

Financial Summary Year to Date to July 31, 2018

GENERAL OPERATING FUND

The Town has a year to date **SURPLUS of \$118,003** based upon activities and financial results after the first 7 months of the current fiscal year. There are several items worth highlighting as follows:

REVENUES (overall higher than budget by net amount of \$99,252)

Variances from budget in excess of \$10,000 are noted as follows:

Community Funding & Equalization Grant – received \$54,129 more than expected due to the LNG terminal in Saint John not appealing its' assessed property value, thereby making more revenue available for other NB municipalities to share. This will be an annual decision made until 2031. Unfortunately the decision only comes in the spring so it is not practical to budget for it when we prepare the budget in November/December.

Building permit revenues are below budget by \$15,994

Fundy Station Lease Revenue – below budget by \$26,348 due to loss of a tenant (La Spa). Attempts to collect this lost revenue from the tenant are in progress but are unlikely to succeed due to tenant owner filing for creditor protection.

Fire Revenue is \$30,000 above budget due to the reimbursement claim for wages and other expenses incurred by our firefighters who went to the Oromocto area and assisted during the recent flooding emergency situation. This revenue is offset by the additional expenses described below.

Parks and Recreation – higher than expected revenues from **Aquatics/Pools** (\$57,684); this is partially offset by lower revenues from **Arena/Rinks/Canteen** (\$16,000).

EXPENDITURES (overall lower than budget by \$18,751)

ADMINISTRATION

Overall this section of the budget is under budget by \$114,427 with spending to date lower than anticipated in many line items as follows:

Salaries and Benefits - The individual line items for **Manager, Treasurer and Accounting** are lower than budget by a combined total of approximately \$30,000. These three items are comprised of a percentage allocation of salaries/benefits for Town Hall staff (other than Bylaw, Economic Development and HR which have their own budgets). This positive variance is due to the timing of the hiring for the new position of **Facilities Manager**. We budgeted for the full year, however, Martin Dube was hired for this role mid-way through the year.

Human Resources – Recruitment – higher than budget by \$12,442 due to recruitment and relocation expenses for new hire(s)

Bylaw Enforcement – This section is under budget by \$13,550 due to the departure of the Town Bylaw Officer. A replacement has joined the Town in late July.

Economic Development – This section is under budget by \$42,958 due to having one less employee in place for the first half of the year. This resulted in lower salary and benefits costs and also less activity to date in certain activities within this department.

Property Taxes – savings of \$11,304

FIRE AND RESCUE

Overall department expenses higher than budget by \$12,711 due to:

- wages/benefits during flood disaster assistance (offset by claim in revenues section of budget mentioned above)
- building repairs and maintenance – unexpected repairs required for electronic door lock system (\$3,900); heat exchanger (\$4,500); water heater(\$3,950); fire alarm repairs (\$500); Nederman exhaust system (\$2,350)

ENGINEERING AND PUBLIC WORKS

Overall department higher than budget by \$93,445.

Salaries and wages – the combined salaries, wages and benefits line items in the general section and the snow removal section are within the overall Public Works budget. Due to the allocation (by the Treasurer) at budget preparation time we under budgeted salaries and wages for snow removal and over budgeted salaries and wages for this department for the remainder of the year. These two offset each other and, as stated above, overall we are within budget for salaries and wages in this department. During the next budget year the Treasurer will attempt to better allocate the budget for salaries and wages to more accurately estimate the projected labour costs specifically related to snow removal activities.

Snow removal – aside from the salary allocation noted above there was a significant over budget amount of \$70,927 in the cost of salt usage in the first half of 2018. While there are no certainties, attempts will be made to use less than budgeted salt in the fall/winter of 2018 to offset this. Of course, weather will determine the outcome.

Street Signs – over budget by \$12,476 – the plan is for replacing all street signs over a three year period. The zone scheduled for street sign replacement this year required more signs and poles than were provided for in the budget.

PARKS, RECREATION AND CULTURE

Overall department below budget \$10,479

Salaries, wages and benefits below budget by \$70,991 due to staffing mix/timing of hires, etc.

Aquatics centre – Repairs and maintenance over budget by \$10,006

Arena – Electricity over budget by \$28,449 mostly in June/July –after the arena plant was shut down for the season there was a fault with the dehumidifier which resulted in constant power surges causing an extraordinary demand for electricity. This issue has now been corrected. Staff is attempting to recover these charges from the equipment vendor.

WATER AND SEWER OPERATING FUND

Overall year to date surplus of \$176,235

REVENUES

Overall revenue better than budget \$69,164

Due to several items including increased **water and sewer volumes** from commercial/metered customers (\$25,833); **connection and service charges** (\$7,321).

Higher **Interest Revenue** on past due accounts and cash balance in bank (\$20,582).

EXPENSES

Overall expenses below budget \$108,004

The largest line item variances include:

Water purchase costs from City of Moncton - \$67,937 savings to date or approximately 8%

Water maintenance labour costs lower by \$12,250; water operating costs lower than budget by \$15,619

Sewer labour maintenance costs lower by \$10,808; sewer operating costs higher than budget by \$6,973.

PROJECTIONS

General Fund

Current projections from normal operations and activities indicate the Town will achieve the overall general operating fund budget. A few extraordinary activities that may impact these results include:

- i) Sale and/or purchase of land/building(s)
- ii) Legal action in connection with a previous land expropriation

Water and Sewer Utility Fund

Current projections from normal operations and activities indicate the Town will achieve the overall utility operating fund budget. An extraordinary activity that may impact these results include:

- i) Costs to rectify blue/green algae issue at the water supply (Town share of costs).

Capital Funds

It is still too early to project final overall actual figures for Capital Projects. As the construction season winds down over the next couple of months this will become more determinable. Staff will provide additional details as they become available and as the budget process commences.