

## FINANCE DEPARTMENT MONTHLY REPORT

To: Colin Smith, CAO

Prepared by: Robert Higson, CPA, CA

Date: Oct, 2018

Month: Oct 2018

### Section 1: Operational Dashboard

Metric	Current Period	Prior Period	Annual Result	Trend
Debt Ratio (end of year)	11.93% 2018 (Budget)	13.96% 2017 (Actual)	Decrease	Stable
Accounts Receivable (significantly past due accounts only)	\$175,000 (Sept/18)	\$175,000 (Aug/18)	Stable	Decrease (Director working with TEMP clerk to collect accounts)
Accounts Payable processed (Sept'18 vs. Aug '18)	\$2,679,777 (355 cheques)	\$6,204,676 (410 cheques)	-	-
% of Water & Sewer Bills sent electronically (quarterly Aug '18 vs. May' 18)	13.7% (829 out of 6,039)	11.5% (693 out of 6,030)	Gradual growth in e-billing	Increase Promotion offer of prize worked. Added >100

### Section 2: Status of Department's Operational Priorities for 2018

Priority	Status
Lead the Town in the development of a long range capital Asset Management Plan (AMP)	<p>The AMP Committee met on October 11 and welcomed two additional members to the team including our new <i>Facility Coordinator</i> (Martin Dube) and our new <i>Manager – Recreation Facilities and Assets</i> (Eric Hopper). Each will bring additional perspective to the long term asset management strategy for the Town.</p> <p>Mr. Dube has already commenced a formal course in Asset Management which will lead to a Certificate providing a level of competency in AM concepts.</p> <p>The Director of Finance and Facility Coordinator met on September 18 with an external consultant to discuss options for assessing Town owned</p>

Priority	Status
	<p>buildings. It is the intention to select a building for condition assessment shortly; to be completed prior to fiscal 2018 year end.</p> <p>During the October 11th team meeting discussions included what AM actions are currently being undertaken. These are consistent with our priority of determining the <i>“condition of assets”</i> including ongoing review of all cast iron underground pipes, planned road condition assessment in 2019 and building condition assessment(s) this fall and throughout 2019. As well, Mr. Hopper is presently undertaking a review of all parks and playground assets to ensure our asset inventory listing is accurate and complete to assess the condition of the playground equipment.</p> <p>During upcoming 2019 budget discussions the next steps shall be discussed and, where applicable, funds will be included in the draft operating budget.</p> <p>The team also watched a webinar called <i>“Diving Deeper into Levels of Service”</i> which provided insight into how determining the desired level of service impacts the size, scope and nature of assets required by our municipality to offer those services.</p>
Long Term Financial Planning and Managing Debt Ratio	<p>Council has previously endorsed the Ten Year Capital and Financial Plan for guidance to staff until 2027. There may be some adjustments during the 2019 capital budget process but no significant changes are anticipated.</p> <p>The Director of Finance recently presented to Council the Long Term Debt Borrowing needs (\$4.5m) related to the 2018 Capital Program which were adopted by Council Resolution on October 9<sup>th</sup>. This amount has been submitted to the Province who, in turn, will go to the “bond/debenture market” on behalf of the Town during November.</p> <p>The debt ratio shall continue to be monitored and measured for any impact financial decisions may have upon the ratio.</p>
Technology Options	Ongoing

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

#### **Budget 2019 Preparation**

Council has provided direction for the budget parameters to be used in the development of the draft 2019 budgets. These parameters are based upon staff projections for tax base growth, operating expenditure growth, capital expenditure plans, interest rates and the most difficult single item to predict, i.e., Community/Equalization grant amount. As well, consistent with Council's direction, a one (1) cent increase in the tax rate shall be incorporated into the draft 2019 General Operating Fund budget.

The Director has commenced developing the 2019 budget. Each Director is now in the process of preparing departmental projections for 2018 and developing their 2019 budgets. These will be submitted to the Director of Finance by October 25th who will then compile them into one comprehensive overall budget document for Director level discussions. These CAO/Director discussions are scheduled for two days, November 1st and 2<sup>nd</sup>.

The content and format of certain line items in the Administration section of the 2019 budget will be amended/reclassified to more clearly present the *Corporate Services Department* accountabilities. These minor changes shall be discussed during the budget presentation(s).

Information from third parties is now being received/compiled with the Director of Finance participating in various budget review meetings with external service providers including the Codiac RCMP, Trans Aqua (sewer treatment rates), Riverview Arts Center and the City of Moncton (water purchases rates).

For many services provided by external third parties, presentations to Council are scheduled for the evening of October 25<sup>th</sup>.

#### **Insurance Liability – Renewal Process**

The Director of Finance met (September 25<sup>th</sup>) with our insurance broker Luke Cain of Cain Insurance Ltd. Each year Mr. Cain goes to the municipal insurance market place on our behalf to seek the best overall package at the lowest possible cost.

The Town has successfully maintained the insurance premiums at a stable level for several years and it is expected the quotation for 2019 shall not include any significant increase other than that associated with inflationary values and growth in the number of assets to be insured.

#### **Professional Development**

The Director recently participated in a webinar on *Financial Fraud* and related *Insurance Coverage/Claims*. Also the Director recently participated in a webinar related to *Asset Management – Level of Service* along with other AM Committee members.



## Report Approval Details

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This report and all of its attachments were approved and signed as outlined below:

**Colin Smith - Oct 17, 2018 - 12:19 PM**