

## FINANCE DEPARTMENT MONTHLY REPORT

To: Colin Smith, CAO

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Date: May 17, 2017

Month: April/May 2017



Agenda Item: 7b.1

Meeting Date: COW 05/23/2017

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### Section 1: Operational Dashboard

Metric	Current Period	Prior Period	Annual Result	Trend
Debt Ratio (beginning of year)	15.75% 2017	11.99% 2016	Increase	Due to debt for Ops Centre
Accounts Receivable (significantly past due accounts only)	\$196,000 (May/17)	\$206,000 (Apr/17)	Stable	Stable
Accounts Payable processed (Apr '17 vs. Mar'17)	\$1,684,670 (344 cheques)	\$1,516,436 (440 cheques)	-	-
% of Water & Sewer Bills sent electronically (quarterly (May' 17 vs. Feb '17)	10.0%	9.7%	Gradual growth in e- billing	Positive (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 continued development of the AMP is among the performance objectives for the Director of Finance during 2017.</p> <p>The team has met with the external consultant (Opus) and provided volumes of information, studies and assessments for the major categories of Town assets. The team has participated in three workshops to date lead by the consultants. The first was held on Friday, February 24 during which the <i>Level of Service</i> to be provided through Town assets was discussed in detail. The Level of Service plays a role in determining the nature, type and cost of investment in assets by the Town.</p>

Priority	Status
	<p>The second AMP workshop was held on Tuesday, March 14 during which the <i>State of the Infrastructure</i> (condition of assets) was reviewed.</p> <p>A third workshop was held on April 27<sup>th</sup> during which the Town's ongoing activities related to the cycle of maintaining/replacing capital assets was discussed.</p> <p>The next internal committee meeting is planned for May 24th and a workshop with the consultant to review financial investments related to capital planning is scheduled for June.</p> <p>This process will culminate with a report to Council in the latter part of 2017.</p>
Long Term Financial Planning and Managing Debt Ratio	Monitoring and managing the level of the debt ratio is one of the 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.
Technology Options	<p>The Director of Finance is undertaking a review of certain aspects of the Finance Department operations with the objective of identifying opportunities for the adoption of technologies that may improve efficiencies and/or allow staff to provide enhanced service to both internal and external customers.</p> <p>Examples of this may include banking technology, customer relationship and financial budgeting, planning and reporting tools.</p> <p>The Director has already met with bank personnel to discuss some of these opportunities.</p>

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

#### **Codiac RCMP Building Committee**

Ongoing.

#### **Ice Storm - Disaster Assistance Program Claim**

The Director of Finance has completed a review of expenses incurred in connection with the ice storm in February. Significant staff time was used to respond to calls for downed power lines and debris from trees and branches, etc. The director has submitted a claim to the Province for recovery of these costs. We have received acknowledgement of receipt of the claim but it has not yet been approved for payment.

Additional information has been requested and forwarded to the Provincial EMO on May 16th.

### **Safety Leadership**

The Director is participating in a *Safety Leadership Program* sponsored by Work Safe NB designed to enhance the Town's safe work culture. An introductory workshop was held on March 22 followed by the first of a number of additional workshops (4) on April 28, 2017 related to this initiative.

### **Health Plan Renewal**

The Director of Finance, along with the Director of HR, has received the annual Health and Dental Group Policy Renewal proposal. The next step is to negotiate the proposed rate increase with a view to minimize the financial impact on the Town and the staff.

### **Pension and Benefits Committee**

The Director of Finance (Committee Chair) met with the committee on May 17<sup>th</sup> to review the most recent actuarial valuation for the pension plan. The plan is currently fully funded as the result of strong investment returns in the past few years. The committee also discussed the Manulife renewal proposal.

### **Financial Results Year to Date**

The Town is in an overall small surplus position as at the end of April. Council receives monthly financial reports and the Director of Finance encourages any questions or comments on these financial results throughout the year. As the construction season and parks and recreation department proceed through the busy summer season it will become more certain as to the Town's projected financial position for the 2017 fiscal year. There are no immediate concerns at this time.

As well, the Director of Finance has started to work on the Application for Long Term Debt Financing for certain 2017 capital projects/equipment as well as the request for the remaining balance in connection with the Operations Center financing. This Debt Borrowing Application will need a Resolution which shall be brought forward to Council in due course.

The controversy surrounding property tax billings in New Brunswick, and potential adjustments to bills, will have no impact on 2017 property tax revenues. The Province has fully committed to paying the municipalities the amounts stated at budget time. There is a possibility that some properties may receive a reduced assessment rate for the next budget year (2018) but the overall impact on the Town revenues will be insignificant.