



The Corporation of the Municipality of Arran-Elderslie

Information Report

Report From: Tracey Neifer, Treasurer

Meeting Date: September 25, 2023

Subject: SRFIN.23.21 Financial Report – August 31, 2023

Appendices:

- A. Financial Report – Services by Department
- B. Financial Report – Water Services
- C. Financial Report – Sewer Services
- D. Financial Report – Storm Services
- E. Financial Report – Protective Services Fire
- F. Capital Financial Report Year-to-Date

Report Summary

The purpose of this report is to provide Council with a financial update of the departmental results, covering the period of January 1, 2023, to August 31, 2023.

The report has been prepared based on the following structure:

- ✓ **Building Services**, representing the Building Department which is self-funded through the issuance of permit fees,
- ✓ **Municipal Services**, representing the various service departments that are funded by taxation and user fees,
- ✓ **Water and Sewer Services**, representing the Water and Sewer Divisions of the Public Works Department that are funded by the respective property owners through user fees. This also includes Storm Water management.
- ✓ **Protective Services** – Fire Services, representing the consolidation of the three (3) fire stations operating as the Arran-Elderslie Fire Department.

Both the operating and capital results reflect positively with net operating expenses for eight (8) months \$3,856,320 compared to expected results of \$5,034,242, and 84.1% of capital projects either completed or in-process. Departmental results are explained in the body of the report.

Background

This is the first financial report for the 2023 operating year. Supporting schedules can be found in the following budget reports previously presented to Council:

- ✓ SRFIN.23.13 2023 Operating and Capital Budget – Final (March 27, 2023)
- ✓ SRFIN.23.08 2023 Operating and Capital Budget – 3rd Draft (February 13, 2023)
- ✓ SRFIN.23.07 2023 Operating and Capital Budget – 2nd Draft (January 30, 2023)
- ✓ SRFIN.23.01 2023 Operating and Capital Budget (January 9, 2023)

Analysis

The approved operating budget for 2023 reflects total net operating costs of \$6,579,574. As of August 31, 2023, the net expenditures are \$3,856,320, as reflected in the following summary by Service Area:

	Total Budget	YTD Budget	YTD Actuals	YTD Budget to Actual Variance	Total 2022	Total 2021
01 Revenue Fund						
MUNICIPAL SERVICES						
GENERAL GOVERNMENT	485,989	836,485	600,899	235,586	462,473	557,323
PROTECTION SERVICES	1,878,069	1,283,544	1,208,283	75,261	1,864,052	1,976,023
TRANSPORTATION SERVICES	2,733,038	2,043,484	1,846,110	197,374	2,607,542	3,331,686
ENVIRONMENTAL SERVICES	-1,627	-125,023	-116,838	-8,185	16,625	-28,680
HEALTH SERVICES	50,762	35,294	-45,763	81,057	25,958	60,790
RECREATION AND CULTURE	1,063,713	724,218	562,853	161,365	969,049	1,127,499
PLANNING AND DEVELOPMENT	305,849	149,762	74,518	75,244	139,069	238,377
	6,515,793	4,947,764	4,130,062	817,702	6,084,768	7,263,018
BUILDING & BYLAW ENFORCEMENT SERVICES						
Building		-22,094	-38,271	16,177		
ByLaw	63,781	43,277	34,504	8,773	50,428	6,912
	63,781	21,183	-3,767	24,950	50,428	6,912
WATER AND SEWER SERVICES						
SHARED ADMINISTRATION		-123,209	-135,966	12,757		647,698
SEWER		52,151	-186,669	238,820		
WATER		159,048	146,652	12,396		
STORM		-22,695	-93,992	71,297	44,933	43,504
		65,295	-269,975	335,270	44,933	691,202
Total						
	6,579,574	5,034,242	3,856,320	1,177,922	6,180,129	7,961,132
Funded by: Taxation	6,579,574					

The expected results, based on the distribution of the budget for the past eight (8) months, is \$5,034,242, which reflects that spending has been less than expected by \$1,177,922. The budget is distributed each month based on expected spending patterns, which may entail:

- Equal monthly allocation of 1/12th of the account budget
- % of spending each month based on comparison to prior year
- Monthly specific amounts where timing is known (i.e. Conferences, Pools, Camps)

Several appendices have been attached to provide additional details for each of the Service Areas, and the departments that support those areas.

Appendix A, Financial Report – Services by Department highlights at a departmental level, the year-to-date budget to actual variances. For those service areas that are fully funded by user fees, separate departmental reports have been provided, such as Water, Sewer, and Storm. Additionally, a departmental report for Protective Services – Fire has been included to reflect the consolidated costs of the three fire stations.

The following sections provide a more in-depth explanation of the departmental results as of August 31st, 2023.

Municipal Services

Overall, Municipal Services reflects positive results of \$817,702 of unspent year-to-date budget. Positive results are noted across all service areas except for Environmental Services which has a small overage of \$8,185, with the largest area being General Government representing 28.8% of the results.

	Total Budget	YTD Budget	YTD Actuals	YTD Budget to Actual Variance	Total 2022	Total 2021
01 Revenue Fund						
MUNICIPAL SERVICES						
GENERAL GOVERNMENT	485,989	836,485	600,899	235,586	462,473	557,323
PROTECTION SERVICES	1,878,069	1,283,544	1,208,283	75,261	1,864,052	1,976,023
TRANSPORTATION SERVICES	2,733,038	2,043,484	1,846,110	197,374	2,607,542	3,331,686
ENVIRONMENTAL SERVICES	-1,627	-125,023	-116,838	-8,185	16,625	-28,680
HEALTH SERVICES	50,762	35,294	-45,763	81,057	25,958	60,790
RECREATION AND CULTURE	1,063,713	724,218	562,853	161,365	969,049	1,127,499
PLANNING AND DEVELOPMENT	305,849	149,762	74,518	75,244	139,069	238,377
	6,515,793	4,947,764	4,130,062	817,702	6,084,768	7,263,018

General Government

General Government consists of three areas: Council, Program Support and Asset Management, with an overall positive position of \$235,585.

	2023 Total Budget	YTD Budget	YTD Actuals	YTD Budget to Actual Variance	Total 2022	Total 2021
GENERAL GOVERNMENT						
General Services						
01-1010 General-Council	138,409	94,342	81,541	12,801	118,840	116,720
01-1020 General-Program Support	312,693	737,543	545,328	192,215	356,059	440,604
01-1030 General-Asset Management / GIS	34,887	4,600	-25,969	30,569	-12,423	2
Total General Services	485,989	836,485	600,900	235,585	462,476	557,326

Council and Asset Management savings are noted in wages/benefits and training. The Asset Management budget included the costs of the Asset Management/GIS Coordinator, a two-year contract position, which remains vacant at this time. In the interim, mapping work is being completed through a GIS student.

General Government results are a positive variance of \$192,215. Reviewing the department's results, the following factors have attributed to this position:

- ✓ Wages and Benefits – the Administrative Coordinator position was hired later than expected and is currently vacant. (\$30k)
- ✓ Contracted Services – year-to-date costs are more than expected (\$14k), however, costs are still within the annual budget. Staff will continue to monitor.
- ✓ Legal Services – currently in a favourable position. (\$28k)
- ✓ Insurance Services – costs are higher than expected due to an insurance claim.

- ✓ Software Licensing - year-to-date costs are more than expected (\$12k). However, costs are still within the annual budget and Staff will continue to monitor.
- ✓ Tax Write Offs – the municipal share of adjustments to property taxes and assessment changes, which includes S.357 Demolitions/Razed by Fire, Farm Forestry Exemption, Change in Property Use, Tax Incentive Programs (Farm Tax and Conservation Land) have exceeded budgeted expectations. Annual budget of \$57k with year-to-date results of \$73k.
 - Tax write offs are offset by the additional revenues received for supplemental tax bills related to enhancements to properties. Year-to-date revenue of \$77k on an annual budget of \$91k.
 - When the Farm Forestry Exemption was first announced and shared with Council, it was noted that additional information would be brought forward when the financial impacts were available. The net impact of this change was processed and included in the final tax bills sent out in July. The net impact to Arran-Elderslie was a tax reduction of \$2,857 impacting over 400 properties.

A review of revenues, the following factors have attributed to this position:

- ✓ Provincial funding - the OMPF grant, \$1,627,000, is received in four (4) quarterly instalments, with the fourth payment expected in October. Funds received will agree to the budget. The year-to-date results reflects \$1,220,250 compared to budget of \$1,084,664, an increase of \$135,586, which is included in the positive departmental results of \$192,215.
- ✓ Interest and Investment Income – bank interest rates for the budget assumed 4.64% with current results ranging from 4.8% to 5.5%, which has attributed to the positive position. (\$111k)

Protection Services

Protection Services reflects an overall positive position of \$75,255, with the largest variance being attributed to Fire Protection, which is analyzed later within the report.

	2023			YTD Budget		
	Total	YTD	YTD	to Actual	Total	Total
	Budget	Budget	Actuals	Variance	2022	2021
PROTECTION SERVICES						
Total Conservation Authorities	120,374	80,248	64,863	15,385	121,039	119,092
Total Fire Protection	583,868	423,586	343,526	80,060	527,123	655,553
Total Other Services	40,914	24,438	26,482	-2,044	43,905	32,939
Total Policing	1,132,913	755,272	773,418	-18,146	1,171,978	1,168,435
Total PROTECTION SERVICES	1,878,069	1,283,544	1,208,289	75,255	1,864,045	1,976,019

Conservation Authority's primary budget is the municipal levy, which agrees to budget at \$64,236. Additional funds are budgeted for Dyke work, \$16,016, of which no costs have been incurred to date.

Policing costs are slightly higher than budget due to the prior year reconciliation of service costs that is included in the current year invoices.

Transportation Services

Both key service areas, Roads and Winter Control have faired better than expected with positive results of \$197,370. Small variances are noted across many of the departments.

	2023			YTD Budget		
	Total	YTD	YTD	to Actual	Total	Total
	Budget	Budget	Actuals	Variance	2022	2021
TRANSPORTATION SERVICES						
Roads						
01-2510 Transportation-Roads-Admin	99,962	66,409	72,306	-5,897	98,938	1,141,232
01-2511 Transportation-Roads-Admin-Union	362,026	242,615	184,340	58,275	335,667	294,016
01-2512 Transportation-Roads-Shop	148,722	99,358	107,884	-8,526	160,725	122,873
01-2513 Transportation-Roads-Roadside	114,937	75,423	72,149	3,274	116,812	116,560
01-2514 Transportation-Roads-Bridges	189,364	167,691	146,218	21,473	144,077	153,950
01-2515 Transportation-Roads-Hardtop	54,285	31,988	27,979	4,009	62,022	53,358
01-2516 Transportation-Roads-Gravel	655,828	634,465	613,631	20,834	629,888	563,247
01-2517 Transportation-Roads-Safety	51,835	39,312	43,835	-4,523	39,496	40,959
01-2518 Transportation-Roads-Vehicles	558,565	366,064	305,872	60,192	574,597	371,083
01-2530 Transportation-Saugeen Mobility & Regional	55,947	37,296	48,088	-10,792	62,104	50,764
01-2540 Transportation-Parking	3,500	5,475	4,169	1,306	3,181	1,972
01-2550 Transportation-Street Lighting	61,807	44,532	31,042	13,490	59,102	113,461
Total Roads	2,356,778	1,810,628	1,657,513	153,115	2,286,609	3,023,475
Winter Control						
01-2520 Transportation-Winter Ctrl-Salt/Sand	100,425	68,461	30,844	37,617	86,808	87,249
01-2521 Transportation-Winter Ctrl-Snow Moving	243,583	144,589	148,587	-3,998	218,778	220,963
01-2522 Transportation-Winter Ctrl-Standby	32,252	19,806	9,170	10,636	15,348	
Total Winter Control	376,260	232,856	188,601	44,255	320,934	308,212
Total TRANSPORTATION SERVICES	2,733,038	2,043,484	1,846,114	197,370	2,607,543	3,331,687

Reviewing the departmental results, the following factors attributed to the variance:

- ✓ Admin – while the estimated revenue from the Aggregate Resource funds of \$23k have not been received, there has been an increase in revenue for fees for service (entrance permits, salt and sand, and fuel charges) which are \$18k higher.
- ✓ Admin-Union – decrease in wages and benefits (\$54k).
- ✓ Shop – increase in wages and benefits, and contracted services (\$6k).
- ✓ Roadside – budgeted costs for sidewalk repairs has not been completed (\$4k) as the capital project for Sidewalks is underway.
- ✓ Bridges – decrease in wages and benefits (\$10k); Strategic Initiative for the Engineered Bridge Study (\$7k); general materials and supplies (\$6k).
- ✓ Hardtop – unspent funds for patching materials (\$6k).
- ✓ Gravel – slight increase in wages and benefits (\$9k); unspent funds for resurfacing gravel (\$30k)
- ✓ Safety – slight increase in wages and benefits (\$4k).
- ✓ Vehicles – while the budget for fuel/diesel was thought to be conservative, the year-to-date results are positive with unspent funds of \$53k. Staff will continue to monitor this area. Vehicle parts and repairs are also positive (\$23k).
- ✓ SMART – Saugeen Mobility and Regional Transit – the budget was prepared based on a 7% inflation increase over 2022 budget, totalling \$55,947. The 2022 municipal levy was \$62,104, being higher than budgeted in 2022. The 2023

municipal contribution is an increase of 16% to \$72,132. While the misalignment after eight (8) months is \$10,792, the annual amount will be \$16,185.

- ✓ Parking – positive results contributed to an increase in revenue from permit fees and fines.
- ✓ Streetlighting – hydro costs are currently underbudget. (\$39k)
- ✓ Winter Control – salt/sand supplies is currently underbudget by \$39k as the inventory usage for Jan-April has not yet been recorded.

Environmental Services

Overall, the costs of waste disposal and recycling is funded by the garbage collection fees. The net revenue generated from garbage collection is slightly less than expected (\$2k), while waste disposal and recycling are slightly higher than budget (\$6k).

	2023			YTD Budget		
	Total	YTD	YTD	to Actual	Total	Total
	Budget	Budget	Actuals	Variance	2022	2021
ENVIRONMENTAL SERVICES						
Environmental Programs						
01-3040 Environmental-Garbage Collection	-154,488	-229,938	-227,779	-2,159	-127,949	-136,694
01-3050 Environmental-Waste Disposal	51,626	37,970	43,004	-5,034	46,983	12,361
01-3060 Environmental-Recycling	101,235	66,945	67,939	-994	97,591	95,651
Total Environmental Programs	-1,627	-125,023	-116,836	-8,187	16,625	-28,682
Total ENVIRONMENTAL SERVICES	-1,627	-125,023	-116,836	-8,187	16,625	-28,682

Health Services

Health Services are comprised of two very different services, Physician Recruitment and Medical Clinics, and the Cemeteries in operation across the Municipality. In both cases, the operating results are positive.

	2023			YTD Budget		
	Total	YTD	YTD	to Actual	Total	Total
	Budget	Budget	Actuals	Variance	2022	2021
HEALTH SERVICES						
Clinics						
01-4000 Health-Physician Recruitment		-6,664	-10,000	3,336		41,498
01-4002 Health-Clinic-Chesley		-7,259	-49,187	41,928		
01-4004 Health-Clinic-Paisley		2,519	1,854	665	1	
Total Clinics		-11,404	-57,333	45,929	1	41,498
Cemeteries						
01-4010 Health-Cemetery-Common	3,663	2,440	-11,924	14,364	-8,007	653
01-4011 Health-Cemetery-Arran	3,770	3,250	2,740	510	6,810	2,982
01-4012 Health-Cemetery-Chesley	26,381	18,942	24,493	-5,551	25,798	13,030
01-4013 Health-Cemetery-Elderslie	4,570	4,002	4,123	-121	2,779	1,903
01-4014 Health-Cemetery-Paisley	11,074	10,274	7,375	2,899	6,754	6,546
01-4016 Health-Cemetery-Tara	1,304	7,790	-15,233	23,023	-8,177	-5,821
Total Cemeteries	50,762	46,698	11,574	35,124	25,957	19,293
Total HEALTH SERVICES	50,762	35,294	-45,759	81,053	25,958	60,791

Physician Recruitment represents the contracts in place with Physicians, which is funded by the corresponding reserve. The year-to-date budget is based on eight (8) months, whereas the actuals is based on an annual payment.

Each of the Medical Clinics is funded by the rental arrangements in place with the surplus funds transferred to Reserve. The positive results of the Chesley Medical Clinic is reflective of the donation that was received. Staff are working with the Clinic to sponsor the purchase of the equipment to be covered by the donation.

Cemeteries includes the interest earned on the Care and Maintenance funds that are held in trust, with the interest being used to assist with ongoing operating costs. Interest for January to June, \$13,789 contributes to the Common results. Tara Cemetery has seen an increase in the sale of plots and columbarium niches in an amount of \$18,108 which has contributed to the results.

Recreation and Culture

The following is a summary of the key service areas, full details are available in **Appendix A**. Positive results of \$161,358 is largely attributed to Administrative, Arenas and Pools

	2023			YTD Budget		
	Total	YTD	YTD	to Actual	Total	Total
	Budget	Budget	Actuals	Variance	2022	2021
RECREATION AND CULTURE						
Total Administrative	310,150	212,016	176,909	35,107	219,264	405,574
Total Ball Fields	20,221	12,872	7,357	5,515	17,035	14,052
Total Splashpads	3,000	3,000	3,773	-773		
Total Arenas	577,671	386,753	281,262	105,491	556,313	536,354
Total Pools	67,202	63,555	51,383	12,172	104,531	96,070
Total Other Facilities	38,712	11,187	13,807	-2,620	32,376	19,515
Total Libraries	1,669	1,295	8,361	-7,066	-3,830	-5,999
Total Museum	8,469	9,525	5,207	4,318	3,915	8,841
Total Programs	36,619	24,017	14,803	9,214	39,444	53,091
Total RECREATION AND CULTURE	1,063,713	724,220	562,862	161,358	969,048	1,127,498

Reviewing the departmental results, the following factors attributed to the variance:

- ✓ Administrative
 - **Parkland/Recreation** – decrease in wages and benefits (\$10k). General savings in materials, fuel, and hydro. (\$9k)
 - **Admin** – current expenses are under budget for the Building Condition Assessment work that is underway (\$13k), and wages and benefits (\$5k), whereas there is an increase in bank charges for the provision of credit card payment with the Recreation software. These charges were previously expensed to General Government.
 - **Health & Safety** – decrease in expenses, clothing and boot allowance, and training.
- ✓ Ball Fields – donations of \$17,850 have been received to date for the work to be done at the Allenford ball field. Unspent donations will be monitored at year-end and deferred to 2024. Each of the ball fields in Chesley, Paisley and Tara are overbudget totalling \$6,425.
- ✓ Splashpads – the budget provided for annual operating costs of \$1,000 for each Splashpad for the costs of water & sewer. Both Chesley and Paisley are currently underbudget, whereas Tara has incurred additional costs for staff time, \$1,985.

- ✓ Arenas
 - **Chesley** – positive results \$32k attributed to wages and benefits, propane and hydro, as well as an increase in rental income (\$12k).
 - **Paisley** – positive results \$26k attributed to wages and benefits, however, propane and hydro has increased. Increase in rental income (\$25k).
 - **Tara** – positive results \$48k attributed to wages and benefits, however, propane and hydro has increased. Increase in rental income (\$31k).
- ✓ Pools
 - **Chesley** – negative results of \$9k is attributed to increased wages and benefits.
 - **Tara** – positive results of \$21k is largely attributed to wages and benefits (\$13k) and other savings in operating expenses, with an increase in revenue for lessons and seasons passes.
- ✓ Other Facilities - includes Arkwright Hall, Chesley Trailer Park, Chesley Town Hall, Paisley Legion, Paisley LCBO, and Paisley Hose Tower. Facilities operating costs are slightly higher than budget by \$3k.
 - **Arkwright Hall** – additional maintenance work
 - **Chesley Trailer Park** - increase in rental income and a reduction in operating costs contribute favourably. The transfer to reserve reflects the full amount whereas the year-to-date results only reflect eight (8) months, a difference of \$13k.
 - **Chesley Town Hall** – overall savings of \$5k across materials, hydro and propane.
 - Other, general savings in operating costs.
- ✓ Libraries – Overall results show an expectation to apply \$1k from taxes, however, year-to-date results require \$8k to cover net operating results. Each of the libraries, Chesley, Paisley and Tara are largely financed by the rental income.
 - Wages and benefits are higher than expected (\$5k)
 - Rental income is reflective of six (6) months as the 3rd quarter payment is expected in September.
- ✓ Museum – positive results from an increase in special events. (\$3k)
- ✓ Programs – includes the Day Camps which has an increase in Program Registrations (\$11k).

Planning and Development

Overall positive results of \$75,241 is attributed to all areas except for Tile Drainage.

	2023			YTD Budget		
	Total	YTD	YTD	to Actual	Total	Total
	Budget	Budget	Actuals	Variance	2022	2021
PLANNING AND DEVELOPMENT						
Economic Development						
01-7010 Plan/Dev-Planning-Zoning	35,500	23,664	-500	24,164	5,632	
01-7220 Plan/Dev-Comm/Ind-Downtown Decor	75,111	51,328	26,983	24,345	47,519	40,868
01-7230 Plan/Dev-Comm/Ind- Gravel Pits	8,894	3,258	2,487	771	6,876	4,435
01-7300 Plan/Dev-Natural Gas Project						
01-7410 Plan/Dev-Economic Development	152,423	80,019	49,668	30,351	72,477	157,681
Total Economic Development	271,928	158,269	78,638	79,631	132,504	202,984
Tile Drainage						
01-7610 Plan/Dev-Tile Drainage	33,921	-8,507	-4,117	-4,390	6,560	35,392
Total Tile Drainage	33,921	-8,507	-4,117	-4,390	6,560	35,392
Total PLANNING AND DEVELOPMENT	305,849	149,762	74,521	75,241	139,064	238,376

Planning/Zoning – the budget provided \$30k for a planning review of fees for Zoning and OP, which has not been started at this time.

Downtown Décor – the budget provided for \$17k for Downtown Revitalization funds for each of the municipal areas. Staff is working with local groups to identify appropriate areas of spending.

Economic Development – decrease in wages and benefits, conferences, training, and memberships (\$13k). Several strategic initiatives were identified in the budget including, Visitor Centre set up and projects, Tourism materials and projects, Big Bruce Promotion, Saugeen River Collaborative Project, CIP and Urban Design, Marketing and Communication Plan and Façade Guidelines, with an annual budget of \$41k. Year-to-date spending of \$8k is related to Façade Guidelines, Bruce pins, and printing of map pads. Business Events, including business greetings, media campaign, signage, and events, was set up with an annual budget of \$8k, with year-to-date spending of \$252.

Tile Drainage is the management of tile drain loans as well as municipal drainage work. The planned work for municipal drains is currently underspent by \$63k, which is to be funded by the benefitting landowners. The billing of landowners has not been received yet, with a budget variance of \$60k.

Building Services

Building Services consists of Building and Bylaw Enforcement, with Building being fully funded through user fees, whereas Bylaw Enforcement is funded through taxation.

	Total	YTD	YTD	YTD Budget	Total	Total
	Budget	Budget	Actuals	to Actual	2022	2021
				Variance		
BUILDING & BYLAW ENFORCEMENT SERVICES						
Building		-22,094	-38,271	16,177		
ByLaw	63,781	43,277	34,504	8,773	50,428	6,912
	63,781	21,183	-3,767	24,950	50,428	6,912

After eight (8) months of operations, the budget anticipated that \$33k of surplus funds would be available to transfer to reserves, however, the year-to date results reflect that an additional \$38k is available. The additional funds are not transferred until the year-end reconciliation has been completed. The positive results are attributed to:

- ✓ Decrease in wages and benefits due to delay in filling the contract position of the Building Inspector. (\$22k)
- ✓ Decrease in various materials and supplies. (\$14k)
- ✓ Permit fees however, are less then expected, producing a decrease in revenue. (\$28k)

Bylaw includes the services of Animal Control and Property Standards:

	2023			YTD Budget		
	Total	YTD	YTD	to Actual	Total	Total
	Budget	Budget	Actuals	Variance	2022	2021
ByLaw						
ByLaw Enforcement						
01-2041 Protection-Animal Control		816	1,452	-636	-3,500	13
01-2044 Protection-Property Standards	63,781	42,461	33,050	9,411	53,928	6,899
Total ByLaw Enforcement	63,781	43,277	34,502	8,775	50,428	6,912

Animal Control consists of contracted services as well as livestock claims and is funded through the sale of dog licenses. Contracted services are currently less then budget which has offset the increase in legal fees (\$4k). Livestock claims have increased (\$3k). Dog licenses have increased positively (\$5k) after eight (8) months; however, results are less than the annual budget (\$1k). Any year-end overages will be adjusted through the Reserve.

Property Standards is positive due to a decrease in wages and benefits, as well as legal fees.

Water, Sewer, and Storm Services

Water, Sewer, and Storm Services are fully funded through user fees. Storm, however, is temporarily funded by water reserves until the Municipality has completed a Storm Water Study, for the purpose of implementing storm water user fees to cover the ongoing operating and capital needs in this area.

Overall results show net expected expenses of \$65,295 compared to net revenues of \$269,975, producing positive results of \$335,270.

	Total Budget	YTD Budget	YTD Actuals	YTD Budget to Actual Variance	Total 2022	Total 2021
WATER AND SEWER SERVICES						
SHARED ADMINISTRATION		-123,209	-135,966	12,757		647,698
SEWER		52,151	-186,669	238,820		
WATER		159,048	146,652	12,396		
STORM		-22,695	-93,992	71,297	44,933	43,504
		65,295	-269,975	335,270	44,933	691,202

Shared Administration represents joint expenses for both the Sewer and Water Services and is funded by the respective reserves, 2/5 Water and 3/5 Sewer. Positive results are attributed to a decrease in wages and benefits (\$62k), and training (\$5k). The transfer from Reserve is understated by \$35k which will be corrected in September.

Additional information has been provided in the appendices:

✓ Appendix B – Water Services

- Overall variance is attributed to:
 - Chesley/Paisley \$24,135
 - Tara -\$11,796
 - Source Water - \$ 123
- User fees includes the annual flat fee that is added to the property taxes as well as the quarterly usage charges that have been billed for January to June. The next reading is scheduled for September 30th. User fees are less than expected (\$11k).
- While wages and benefits are more than expected (\$11k), the cost of materials and supplies, and contracted services is under budget (\$32k). Materials and Supplies includes the cost of hydro, which is currently under budget (\$17k).

✓ Appendix C – Sewer Services

- Overall variance is attributed to:
 - Chesley \$ 1,289
 - Paisley \$ 9,734
 - Tara \$227,795

- Similar to Water Services, user fees include the flat fees and quarterly usage charges and are less than expected (\$19k).
- Wages and benefits are more than expected (\$40k), however, there is a decrease in materials and supplies (\$54k), of which \$28k is related to the cost of hydro. A further savings in strategic initiatives in Chesley, as the budget provides for smoke testing (\$11k) that has not occurred at this time.
- The Tara system has an increase in revenue due to billing for sewer overages. (\$246k)

✓ **Appendix D – Storm Services**

- Overall variance is attributed to:
 - Catch Basin \$61,286
 - Ditches \$10,010
- Catch Basin includes the Storm Water Study with an estimated cost of \$56,404. Staff report is coming to Council to start the process.
- Ditches is underspent in materials and supplies, and contracted services.

Protective Services – Fire

Protection Services consists of the Conservation Authorities, Crossing Guards, Emergency Measures, Policing and Fire. Fire Services reflects the operations of three (3) fire stations and administrative overhead costs. The following chart provides an overview of the distribution of the positive results which are noted for all Stations.

	2023			YTD Budget		
	Total	YTD	YTD	to Actual	Total	Total
	Budget	Budget	Actuals	Variance	2022	2021
PROTECTION SERVICES						
Total Conservation Authorities	120,374	80,248	64,863	15,385	121,039	119,092
Fire Protection						
01-2005 Protection-General-All						147,612
01-2010 Protection-Common Fire	162,282	106,806	81,139	25,667	140,644	87,228
01-2012 Protection-Chesley Fire	136,083	95,050	77,122	17,928	154,005	159,982
01-2014 Protection-Paisley Fire	116,606	105,661	92,782	12,879	97,540	118,495
01-2016 Protection-Tara Fire	168,897	116,069	92,483	23,586	134,934	142,236
Total Fire Protection	583,868	423,586	343,526	80,060	527,123	655,553
Total Other Services	40,914	24,438	26,482	-2,044	43,905	32,939
Total Policing	1,132,913	755,272	773,418	-18,146	1,171,978	1,168,435
Total PROTECTION SERVICES	1,878,069	1,283,544	1,208,289	75,255	1,864,045	1,976,019

Additional information has been provided in **Appendix E**. The operating results are attributed to:

- ✓ An increase in Operating Expenses (\$22k).
 - Rents and Financial Expenses were not provided for the budget; however, \$35k of invoices were deemed uncollectible and were written off during the year.
 - Positive results of \$15k are related to unspent minor capital.
 - Wages and Benefits are less then expected (\$94k) as the costs are largely reflective of the service calls received in the year. The year-to-date service calls by station compared to 2022 are:
 - Chesley – 44 (2022-81)
 - Paisley – 36 (2022-70)
 - Tara – 29 (2022-51)

Capital Report

The Municipality has an approved Capital Budget of \$9,711,211 which staff have been actively engaged to move each of the projects forward, with 84.1% of the budget either completed or in process.

Summary of Capital Budget					
Project Status	Complete	In-Process	Not Started	Deferred	Total Budget
General Government	148,316	139,099	12,000	-	299,415
Fire Protection Services	321,455	320,000	-	10,000	651,455
Transportation Services	2,106,800	1,484,500	551,266	-	4,142,566
Environmental Services	-	100,000	-	-	100,000
Recreation and Culture	52,447	53,000	635,179	99,000	839,626
Health Services	-	231,816	-	-	231,816
Building Services	56,000	-	-	-	56,000
Water and Sewer Services	56,000	3,102,043	90,000	142,290	3,390,333
	2,741,018	5,430,458	1,288,445	251,290	9,711,211
	28.2%	55.9%	13.3%	2.6%	100.0%
	84.1%				

Appendix F provides an overview of the status of each of the Capital Projects, as well as a comparison of year-to-date expenses compared to total budget. The significant projects not started are:

- ✓ Transportation Services – Roads – Brook St. Tara – waiting on the developer.
- ✓ Recreation and Culture – Facilities – Paisley Community Centre – 2nd Floor Renovation and Lift Rehabilitation – contractor is planning to begin in September.
- ✓ Water and Sewer Services – Stormwater – North Ave – waiting on the developer/engineer.

For the Paisley Fire Hall, a Fundraising Committee will be established to develop a fundraising strategy and communication plan. The Municipality has begun to receive funds with a grant of \$2,000 from Hensall Co-op. As the station construction is planned for 2024, any grants/donations received in 2023 will continue to be monitored and carried forward to 2024.

The Paisley Dog Park project began in 2021 and has since be delayed as alternate locations are being discussed. To date, donations received total \$10,000; however, at the request of the donor(s), \$2,500 has been refunded or redirected to the Paisley Splashpad. A detailed list of donors has been maintained, and the funds are being held separately for the Dog Park.

Link to Strategic/Master Plan

6.4 Leading Financial Management

Financial Impacts/Source of Funding

Overall, the financial results after eight (8) months, both operating and capital, reflect positively. Staff continue to monitor their departmental results on a regular basis to ensure that any significant variances can be addressed in a timely manner.

Approved By: Sylvia Kirkwood, CAO