

## COMMUNICATION 131116

Received from Trisa McConkey, CPA, CGA, Treasurer  
Addressed to Committee of the Whole  
Date October 27, 2020  
Topic Financial Report to September 30, 2020

### SUMMARY:

The attached Financial Report provides a review of the Town's financial performance after the first nine (9) months (75%) of 2020.

### COMMENTS:

The table below shows the 2020 approved operating budget compared to year-to-date actual expenditures by functional category.

	Budget	To Sept 30 (actuals)	% of Budget
<b>REVENUE</b>			
Administration	12,532,274	12,507,929	100%
Fire	13,000	34,621	266%
Police	20,000	17,882	89%
POA	80,000	5,451	7%
Other Protection Services	991,005	1,323,416	134%
Transit	303,000	61,730	20%
Public Works	172,928	62,160	36%
Wastewater	3,864,868	7,459,397	193%
Water	2,370,000	2,610,528	110%
Solid Waste	200,000	92,973	46%
Storm	0	50,713	100%
Child Care	3,788,148	1,617,464	43%
Recreation and Culture	2,283,603	1,094,388	48%
Planning and Development	219,000	227,467	104%
<b>TOTAL REVENUE</b>	<b>26,837,826</b>	<b>27,166,119</b>	<b>101%</b>
<b>EXPENSES</b>			
Administration	2,182,677	1,391,539	64%
Fire	1,030,800	753,567	68%
Police	2,460,307	1,850,059	75%
Other Protection Services	1,352,746	819,585	61%
Transit	303,000	17,780	6%
Public Works	4,073,120	1,944,773	48%
Wastewater	4,676,470	1,580,189	34%
Water	1,558,398	1,079,407	69%
Solid Waste	920,204	780,396	85%
Storm	19,595	97,061	495%
Child Care	3,788,148	1,938,935	51%
Recreation and Culture	3,554,436	2,096,796	59%

Planning and Development	814,775	403,456	50%
<b>TOTAL EXPENSES</b>	<b>26,734,676</b>	<b>14,753,543</b>	<b>55%</b>
<b>SURPLUS / (DEFICIT)</b>	<b>103,150</b>	<b>12,412,576</b>	

The table below shows the 2020 approved operating budget compared to a combination of the actuals for January through September and forecasts for the remainder of the year, October to December, to estimate the year-end position.

	<b>Budget</b>	<b>Year-end Forecast</b>	<b>% of Budget</b>
<b>REVENUE</b>			
Administration	12,532,274	12,911,814	103%
Fire	13,000	34,621	266%
Police	20,000	17,882	89%
POA	80,000	21,451	27%
Other Protection Services	991,005	1,663,348	168%
Transit	303,000	61,730	20%
Public Works	172,928	183,844	106%
Wastewater	3,864,868	8,107,397	210%
Water	2,370,000	2,730,528	115%
Solid Waste	200,000	143,009	72%
Storm	0	50,713	100%
Child Care	3,788,148	1,942,464	51%
Recreation and Culture	2,283,603	1,348,911	59%
Planning and Development	219,000	252,467	115%
<b>TOTAL REVENUE</b>	<b>26,837,826</b>	<b>29,470,178</b>	<b>110%</b>
<b>EXPENSES</b>			
Administration	2,182,677	2,147,487	98%
Fire	1,030,800	1,042,803	101%
Police	2,460,307	2,470,963	100%
Other Protection Services	1,352,746	2,041,468	151%
Transit	303,000	61,730	20%
Public Works	4,073,120	4,148,701	102%
Wastewater	4,676,470	8,107,397	173%
Water	1,558,398	2,730,528	175%
Solid Waste	920,204	1,013,539	110%
Storm	19,595	99,596	508%
Child Care	3,788,148	2,854,599	75%
Recreation and Culture	3,554,436	3,335,373	94%
Planning and Development	814,775	741,471	91%
<b>TOTAL EXPENSES</b>	<b>26,734,676</b>	<b>30,795,655</b>	<b>115%</b>
<b>SURPLUS / (DEFICIT)</b>	<b>103,150</b>	<b>(1,325,477)</b>	

The following table shows the net (Revenue minus Expenses) forecasted position at year-end:

	<b>Budget</b>	<b>Year-end Forecast</b>	<b>Surplus (Deficit)</b>
Administration	10,349,598	10,764,327	414,729
Fire	(1,017,800)	(1,008,182)	9,618
Police	(2,440,307)	(2,453,081)	(12,774)
POA	80,000	21,451	(58,549)
Other Protection Services	(361,741)	(378,121)	(16,379)
Transit	0	0	0
Public Works	(3,900,192)	(3,964,857)	(64,666)
Wastewater	0	0	0
Water	0	0	0
Solid Waste	(720,204)	(870,530)	(150,326)
Storm	(19,595)	(48,883)	(29,287)
Child Care	0	(912,135)	(912,135)
Recreation and Culture	(1,270,833)	(1,986,462)	(715,629)
Planning and Development	(595,775)	(489,004)	106,771
	<b>103,150</b>	<b>(1,325,477)</b>	<b>(\$1,428,627)</b>

### **Analysis of Net, Year-end Surplus (Deficit)**

1. ADMINISTRATION – Of the \$414,729 surplus, \$284,900 is the Phase 1 Safe Restart Funding. The remaining surplus relates to efforts to mitigate the effect of COVID on the Town's budget through reducing expenditures in training, travel, Council's discretionary funds even though penalty and interest revenues were reduced. The delay of the new Property and Project Manager position was also a contributing factor.
2. POA – Provincial Offences Act revenue received from the court in Perth is down significantly in 2020. There was a \$10,000 adjustment to the Town's 2019 share and in 2020 the interim payment received was less than ½ of what was expected.
3. PUBLIC WORKS – no comments
4. WATER AND WASTEWATER – Although the year-end position shows as zero (0), revenues and expenses were much higher in 2020 than budgeted. This was the result of significant recovery of costs received from developers, particularly those developing south of Highway #7. The Town held mortgages to cover the cost of past infrastructure work that developers are required to repay as they open phases of their subdivisions. These revenues will be returned to the Growth Water/Wastewater Reserve and therefore do not affect the Town's surplus or deficit.
5. SOLID WASTE – The deficit for this service is related to the increased cost for service under the new contract. In addition, the Town paid the contractor for the contracted CPI adjustment and for the increase in the number of stops for 2019 this

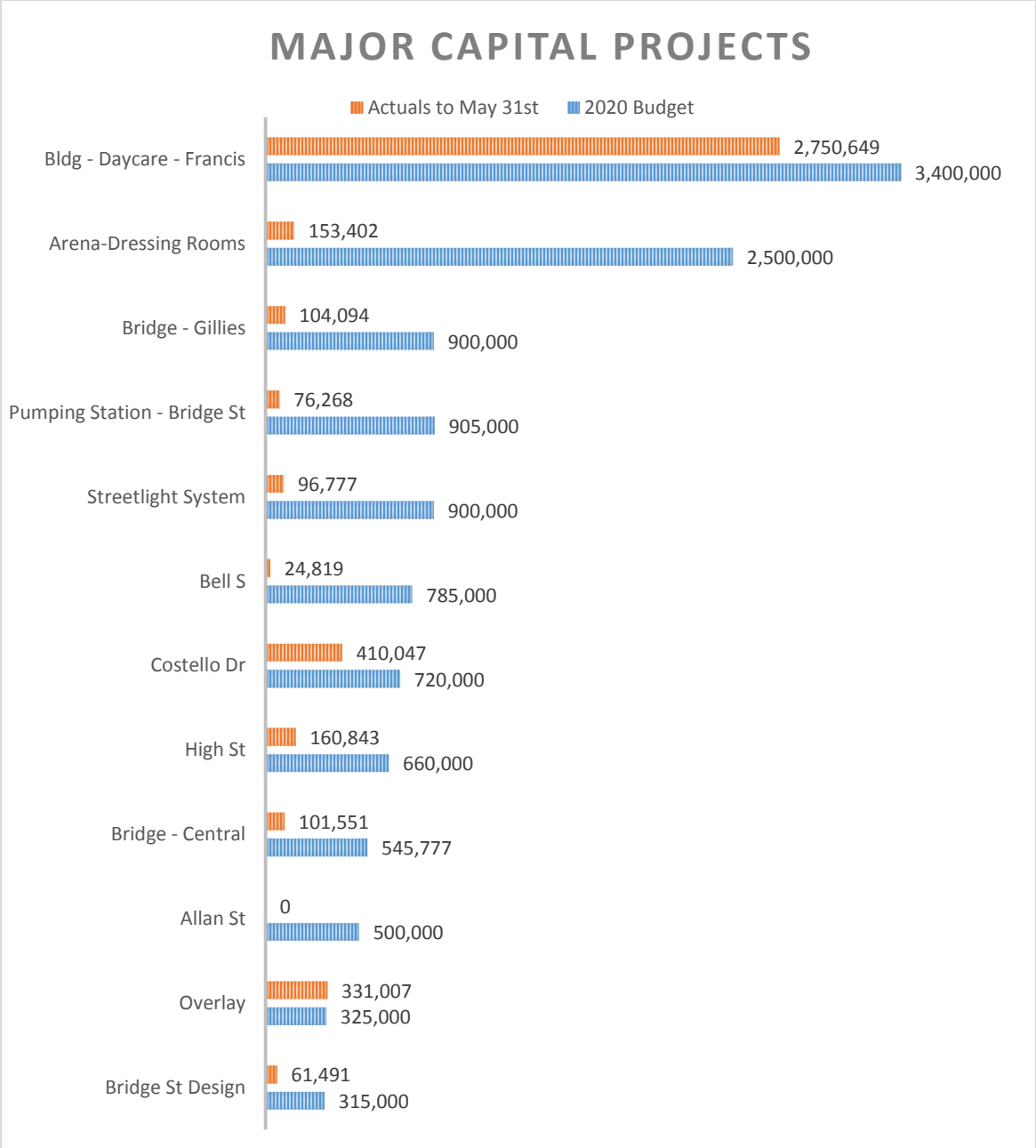
year. COVID also resulted in additional costs for compost pick-up as the compost yard was not opened for the first part of the season and the Town had to contract a service provider to process it.

6. STORM – this deficit relates to the settlement of a legal matter.
7. SOCIAL/FAMILY SERVICES (childcare) – This deficit is due to COVID. Staff were paid to March 31<sup>st</sup> when the centers were closed and therefore there was no revenue to offset the costs. In addition, when the centers re-opened, they were required to adjust the number of staff per child ratio in all rooms and to hire additional staff to screen children and enhance cleaning. Therefore, fees charged no longer cover the cost of the service.

The Provincial Government has provided some funding that is accounted for above. Carleton Place has now exceeded its funding allocation and there is no guarantee that additional funding will be provided in 2020.

8. RECREATION/CULTURE –Facilities were closed, and many refunds processed. Although facilities have now reopened, revenues continue to be significantly lower than budgeted by almost \$1 million. Staff lay-offs did help mitigate the shortfall but only by approximately \$164,000. Other cost saving measures include reduced travel, training, electricity costs. Overall, however, a \$715,629 deficit is anticipated at year end.
9. PLANNING & DEVELOPMENT – Surplus of \$106,771 is due to the delay in hiring a new Director of Development Services as well as reduced training and travel expenditures. In addition, several events were cancelled (i.e. Canada Day, Wine Around Downtown)

Capital projects are underway however it is still early in the year and several projects are currently just getting underway, so costs remain low at this point. The following chart shows the costs to September 30, 2020 spent on the top twelve (12) capital projects:



**Provincial or Federal Relief to Municipalities**

On July 27, 2020, as part of the federal-provincial Safe Restart Agreement, the Ontario government announced that it had secured up to \$4 billion in emergency assistance to provide Ontario’s 444 municipalities with the support they need to respond to COVID-19.

Under the municipal operating stream, \$1.39 billion will be available to Ontario’s municipalities to address operating pressures and local needs. This funding will be

allocated in two phases: 50% allocated in Phase 1 for all municipalities, and 50% allocated in Phase 2 for municipalities that require additional funding.

Phase 1 of this funding will be allocated on a per household basis and the Town of Carleton Place will receive a payment of \$284,900 to support COVID-19 operating costs and pressures. Staff will need to provide a detailed accounting by March 31, 2021 for the use of this funding.

Staff are working on completing an application under Phase 2 of this program. The application process is to report on current and forecasted overall amounts (i.e. as shown in this report) and is not an application based on a list of items for which funding is requested. Funding may be provided to municipalities who can demonstrate 2020 COVID-19 related financial operating pressures in excess of their Phase 1 funding.

**STAFF RECOMMENDATION**

THAT Council receive as information the Financial Report from the Treasurer to September 30, 2020 and the Town's forecasted year end.