

FINANCE DEPARTMENT MONTHLY REPORT

To: Colin Smith, CAO

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Date: January, 2018

Month: December 2017

Section 1: Operational Dashboard

Metric	Current Period	Prior Period	Annual Result	Trend
Debt Ratio (beginning of year)	15.75% Jan 1, 2017	11.99% Jan1, 2016	Increasing To calculate for Jan 1, 2018 upon completion of audited 2017 financial statement	Stable
Accounts Receivable (significantly past due accounts only)	\$188,000 (Dec/17)	\$199,000 (Nov/17)	Stable	Stable (Director working with clerk to collect accounts)
Accounts Payable processed (Dec'17 vs. Nov'17)	\$3,504,180 (334 cheques)	4,920,475 (459 cheques)	-	-
% of Water & Sewer Bills sent electronically (quarterly Nov' 17 vs. Aug '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 initial Asset Management Plan (AMP) development process is virtually completed. The document has been issued to the AMP Committee and is receiving some tweaks in the next two weeks. A brief presentation was made to Council on November 14 by our external consultant, ie., Opus Consulting.</p> <p>This was a very high level overview of the process and state of our Asset Management efforts currently in place. The final version of the first iteration of this plan document will include an <i>Asset Management Policy</i></p>

Priority	Status
	<p>for adoption by Council in February. It will form the framework for what will be an ongoing continuous improvement process related to Asset Management.</p> <p>A Claim was submitted to, and already paid by, the Environmental Trust Fund (ETF) resulting in \$42,000 (80% of the cost) of this work being funded externally. The funding for this initiative was not included in the 2017 budget so it is a welcomed addition to Town revenues for 2017.</p> <p>As we continue to implement and refine the AMP, staff will continue to seek additional external funding.</p>
Long Term Financial Planning and Managing Debt Ratio	<p>Staff have committed to develop an updated long term financial plan in the first quarter of 2018. This plan will include a property tax rate strategy and scenarios for recommended prioritization of capital projects over the next ten (10) years. The Director has developed a timeline for developing this plan which will, of course, include significant input during its' preparation followed by adoption by Council. It is proposed that the input from Council will include a workshop to thoroughly review and discuss capital project priorities and timelines for the next decade. The date and time of this workshop shall be communicated soon.</p> <p>The debt ratio calculation noted in the metrics table above shall be updated as soon as the financial statements for fiscal year ended December 31, 2017 are finalized.</p> <p>Monitoring and managing the debt ratio is one of the most important 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 is being presented at the Jan 22, 2018 COW meeting with an <i>Application for Authorization to Borrow</i> for capital projects in 2018. This is the initial step in planning with the actual borrowing to take place upon completion of the capital projects later in 2018 when costs are known with certainty.</p>

Priority	Status
Technology Options	The Director and staff are continually exploring opportunities to enhance internal and external customer service. Most recently staff have worked with our Web Site developer to implement a process to accept payments and obtain account access through the Town website. There are still a few bugs still to be worked out but staff is hoping to have this working smoothly in the near future.

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

Budget 2018 Process

The Director sent the 2018 budget to the Province and has received their formal approval. The 2018 Operating Budget(s) and the General Fund Capital Five Year Plan has been posted to the Town website.

2017 Financial Statements and External Audit

The finance and accounting staff are currently very busy gathering all the information necessary to finalize the financial statement for the fiscal year ended December 31, 2017. This year end process takes approximately 6-8 weeks as invoices from suppliers, financial institutions and other external sources flow in to the Town.

The external auditors have already been on site at the Town Hall (January 10-12) to perform some preliminary audit work. This included discussions with staff and testing internal controls to determine the extent to which the auditors can rely on them while performing their audit work. The auditors found no concerns based upon this preliminary work. They return during the first week of March at which time they perform an in depth audit of the information contained in the financial statements prepared by staff (Director and Accounting Supervisor).

The audited financial statements shall be presented to Council during late March and submitted to the Province and our banking institution after approval at the first RCM in April.

Training and Development

The Director continues to seek opportunities to learn more about issues related to his role with the Town. The most recent include:

- i)Public Sector Accounting – KPMG webinar – Accounting Standards – this is a rapidly evolving area for accountants and finance professionals. This was an opportunity to update the status of various new and proposed rules for government entities such as the Town;

ii) Human Resources Assoc. – Moncton Chapter - This one half day seminar focussed on *Building A High Performance, Resilient Workforce In The Face Of Change*. It included a significant discussion related to mental health and its impact on performance and results.

Capital Project 2017 Funding Claim Submission(s)

The Director has recently submitted Funding Claims for two projects under the Clean Water and Waste Water Fund (CWWF) as follows:

- i) Pine Glen Road Reconstruction – Phase 5
- ii) Various Water Mains and Waste Water Projects in 2017 including Wentworth, Fatima, Government and Harvey

This funding was previously approved by senior level(s) of government. In order to receive funding the Town must submit to the Province copies of the invoices from, and proof of payment(s) to, contractors and engineering consultants involved with these projects.

Strategic Planning

The Director continues to contribute to the status update of the current Strategic Plan as it relates to the pillars impacted by the Finance Department activities. An update will be presented to Council.