



REPORT ADMINISTRATION/FINANCE/FIRE COMMITTEE

DATE: September 20, 2021

REPORT NO: T-22-2021

SUBJECT: Financial Update as of August 31, 2021

CONTACT: Donna DeFilippis, CPA CA Director of Finance

OVERVIEW:

- Presentation of a financial update as of August 31, 2021

RECOMMENDATION:

That, Report T-22-2021, regarding the “Financial Update as of August 31, 2021”, dated September 20, 2021, be received for information.

ALIGNMENT TO STRATEGIC PLAN:

Theme #6

- Efficient, Fiscally Responsible Operations - the Township of West Lincoln is a lean organization that uses sustainable, innovative approaches and partnerships to streamline processes, deliver services and manage infrastructure assets

BACKGROUND:

The Finance Department has completed a review of operating results up to the end of August 31, 2021. **Appendix A** is a summary of the Operating Revenues and Expenditures up to August 31, 2021. The analysis has taken into account the timing and seasonality of certain budget lines. The column titled “Budget” under the “Operating YTD” heading on the attached analysis indicates the portion of the budget that would be expected to be expended as of August 31, 2021. This report summarizes the actual operating expenditures up to August 31, 2021 by service area. **Appendix B** to this report is a presentation of August 31, 2021 results by “object” code and includes Capital expenditures. **Appendix C** to this report is a listing of the Township Uncommitted Reserve Balances projected to December 31, 2021. **Appendix D** to this report provides a summary of costs incurred as a result of the Covid-19 pandemic as of August 31, 2021.

CURRENT SITUATION:

Revenue Analysis:

All revenue items are currently on track, except for Facility Rental fees, which are projected to be below budget as a result of the Emergency Orders related to the COVID-19 Pandemic.

Expenditure Analysis:

Township operating budgets are currently within the approved budget and at this point there are no items of concern.

Financial Impact of COVID-19:

The COVID-19 pandemic continues to impact the finances of the Township in 2021.

Appendix D outlines the costs and lost revenue as a result of COVID-19 up to August 31st, 2021.

In 2020, the Township received \$329,800 from the Province of Ontario through the Safe Restart Agreement, of which \$48,087 has been transferred into the Contingency Reserve to be used to fund 2021 COVID-19 costs. In December 2020, the Province announced that it would transfer an additional \$66,000 to the Township to assist with the COVID 19 impacts. Finally, on March 4th, 2021 funding of \$267,744 was announced from the Province through the 2021 COVID-19 Recovery Funding for Municipalities program. This last allocation was based on a formula that takes into account the proportion of COVID-19 cases in the local health unit between January 1 and February 18, 2021. In total, **\$381,831** in funds are available in 2021 to assist with COVID-19 impacts to the Township Operating fund. Any unused funds are required to be transferred into a reserve to deal with 2022 COVID-19 impacts. These funds cannot be used for Capital expenditures.

Purchasing Activity:

The Township's purchasing policy grants the CAO purchasing authority up to \$100,000. In the month of August, the CAO approved the following (the Amount column is before taxes)

Vendor	Amount	Project
BMA Management Consultants	\$ 35,000.00	User Fee Study

Township staff were successful in their recent application through the Province's Municipal Modernization Program to complete a User Fee Study. A Request for Proposal (RFP) was issued and BMA Management Consultants were the successful submitters. The project will address the following items:

- Assess the appropriateness, especially through benchmarking against comparable municipalities and quantifying the benefit of the service provided by the Township
- Identify ways to promote fairness in the property tax levy to avoid over-burdening it

with services provided by the Township for free or for a nominal fee, especially to non-residents

- Recommend best practices, such as charging fees on a cost recovery basis
- Recommend methods to ensure the Township's user fee schedule is digitally accessible to the public and that fees are efficient, effective and fair

The goal is to have the project completed by December 31st, 2021. The grant will cover 100% of any incurred costs.

FINANCIAL IMPLICATIONS:

Budget Amendment:

Amendments to the approved budget are requested by staff when they become aware of changes to the original Council approved budget. As part of the 2021 budget approval, Council approved the following recommendation:

"7. That, Council delegate authority to the CAO to approve in year 2021 budget amendments up to \$20,000 per item and to report to Council on a monthly basis regarding such amendments; and, "

Any amounts over \$20,000 would go directly to Council for approval. Commencing in 2021, the Finance Department will establish a numbering system for all budget amendments and will also include a summary of in-year budget amendments with the monthly financial update. These new procedures will further strengthen the budgeting processes of the Township and enhance transparency to the public.

To date, the following budget amendments have been approved:

Number	Description	Amount	Funding Source
BA2021-01	Town Hall Renovations in Former Library	\$ 10,000.00	Capital Reserve
BA2021-02	Bandshell	\$ 45,000.00	Facilities Reserve
BA2021-03	Hard-topping Concession 5 from Abingdon to Caistor Center Road	n/a	Change in Scope Only
BA2021-04	Pick Up Truck project 236	\$ 6,000.00	Equipment Reserve
BA2021-05	Building Department Review	\$ 17,000.00	Contingency Reserve-Modernization Grant
BA2021-06	Farmers Market	\$ 33,200.00	RED Grant -16,600 Contingency Reserve \$16,600
BA2021-07	Public Works Renovations	\$ 100,000.00	COVID Grant-Provincial
BA2021-08	Reserve Transfers related to 2020 Acc Surplus	\$ 1,019,000.00	Accumulated Surplus

INTER-DEPARTMENTAL COMMENTS:

This report was reviewed by the CAO.

CONCLUSION:

It is concluded that Council receive the Financial Update as of August 31, 2021 Report as an item of information.

Prepared & Submitted by:

Donna DeFilippis

Donna DeFilippis, Director of Finance

Approved by:

B Hendry

Bev Hendry, CAO