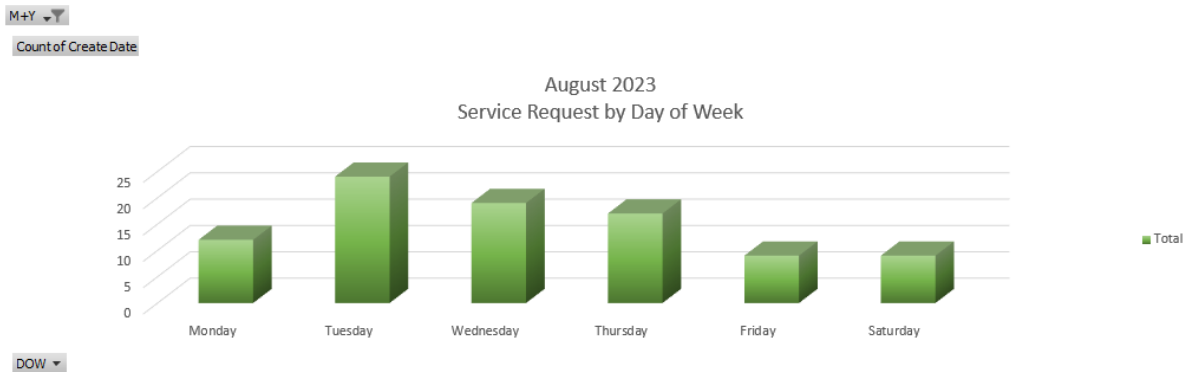
Operational Process Improvements & Internal Controls

The largest task in this objective involves the Accounts Payable Automation plan (Provider: BeanWorks). Staff continue to work with our developer to ensure the system is compatible with our current accounting software. The Town previously purchased “Integration Suite” from Central Square that is required to integrate its software and are in regular communication to ensure things are on target.

This past week finance staff completed training on BeanWorks, which went very well. We are closing in very soon on launching this system, with a few final meetings needed between software developers. If all goes well, the Town should have a live system in before year-end.

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

Information Technology Service Requests August 2023



Finance and IT Staff Changes

The Finance and IT Department welcomed a new staff member over the summer, who is a familiar face to the Town – Pamela LeBlanc. Pam was officially hired as Clerk – Junior in the Finance and IT department, starting July 31st. The department is very happy to welcome Pam, who is fitting in well with our team.

Funding

ACOA - Canada Community Revitalization Fund

The Town submitted claim #2 to ACOA for the Play4All Project in the amount of \$39,677 and will receive 50% of the claim amount per the agreement. We were required to submit a claim and report status in September ensuring all paid to date is reported to them for claim, hence the smaller figure. The amount was just submitted; therefore, payment is pending. The total submitted to date is \$687,369. The total approved funding of \$469,700 (50% of \$939,400 cost applied for). Therefore, there is \$252k left to claim prior to the deadline (50% or \$126k to be received). The total amount is expected to be utilized before the deadline of March 31, 2024.

CCBF Funding

As previously reported on, earlier in March, the Town was informed there would be an additional sum of money available from the Canadian Community Building Fund (CCBF) due to changes related to the local governance reform to account for an increase in population coming from Local Service Districts. The Town was allocated funds of \$13,494. Director Parlee completed and submitted an application last month which is pending approval.

Infrastructure Renewal Funding

As Director Parlee reported on previously, the Town was approved under the Infrastructure Renewal Program, which is 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).

We are happy to report that in September, we received a sum of \$2,263,936 for claim #1 for this project and are anticipating claiming an additional \$1.7 million by this fiscal years' deadline.

Long-term Borrowing

As Council would have seen at the last few meetings, Director Parlee has been working on the Debt Application for Borrowing related to the Riverview Recreation Complex, as well as working on the draw down of debt related to 2023 capital projects. The application was submitted September 12th for the RRC borrowing, and since then Director Parlee has been completing the necessary items and answering questions from the Province ahead of the MCCB hearing date on October 10th. The required ads were published in the newspaper on September 20th and 21st to inform residents of the public hearing, as required.

Budget

Budget season is upon us! All directors and relevant staff have received the 2024 operating budget template to complete their respective section(s) of the budget. This year, staff is leveraging technology by using SharePoint to collaborate in real-time as we work through the budget. This had been identified as a goal of Director Parlee's to create better, more efficient ways for staff to work together. The budget schedule was released early August to relevant staff and council.

Additionally, Director Parlee participated in a tri-community meeting to review the 2024 water purchase rate from the City of Moncton. The rate per cubic meter is expected to increase slightly from 0.491 to 0.504 (a 2.6% increase). Mainly driven by 2% year over year inflation increase, overall purification expenses increase by 4% in 2024, and the capital joint use of assets which are in accordance with the 2023-2027 capital budget.

Insurance

Director Parlee has begun the process of looking at the Town's insurance renewals with its provider ahead of budget deliberations. The Town will renew both the general liability (January 1st renewal date) and Cyber Insurance (February 1st renewal date) in the next few months. The Town has not been told definitively, but year over year changes appear stable compared to prior year (where the Town witnessed a large year-over-year increase). The Town has an improved loss ratio compared to prior year and inflation has not been as devastating and unpredictable.

Ten-Year Capital Plan

The CAO and Directors have met periodically to review the Ten-Year Plan, with the latest updated plan presented to Council in August. Director Parlee reviewed the sources of financing for the ten-year plan to determine the level of borrowing needed. Directors have been instructed to continue to monitor capital spent to date for 2023 projections to YE and to continue to assess their one- and five-year capital plans to be presented to council during budget deliberations.

Water and Sewer Collection Efforts

As noted above, staff is pleased to see the severely delinquent accounts total balance being the lowest it has been since the Town resumed collections efforts, showing a continual downward trend. The summer led to some large balances being collected. We are making changes in the department to keep residents more informed if we see their balance start to become rather overdue and staff have begun the process of issuing formal letters to each resident where a billing arrangement has been made as an accountability piece.

Finance staff also brought forward to Director Parlee a great way to try to encourage people to sign up more for e-billing. A grasping bulletin (communications and marketing assisted) was posted at the payment desk encouraging residents to sign up for e-billing. Director Parlee wishes to find engaging ways to connect with the community to try to encourage on time payment and e-bill sign ups. Director Parlee continues to think of way to improve collections and e-billing sign ups, including working with communications/marketing on an annual draw for free water and sewer for a resident who is in good standing with bills and who signs up for e-billing. This initiative will assist with better cashflow, help engage with the Town, and support our strategic plan by being more environmentally friendly.