

## **Administration and Finance Executive Committee Chair Report – July 2015**

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 2015 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 will meet 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, 2014. The fiscal year ended with a General Fund operating surplus of \$101,960. We are awaiting the audited financial statements for distribution following the Auditor's presentation to Council.

The Public Meeting introducing the 2015 Budget was held on April 27<sup>th</sup> followed by the passing of the authorizing By-Law to adopt the General Operating estimate of \$21,992,180, which represents the amount required for municipal operating purposes during this fiscal year including the school board levies of \$1.722 Million; the Capital Budget of \$11,564,976 will be financed through a combination of Federal and Provincial Government Grants, Reserve Funds and Long-Term Debt financing; and the Water & Sewer Operation Funds of \$4,980,698 will be financed by the water & sewer rates/billings; for total Corporate budget of \$38.5 Million.

The finalized budget resulted in an overall operating budget decrease of \$252,465 as compared to 2014, even though the Ontario Municipal Partnership Funding (OMPF) revenue for 2015 is reduced, the decrease was mainly due to the decrease of the taxation/vacancy write offs, benefits of the new provincial policing model, an 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.

To date the Town has received 50% (\$1.49 M) its \$2.98 Million Ontario Municipal Partnership Fund (OMPF) allocation for 2015. 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 2015 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 funding for capital projects such as the Ontario Community Infrastructure Funds (OCIF) application base funding of \$2.0 Million is allocated for the Kings Hwy 11-71 road reconstruction project; OCIF formula based funding of \$165,606 is allocated for the Sewage Treatment Plant sludge dewatering equipment & installation project; and the Northern Ontario Heritage Funding of \$997,500 for the demolition of the former Rainy Lake Hotel and development of a Market Square.

The Federal Gas Tax funding allocation for 2015 is \$460,506.90, which has been earmarked for the Phair Avenue road and sidewalk reconstruction and the recycle transfer station installation of stationary compactors projects.

Council is provided monthly financial summary reports. The June 30, 2015 financial statement indicates a current surplus of \$5.37 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 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.