

Administration and Finance Executive Committee Chair Report – June 2013

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 Administration & Finance activities. The Administration and Finance Executive Committee generally meets on the first and third Tuesdays of every month, being the week before Council Meetings. Numerous budget, property and taxation minutes of settlement and 357/358 applications, requests for financial support, legal and policy matters have been referred to this Committee for recommendations and then proceed back to Council for its approval.

BDO Canada has completed the Town's annual audit for the fiscal year ending December 31, 2012. We are awaiting the audited financial statements for distribution. The General Fund operating surplus for 2012 was \$8,155.

The Public Meeting introducing the 2013 Budget was held on March 22nd followed by the passing of the authorizing By-Law to adopt the estimate of \$22,505,675, which represents the amount required for municipal operating purposes during this fiscal year. This budget amount includes school board levies of \$1.987 Million. The 2013 Capital Budget of \$5.794 Million will be financed through a combination of Federal and Provincial Government Grants, Reserve Funds and Long-Term Debt financing.

The finalized budget resulted in an overall Budget increase of \$865,163 as compared to 2012, however the slight decrease of the Ontario Municipal Partnership Funding (OMPF) revenue and the decrease of education taxes, was offset with a projected increase in operational revenue, resulting in the net Municipal Levy increase of \$210,870. Residential and Multi-residential classes benefited from the reduction of education tax rates as set by Provincial Regulation. The Industrial class, which include Large Industrial, continue to be subject to a municipal levy restriction and of which only 50 % of the levy increase can be passed on to these restricted property classes.

To date the Town has received \$1,598,650 of its \$3,197,300 Ontario Municipal Partnership Fund (OMPF) allocation for 2013. The Province has continued 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 2013 phased upload addition the Ontario Works Administration component and Court Security and Prisoner Transportation.

The Town entered into an Agreement with the Association of Municipalities of Ontario in order to participate in the transfer of Federal Gas Tax in 2005 as part of the new deals for cities and communities was amended to confirm Gas Tax allocation up to and including 2013. The Federal Gas Tax annual revenue allocation to Fort Frances is \$497,119. The 2013 allocation has been earmarked for the Phase II - Road, Water & Sewer reconstruction of Second Street from Central Ave to Mowat Ave and Williams Ave Road reconstruction. We have not yet received notification of funding allocations for 2014 and beyond.

Council is provided monthly financial summary reports and as of June 30, 2013 indicates a current surplus of \$4.74 Million and to date no major concerns have been revealed. 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.

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 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.