

Town of Riverview
FINANCE & INFORMATION TECHNOLOGY



To: Colin Smith, CAO

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

Date: January 27, 2025

Month & Year: December 2024 & January 2025

Section 1: Operational Dashboard

Metric	Current Period	Prior Period	Annual Result	Trend
Debt Ratio	{Budget} 2024 8.18%	{Actual} 2023 8.42%	Stable	Healthy Position
Accounts Receivable (Significantly past due accounts only, i.e., 270 days+)	\$224,181 December '24	\$176,831 November '24	<p>The overall Accounts Receivable (A/R) balance continues to decrease compared to previous months. Although December shows a higher balance than November, this is mainly due to the issuance of the quarterly bill, which temporarily increases the balance the following month and drops as payments are applied.</p> <p>Director Parlee closely monitors aging categories and the overall balance. The consistent decline in these balances indicates improvements in collections.</p>	<p>The total overall A/R has decreased.</p> <p>Collection efforts have shown progress with the balance declining in total.</p>

Accounts Payable Processed (December vs. November 2024)	\$7,269,330 (287 Cheques)	\$6,729,570 (327 Cheques)	Results are as expected. There is large, planned settlements for both months relating to capital projects, particularly many at year-end (YE) as suppliers and staff work to close the fiscal year. Notably, there were significant payments for the Riverview Recreation Complex (RRC) in December, as well as normal operations according to the budget. November is always a high month for debt payments, which contributes to the higher-than-normal total for that month.	Consistent with our understanding of billing trends and schedules of payments.
% Of Residential Water & Sewer bills sent electronically (November 24 vs. August '24)	24.72% (1,566 of 6,334)	23.62% (1,461 of 6,316)	Improvements have been consistent over time. Residents continue to sign up for electronic billing at a faster pace which is attributed to the e-billing campaign and staff efforts. Residential bills are sent out quarterly in February, May, August, and November.	Update from most recent August quarterly billing. Continually showing improvement however, still plenty of progress to be made.

Section 2: Status of Department's Operational Priorities for 2024

Priority	Status
Oversight and Management of the Finance & IT functions to align with the Service Excellence expectations of the	<p><u>Budget vs Actuals</u></p> <p>The department distributed the November month-end financial statements to Council and staff on November 12th. As of the end of November, Both the General and Utility Budgets are projecting a surplus, as follows:</p> <ul style="list-style-type: none"> • General Fund: \$2,004,315 • Utility Fund: \$706,275

<p>Town’s Strategic Plan</p>	<p>There are no surprises with the surplus, as it has been tracking all year with explanations provided in previous reports. As usual, the December month-end statements will only be distributed once the year-end (YE) audit is complete.</p> <p><u>Debt Ratio</u></p> <p>The 2024 fiscal budgeted for an 8.18% debt ratio. It is expected the debt ratio will come in close to (likely under) budget. Once the audit is complete, the ratio will be firm. The 2025 budgeted debt ratio is 7.33%.</p>
<p>Asset Management (Capital & Inventory)</p>	<p>Director Parlee is actively enhancing asset management by collaborating with relevant staff, including the Supervisor of Municipal Facilities & Assets (Martin Dube) and the Accounting Supervisor (Cathy Molnar). Momentum from the successful 2023 launch of the AM committee continued into 2024.</p> <p>Throughout this year, Director Parlee along with other staff attended several asset management webinars. They have also had meetings to discuss asset management developments for the Town, participated in provincial surveys, and have discussed the new provincial requirements on the horizon. Another webinar is planned for February with staff noted here titled “The State of Asset Management in New Brunswick”. The group is looking forward to it!</p>
<p>Operational Process Improvements & Internal Controls</p>	<p>Director Parlee had several 2024 objectives related to process improvements and internal controls. Exciting initiatives include updating outdated policies, conducting a Chart of Accounts analysis, and collaborating with Tri-Community staff on the Codiac Transpo billing formula. Council can expect regular updates throughout the year in Section 3 as needed.</p> <p>Director Parlee continues to work on the budget software implementation, progressing through training modules and configuring the software to meet the Town’s needs. This improvement will enhance the Town’s budget process, with full implementation ready for the 2026 budget. She also completed updates to two policies: Travel & Business Expense Policy (discussed below) and the PO Threshold Authorization Levels (which she previously reported on).</p>

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

Funding

Given the year-end, funding applications are a top priority for the department. Cash management is crucial, especially this year, due to the large capital project of the Riverview Recreation Complex (RRC). The Town cannot submit claims for grant reimbursement until the contractors are paid, making cash management essential. Director Parlee ensured the Town's protection by incorporating interim financing as a borrowing condition when applying for RRC debt financing in 2023. According to Municipal Capital Borrowing Board rules, the Town is not permitted to carry a balance in the Line of

Credit at year-end without proper approval of interim financing. Securing this approval is vital for managing cash flow for this significant project.

Infrastructure Renewal Funding

Director Parlee submitted two claims to close out fiscal 2024 related to IRF funding:

- *Claim #5:* On January 21st, the Town received \$683,508, reflecting a reimbursement rate of 83.33% of eligible costs, less any refundable HST.
- *Claim #6:* This claim totaled \$947,490. The Town will receive 83.33% back on eligible costs, less any HST refundable. The Town is currently awaiting payment for this claim.

These claims are related to work performed to improve Town roads and streets.

Riverview Recreation Complex

As the year-end approached, the department submitted two claims for invoices to date (Claim #3 and Claim #4). The department is also finalizing one last claim for work related to 2024 to close out the year (Claim #5).

- *Claim #3:* The Town received \$1,724,704 back, equivalent to 65.01% of eligible costs per the agreement (less refundable HST), received on January 21st, 2025.
- *Claim #4:* Submitted for \$1,064,068 and is awaiting approval and payment to the Town.

The costs are in line with the year-end projections.

Provincial-Municipal Highway Partnership Program

This funding relates to street paving, curb, and sidewalk work on Hillsborough Road (Project 24-58). The Town was approved for funding of up to \$469,000 (plus HST). The work utilized the maximum available funds, with the Town submitting a claim and received funding of \$489,101 on January 8th, 2025.

RDC Funding – Storm Sewer Improvement

The department submitted a claim to fully utilize the funding grant for \$685,847 of eligible costs, less refundable HST. The funds were received on December 18th, 2024. This project is related to storm and sewer improvements on Hillsborough Road.

Canada-Community Building Fund (CCBF)

The second annual instalment of \$731,006 was received on December 6th, 2024, as expected.

Budget

The budget was officially approved without any adjustments on December 18th. Director Parlee collaborated with the Communications team to upload the financial data and budgets to the website.

She will also upload a final master copy to the SharePoint site for Council viewing. Additionally, Director Parlee plans to distribute a budget survey to Council and staff in the coming weeks to gather feedback on the 2025 process.

Records Management

Staff were hard at work sorting records before year-end, resulting in over 80 boxes of physical records being sent to the Province for archiving. Kudos to our team for their hard work!

Insurance

Director Parlee fully bound the General Liability insurance policy documents in December. She is pleased to report that the premium for 2025 has decreased (total annual premium of \$313,534 vs. \$327,769 in 2024). Thanks to a strong loss ratio and successful negotiations, the Town secured a great premium. After a few years of less-than-ideal loss ratios, the Town is back on track and being rewarded with stable rates. A big kudos to all staff.

Director Parlee also completed the cyber insurance renewal in December, ahead of the February 1st renewal date. The rate remains the same as last year, with no increase, which is excellent news.

CGBF Agreement

At the November 12th Regular Council Meeting, a motion was passed to approve the 5-year Capital Investment Plan required for the new Ten-year Canada-Community Building Fund agreement. The documentation was completed and submitted to the Province for their review. The plan was officially approved on December 6th. Completion of this agreement and CIP was a condition for the payment of the Town's second instalment for 2024. Consequently, we received the funding as noted above.

Policy Improvements – Travel & Business Expense Policy

As previously reported, Director Parlee has been working on amending the Town's Travel & Business Expense Policy and the corresponding forms. While the policy remains mostly unchanged, the main revision relates to meal allowances. This significant improvement eliminates the need for meal receipts (excluding business meals), instead providing a per diem for breakfast, lunch, dinner, and incidental expenses.

Per diem approach simplifies the process, saves time, and provides a consistent and predictable method for handling meal expenses. Staff spend less time tracking and submitting receipts, and Finance spends less time processing and verifying them. Also, with a fixed per diem, there is less risk of errors, over-claiming, or fraudulent claims, as the amount is predetermined and not based on actual spending (this also aids in more accurate budgeting for travel).

Extensive research was conducted, including an analysis of the Town's historical expense data and a review of rates from other municipalities and the Province, to determine the appropriate per diem rates for each meal type for the Town. The mileage rate has also been updated to align with current standards, increasing from \$0.50/km to \$0.58/km. The revised policy was reviewed and discussed with

all Directors and relevant Finance staff to ensure a strong collaboration. This Policy applies to all Town personnel, including the Mayor and Council.

The Communications team with direction from Director Parlee will soon roll out the new and improved policy, which will be effective from 2025 onward. This effort aligns with Director Parlee's commitment to enhancing administrative efficiency and ensuring compliance with best practices.

Audit

The auditors were on-site for interim work in early January to get a head start on year-end (YE) tasks. Everything went smoothly. They are scheduled to return in early March for the bulk of the audit work. The department has been diligently closing out YE and preparing all audit documents in advance of their arrival in March.

BakerTilly partner, Andrew Boudreau, is expected to present the audited statements to Council at the March 24th Committee of the Whole (COW) meeting. Director Parlee will prepare a summary report of the 2024 financial highlights, which will be issued to Council to accompany the financial statement presentation.