

## **Administration and Finance Executive Committee Chair Report – July 2016**

Mayor Avis and fellow Councillors, citizens, media and staff, as the Chair of the Administration & Finance Executive Committee, it is my pleasure to report to you this evening on the Administration & Finance 2016 activities for January to June.

The Administration and Finance Executive Committee consists of Chair and two Council Members, being Councillor Wendy Brunetta and Councillor Paul Ryan. The Committee generally meets on the first and third Tuesdays of every month, being the week before Council Meetings with the exception of July & August; the Committee meets on the first Tuesday for the summer months. Numerous budget, property and taxation minutes of settlement and 357/358 applications, requests from groups/organizations for financial support, legal and policy matters are referred to this Committee for recommendations and then proceed back to the whole of Council for approval.

BDO Canada LLP has completed the Town's annual audit for the fiscal year ending December 31, 2015. The fiscal year ended with a General Fund operating surplus of \$117,930. The Auditor's completed their presentation to Council in June and the audited financial statements have been received.

The Public Meeting introducing the 2016 Budget was held on May 9<sup>th</sup> followed by the passing of the authorizing By-Law to adopt the General Operating estimate of \$21,604,520, which represents the amount required for municipal operating purposes during this fiscal year including the school board levies of \$1.7 Million; the Capital Budget of \$12,164,941 will be financed through a combination of Federal and Provincial Government Grants, Reserve Funds and contributions from others. No new long-term debt will be required this year; and the Water & Sewer Operation Funds of \$5,111,800 will be financed by the water & sewer rates/billings; for total corporate budget of \$38.88 Million.

The finalized budget resulted in an overall operating budget decrease of \$387,660 as compared to 2015, even though the Ontario Municipal Partnership Funding (OMPF) revenue for 2016 was reduced, the decrease was mainly due to the benefits of the new provincial policing model, slight increase in operational revenue, and all assessment classes benefited from the reduction of education tax rates as set by Provincial Regulation. The Industrial class continues to be subject to municipal levy restriction resulting in the shifting of tax burden to the other unrestricted property classes.

Although there was a 1.36% increase in the overall municipal & school levy for the properties in the residential class, due to assessment increase the actual tax rate for the residential property class was a decrease of 1.48%. Properties in the Farmland, Commercial and pipeline classes also realized a decrease in their tax rate while Multi-residential, Industrial and Large Industrial classes had a slight tax rate increase.

To date the Town has received 50% (\$1.47 M) its \$2.94 Million Ontario Municipal Partnership Fund (OMPF) allocation for 2016 which is a reduction of \$49,500 from last year. The Province continues its commitment to upload the municipal share of the costs of the Ontario Drug Benefit (ODB) program, the Administration component of the Ontario Disability Support Program (ODSP) and Ontario Works Benefits with the 2016 phased upload addition the Ontario Works Administration component, which are administered by the Rainy River District Service Administration Board and the Court Security and Prisoner Transportation.

The Town of Fort Frances has already received or will receive significant Provincial and Federal funding for capital projects such as the Canada-Ontario Small Communities Fund of \$1.89 Million for the Colonization Road East road reconstruction project; OCIF formula based funding of \$165,606 is allocated for the Phair Ave from 3<sup>rd</sup> St to 6<sup>th</sup> Street project; and combined Northern Ontario Heritage Funding & Federal funding of \$1.285 Million for the development of a Market Square.

The Federal Gas Tax funding allocation for 2016 is \$876,304 has been earmarked for the connecting link road reconstruction and sidewalk reconstruction projects.

Monthly Administration & Finance department stats, reporting on revenues received, accounts receivables, taxes outstanding, water & sewer receivables and Provincial Offences continue to provide transparency and accountability of the finance department. Council is provided regular financial summary reports thereby monitoring the corporation's financial condition throughout the year. The June 30, 2016 financial statement indicates a current surplus of \$7.271 Million and to date with no major concerns have been made known at this time.

There was a good response for the Request for Proposal for the supply, integration and implementation of a consolidated municipal financial system for the corporation which closed on June 14, 2016. Council will have an Admin & Finance Executive Committee recommendation before you tonight to move this

important strategic plan project forward. The intent for this RFP is to replace the existing financial system and implement a more modern, comprehensive, and flexible financial information system that takes advantage of new technology and provides our taxpayers with one-stop service.

The past 6 months have not been without challenges, as we continue to be significantly impacted by taxation write-offs through 357 Applications, Minutes of Settlement and ARB decisions. However, the Administration & Finance Executive

Committee will continue to meet those challenges and are committed to ensuring that effective financial monitoring controls continue.

On behalf of the A & F Executive Committee, I would like to say that it has been rewarding and is a pleasure to serve Council and the residents of Fort Frances on the Administration & Finance Executive Committee and wish everyone a happy and safe summer.