

## FINANCE DEPARTMENT MONTHLY REPORT

To: Colin Smith, CAO

Prepared by: Robert Higson, CPA, CA

Date: June 21, 2017

Month: May/June 2017



**Agenda Item:**

**Meeting Date:**

For use by Office of the Town Clerk only

### Section 1: Operational Dashboard

Metric	Current Period	Prior Period	Annual Result	Trend
Debt Ratio (beginning of year)	15.75% 2017	11.99% 2016	Increasing	Due to debt for Ops Ctr.
Accounts Receivable (significantly past due accounts only)	\$184,000 (June/17)	\$196,000 (May/17)	Stable	Stable
Accounts Payable processed (May '17 vs. Apr '17)	\$4,602,128 (321 cheques)	\$1,684,670 (344 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 February 24 during which the <b>Level of Service</b> 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 <b><i>State of the Infrastructure</i></b> (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 workshop is scheduled for July 6 to review the level of <b><i>financial investment</i></b> required related to long term capital planning based upon agreed levels of service.</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	<p>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.</p>
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. There is currently an RFP issued to engage consultants for professional services related to preparing a tender for this project. This RFP closes on June 30.

#### Ice Storm - Disaster Assistance Program Claim

We previously claimed, and recently received, \$14,000 from the Province to help offset the costs of overtime incurred by Fire and Rescue for calls responded to during the January ice storm.

### **Safety Leadership**

The Director of Finance has been appointed to the *Safety Governance Committee* and 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 additional workshops on April 28 and June 16 related to this initiative. Two additional workshops will be held after the summer months. To date the workshops have been received quite positively by the attendees.

### **Health Plan Renewal**

The Director of Finance, along with HR, has finalized the annual Manulife Health Plan renewal process. The Director was able to negotiate a zero increase in overall plan premiums. This is particularly positive given the trend of ever increasing costs for the development of new drugs and catastrophic illness drug treatments.

The low amount(s) of reimbursement for certain types of paramedical treatments coverage within our plan has been the subject of discussion at the Pension and Benefits Committee level in recent years. It is generally believed by employees that claims should be reimbursed at a higher percentage of the actual cost than is currently the case. This will be reviewed over the coming year to determine how this may be addressed.

### **Asset Management Planning (AMP) Grant Application**

The Director of Finance has sent an application (to FCM) to receive funding for 80% of the costs that had already approved at budget time for the consulting work (Opus) mentioned previously in this report to assist with the development of an AMP. The application has been accepted and we received initial positive feedback on the quality of the submission. It meets the eligibility criteria and will move through the approval process with a final answer coming within the next month. This could result in savings of up to approximately \$32,000 if approved.