



REPORT ADMINISTRATION/FINANCE/FIRE COMMITTEE

DATE: June 20, 2022

REPORT NO: T-17-2022

SUBJECT: Financial Update as of May 31, 2022

CONTACT: Donna DeFilippis, Director of Finance/Treasurer

OVERVIEW:

- Presentation and analysis of operating and capital expenditures as of May 31, 2022

RECOMMENDATION:

That, Information Report T-17-2022, regarding the “Financial Update as of May 31, 2022”, dated June 20, 2022, 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 May 31, 2022. **Appendix A** is a summary of the Operating Revenues and Expenditures up to May 31, 2022. 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 May 31, 2022. This report summarizes the actual operating expenditures up to May 31, 2022 by service area. **Appendix B** to this report is a presentation of May 31, 2022 results by “object” code and includes Capital expenditures. **Appendix C** to this report is a listing of the Township Reserve Balances projected to December 31, 2022. **Appendix D** to this report provides a summary of costs incurred as a result of the Covid-19 pandemic as of May 31, 2022.

CURRENT SITUATION:

Revenue Analysis:

All revenue items are currently on track, with the exception of Facility Rentals, which have been impacted by COVID-19 related closures. Details regarding COVID-19 are provided further in the report. Council has approved the final 2022 tax rates and final property tax bills will be issued in late June, with two instalment dates proposed for the end of July and the end of September.

Expenditure Analysis:

Township operating expenditures are currently within the approved budget. Staff are currently monitoring the impact that the current rate of inflation (6.8% as of April 2022) is having on Township operating costs. In particular, there is strong indication that natural gas and vehicle fuel costs will be exceeding 2022 approved budgets. Staff will be bringing Council more detail in future monthly updates and are hopeful that these additional costs can be offset by other items.

Financial Impact of COVID-19:

The COVID-19 pandemic continues to impact the finances of the Township in 2022.

Appendix D outlines the costs and lost revenue as a result of COVID-19 up to May 31, 2022. On January 3, 2022, the Provincial government announced that Ontario would move to a modified Step 2 of its Roadmap to Reopen, effective January 5, 2022 at 12:01a.m. This meant the closure of the Community Centre until January 30th, 2022, with a re-opening date of January 31, 2022. This closure impacted the Facility Rental Income that the Township collects. In addition, the Township was required to screen visitors to our facilities for proof of vaccination by QR (Quick Response) code and ID for all patrons 12 and over up to March 1, 2022.

We are fortunate that we have been in receipt of Provincial Funding to assist with the financial burden that the COVID-19 pandemic and response plan has had on the Township. 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 were available in 2021 to assist with COVID-19 impacts to the Township Operating fund. At the end of 2021, staff were able to retain \$96,802.28 of this funding to use for 2022 COVID 19 costs.

In addition, Township staff made application through the Niagara Region for consideration for funding to assist with costs incurred and revenue lost in relation to the Township's role in hosting COVID-19 vaccination clinics. Staff were informed by Niagara Region staff on March 31st, 2022 that the full amount applied for: \$50,063.99 was approved by the Province and would be forwarded to the Township. This funding, along with previous unallocated provincial grants provides the Township **\$146,866.27** to fund

COVID-19 related costs and to off-set lost revenues. **Appendix D** indicates that as of May 31, 2022, the Township has incurred a total of \$92,950 in lost revenues and additional costs related to COVID-19.

Purchasing Activity:

The Township's purchasing policy grants the CAO purchasing authority up to \$100,000. The chart below summarizes the approvals from the CAO up to May 31, 2022.

Vendor	Amount	Project
ArbourHeights	Various	Tree Cutting- various prices per hour-bucket truck \$143, Chipper Truck \$140, Stump Grinder \$118.66, Labourer/Traffic \$115
Stewart Contracting	\$ 39,597.00	Townhall Shingle Rehab
Gauboc	\$ 48,250.00	Sidewalk Concrete Spot Repairs
Garden City Display Fireworks	\$ 10,000.00	Canada Day Fireworks
Associated Engineering	\$ 25,000.00	Pearson Bridge- design updates and tender
Fence Con Inc.	\$ 58,680.00	Leisureplex Fencing Project

FINANCIAL IMPLICATIONS:

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 2022 budget approval, Council approved the following recommendation:

- “7. That, Council delegate authority to the CAO to approve in year 2022 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.

To date, the following budget amendments have been approved:

Number	Description	Amount	Funding Source
BA2022-01	Finance Department Digitalization	\$ 143,000.00	Provincial Grant
		\$ 17,676.00	Contingency- Modernization Grant - leftover budget project
		\$ 10,000.00	Technology - leftover Financial software project
		\$ 7,324.00	Operating Budget- Consulting
		\$ 178,000.00	Total
BA2022-02	Grader Purchase	\$ 63,000.00	Equipment Reserve
BA2022-03	Road Rehabilitation Project	reallocation	reallocation
BA2022-04	Replacement of Fire Station 2	\$ 200,000.00	Canada Community-Building Fund
		\$ 650,000.00	Debenture Issue
		\$ 400,000.00	Contingency Reserve
		\$ 1,250,000.00	Total
BA2022-05	Campbell Bridge Deck Condition Survey	\$ 1,050.00	Development Charges
		\$ 9,450.00	Bridge Reserve
		\$ 10,500.00	Total

INTER-DEPARTMENTAL COMMENTS:

This report has been reviewed by the CAO.

CONCLUSION:

Staff is recommending that Council receive this report as an item of information.

ATTACHMENTS:

- Appendix A – summary of Operating Revenues and Expenditures up to May 31, 2022.
- Appendix B – presentation of May 31, 2022 results by “object” code and includes Capital expenditures.
- Appendix C – listing of the Township Reserve Balances projected to December 31, 2022.
- Appendix D – summary of costs incurred as a result of the Covid-19 pandemic as of May 31, 2022.

Prepared & Submitted by:



Donna DeFilippis
Director of Finance/Treasurer

Approved by:



Bev Hendry
CAO