

Report to Council

Report Title:	Brockton Financial Update as of June 30, 2020		
Prepared By:	Trish Serratore, Chief Financial Officer		
Department:	Finance		
Date:	June 23, 2020		
Report Number:	FIN2020-25	File Number:	C11FIN, P03
Attachments:	Statement of Operations as of June 30 th , 2020 Capital Analysis as of June 30 th , 2020		

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2020-25 – Brockton Financial Update as of June 30, 2020, prepared by Trish Serratore, Chief Financial Officer for information purposes.

Report:

Background:

On April 28, 2020 staff presented Council with Report FIN2020-15 COVID-19 2020 Budget Impacts, which outlined the estimated revenue losses as of April 30th, 2020.

On May 12, 2020 staff provided Council with an updated COVID-19 Report, FIN2020-19 COVID-19 Financial Implications Update. This update provided Council with an in-depth

The following is a summary of the Municipality of Brockton's Financial Statements as of June 30, 2020, this does not include staff's projections on the future financial impacts due to COVID-19.

Analysis:

The Operating Statements shows a significant surplus, however, a summary of the variances are listed below:

Revenue:

1. **Taxation:** appears higher due to the timing of the County and Education payments. Fifty percent of the levy was billed, however only one payment has been made to date, next payment be in July. This figure represents the total amount billed to the properties within Brockton, however does not reflect the total outstanding balance as of June 30th, 2020 which equals \$680,242 or approximately 8.57%. In addition, the Municipality has waived \$31,076 in penalty and interest on outstanding taxes.

2. **Grant revenue:** is higher than YTD budget largely due to the receipt of the Municipal Modernization grant funding received in April for \$131,250 which was unbudgeted.
3. **User Fees:** there are many fees that are budgeted under User Fees that are subject to project completion, such as, tile drains. There are also many fees that are seasonal fees, mostly related to recreation. With the operational closures in the recreation department due to COVID-19, the revenue is projected to be much lower than budgeted.
4. **Other Income:** many inter-departmental transfers to be completed at year-end. Also, reserve fund transfers that are completed in August and December.

Expenses:

On May 12th, staff presented Report FIN2020-19 which outlined some projected cost savings. Currently the Municipality is showing a significant surplus, however, many of the expense incurred by the Municipality are seasonal and would not be reflected in this update.

1. **General Government** – although the General Government budget is below the year to date projection, there is currently over \$40k in additional COVID related expenses that were not included in the 2020 budget. These expenses include, IT purchases for laptops in order to facilitate working remotely, cleaning products, sanitation wipes, disposable masks, gloves, as well as new signage and traffic barriers. These costs are expected to continue in the near term.
2. **Protective Services** – Currently within the year-to-date budget.
3. **Planning/Building and Development** – Currently within the year-to-date budget. A significant portion of the planning expenses are related to municipal drains and expenses will be incurred as the project proceeds.
4. **Roads/Transportation Services** – Currently significantly under the year-to-date budget, however a large portion of the expenses are seasonal, with most capital and operation maintenance commencing late June, early July.
5. **Water/Sewer** - Currently significantly under the year-to-date budget, however a large portion of the expenses are due to year-end Reserve Fund transfers.
6. **Environmental Services** – Currently under the year-to-date budget due to reduction in the Walkerton/Hanover Landfill expansion costs.
7. **Child Care** – Currently under the year-to-date budget due to the child care centre being closed from COVID-19. The expenses are expected to increase with the recent reopening of the Child Care Centre and with the increased Health and Safety measures needed due to COVID-19.
8. **Recreation** – Current expenditures are less than the year-to-date budget, this is due to program closures due to COVID-19. In addition the annual reserve fund transferred will be completed in August and December.

In addition to the decreases in the municipalities operating expenses, the reserve fund transfers have not been completed, these will be done in August and December.

Staff continue to review the finances of their department each month to ensure they are operating as efficiently as possible and only incurring additional expenses are required due to Health and Safety measures from COVID-19.

Capital:

On May 12th, staff presented council with a listing of capital projects that would be deferred to 2021 to assist with the financial and time limitations from COVID-19. These projects are noted within the attached Capital Analysis as of June 2020 statement.

Many capital projects that are still scheduled for 2020 have started or are scheduled to begin in the near future. Currently, the municipality has not incurred the expense for of these projects and will see these expenses increase throughout the remainder of the year.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- Do the recommendations help move the Municipality closer to its Vision? N/A
- Do the recommendations contribute to achieving Cultural Vibrancy? N/A
- Do the recommendations contribute to achieving Economic Prosperity? N/A
- Do the recommendations contribute to Environmental Integrity? N/A
- Do the recommendations contribute to the Social Equity? N/A

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective?
N/A

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer



Statement of Operations for the period ending June 30, 2020

	2020 YTD Actual	2020 YTD Budget	2020 Budget	% of Annual Budget Remaining	2020 Budget vs Actual Variance
Revenue					
Taxation	6,303,992	5,011,432	10,022,865	37%	3,718,872
Grants	1,185,060	1,071,924	2,143,847	45%	958,787
Water & Sewer	925,203	2,494,447	2,494,447	63%	1,569,244
User charges and Fees	819,257	1,542,770	3,085,540	73%	2,266,284
Other Income	116,013	1,102,588	2,205,176	95%	2,089,163
Total Revenue	9,349,525	11,223,161	19,951,875	53.14%	10,602,350
Expenses					
General Government	1,364,815	1,760,585	3,521,170	61%	2,156,355
Protective Services					
Fire	333,949	521,846	1,043,692	68%	692,143
Emergency Management	8,551	16,091	32,182	73%	23,631
Police	797,184	1,079,354	2,158,708	63%	1,361,524
Animal Control	29,929	28,401	56,801	47%	26,165
	1,169,614	1,645,692	3,291,383	64%	2,103,463
Planning/Building & Development	398,127	627,058	1,254,116	68%	855,989
Transportation Services	1,288,381	2,178,211	4,356,422	70%	3,068,041
Water/Sewer	807,672	2,494,447	2,494,447	68%	1,686,775
Environmental Services	396,531	500,550	1,001,100	60%	604,569
Child Care	368,702	793,822	1,587,643	77%	1,218,941
Recreation	659,746	1,104,694	2,209,388	70%	1,549,641
Total Expenses	6,453,587	11,105,058	19,715,668	67%	11,140,311
Contribution to Capital	-	100,564	236,207		
Operating Surplus (deficit)	2,895,937	118,104	-		
Less Prior year deficit					
Total Operating Surplus (Deficit)	2,996,502				

**Municipality of Brockton
Capital Analysis as of June 2020**

General Government

Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3106-0126	GRANTS ONTARIO	-	-
02-3106-0142	TRANSFERS FROM RESERVE FUND	-	(25,000.00)
02-3106-0176	DONATION	(26,000.00)	-
		(26,000.00)	(25,000.00)
Expenses:			
02-3108-1600	PURCHASES - CAPITAL - COMPUTER UPGRADE	9,661.40	25,000.00
02-3108-1604	312 DURHAM ST E	87,783.94	-
02-3108-2000	OFFICE FURNITURE	-	5,000.00
		97,445.34	30,000.00
	Net Balance	\$ 71,445.34	\$ 5,000.00
Comments: Projects are in progress and will be completed by the end of 2020, Reserve Fund transfers will be completed at the end of the year.			

Fire - Protective Service

Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3120-0129	LONGTERM DEBT - BANK	-	-
02-3120-0132	DONATION	(10,000.00)	-
02-3120-0150	MISCELLANEOUS REVENUE	-	(19,500.00)
		(10,000.00)	(19,500.00)
Expenses:			
02-3120-1608	CAPITAL-TURN OUT GEAR	-	6,500.00
02-3120-1613	RADIO/PAGERS	-	5,000.00
02-3120-2000	EQUIPMENT - DRONE	5,949.91	6,000.00
02-3120-2001	MONITOR - TRUCK 135	-	20,000.00
02-3120-2002	AUTO EXTRICATION	-	10,000.00
		5,949.91	47,500.00
	Net Balance	(4,050.09)	28,000.00
Comments: Projects are in progress and will be completed by the end of 2020			

Child Care

Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3155-0126	GRANTS ONTARIO	-	(10,000.00)
02-3155-0142	TRANSFERS FROM RESERVE FUND	-	(50,000.00)
		-	(60,000.00)
Expenses:			
02-3155-1600	PURCHASES - CAPITAL	-	60,000.00
		-	60,000.00
	Net Balance	-	-
Comments: Projects are in progress and will be completed by the end of 2020			

Streets/Roads

Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3130-0126	GRANTS ONTARIO	(100,506.00)	(1,354,471.50)
02-3130-0127	GRANTS CANADA	(287,011.11)	(489,275.68)
02-3130-0129	LONGTERM DEBT - BANK	-	(2,354,000.00)
02-3130-0142	TRANSFERS FROM RESERVE FUND	-	(1,009,046.00)
		(387,517.11)	(5,206,793.18)
Expenses:			
02-3130-1611	LOBIES BRIDGE - CAPITAL	8,230.51	420,000.00
02-3130-1612	YONGE ST (DURHAM - JACKSON)	-	10,000.00
02-3130-1650	MCGIVERN RECONSTRUCTION	7,449.20	225,000.00
02-3130-1651	BRIDGES & CULVERTS-GLAMMIS URBAN	-	-
02-3130-1652	BRIDGES & CULVERTS-RIVERSDALE BRIDGE	10,085.84	10,000.00
02-3130-1655	BRIDGES & CULVERTS-MCCURDY BRIDGE	-	-
02-3130-1659	BRIDGES & CULVERTS-BRIDGE #11	19,270.61	-
02-3130-1660	PAVING - MISCELLANEOUS	-	-
02-3130-1665	SIDEWALKS - DOWNTOWN CORNERS	19,291.60	22,000.00
02-3130-1670	PARKING LOTS	-	-
02-3130-1667	SIDEWALK - WARDEN ST	-	30,000.00
02-3130-1680	CONSTRUCTION - MISCELLANEOUS	-	50,000.00
02-3130-1681	LINE PAINTING	-	-
02-3130-1682	MUNICIPAL DRAINS - RUSSEL	-	58,000.00
02-3130-1683	MUNICIPAL DRAINS - LANG	-	46,000.00
02-3130-2000	CONCESSION 14 (CTY RD 19 - SDR 20)	-	25,000.00
02-3130-2001	BRIDGE - CHEPSTOW BRIDGE REPLACEMENT	13,724.23	1,395,000.00
02-3130-2002	BRIDGE - CULVERY REPLACEMENT (AE)	35,222.92	72,000.00
02-3130-2003	BRIDGE - CONCESSION 8 REPAIR	33,786.31	525,000.00
02-3130-2004	EQUIPMENT - SIDE MOWER	-	8,000.00
02-3130-2005	EQUIPMENT - PACKERS	-	75,000.00
02-3130-2006	SIDEWALK - ARCHIE	-	30,000.00
02-3130-2007	CONCESSION 10 BRANT/QUEEN ST	-	1,700,000.00
02-3130-2008	MUNICIPAL DRAIN - VAN NES	13,868.75	12,000.00
02-3130-2009	CONCESSION 6W	-	550,000.00
02-3130-2010	SIDE MOWER	6,546.43	20,000.00
02-3130-1720	TRANSFERS TO RESERVE FUND	-	-
		167,476.40	5,283,000.00
	Net Balance	(220,040.71)	76,206.82

Comments:

The following projects were deferred to 2021:

- Warden St Sidewalk
- Concession 14 Engineering
- Concession 8 Bridge Repair
- Cold Patch Box
- Archie St Sidewalk
- Concession 10 Brant/Queen St

Staff have started many projects, including:

- Lobies Bridge
- McGivern Street Reconstruction
- Riversdale Bridge
- Chepstow Bridge

ICIP Grant funding will be received as the project progresses

Water/Sewer

Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3135-0126	GRANTS ONTARIO	-	-
02-3135-0128	GRANTS - COUNTY/MUNICIPAL	-	-
02-3135-0129	LONGTERM DEBT - BANK	-	-
02-3135-0141	TRANSFERS FROM RESERVES	-	-
02-3135-0142	TRANSFERS FROM RESERVE FUND	-	(1,150,500.00)
		-	(1,150,500.00)
Expenses:			
02-3135-1600	PURCHASES - CAPITAL	6,464.80	-
02-3135-1609	CLASS EA BOOSTER STATION & ENGINEERING	15,009.87	750,000.00
02-3135-1610	VFD NORTH TOWER	12,491.04	-
02-3135-1611	UV DISINFECTANT	6,954.11	-
02-3135-1612	HYDRANT REPLACEMENT	7,104.68	25,000.00
02-3135-1613	LAKE ROSALIND WELL #3 REPAIR	-	65,000.00
02-3135-1720	TRANSFERS TO RESERVE FUND	-	-
02-3135-2000	NORTH WATER TOWER FENCE	-	5,000.00
02-3135-2001	WATER METER PURCHASE	-	18,000.00
02-3135-2002	WATER QUANTITY REPORT (SWP)	-	125,000.00
02-3135-2003	WATER MAIN - MCGIVERN STREET	6,969.49	150,000.00
02-3135-2004	CHEPSTOW TURBIDITY ANALYZER	4,704.36	6,500.00
02-3135-2005	CHEPSTOW SURGE PROTECTION	-	6,000.00
		59,698.35	1,150,500.00
	Net Balance	59,698.35	-
Comments:			
Projects are in progress and will be completed by the end of 2020, reserve fund transfers will be completed at year-end			

Sanitation

Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3140-0126	GRANTS ONTARIO	-	-
02-3140-0129	LONGTERM DEBT - BANK	-	-
02-3140-0141	TRANSFERS FROM RESERVES	-	-
02-3140-0142	TRANSFERS FROM RESERVE FUND	-	(601,500.00)
		-	(601,500.00)
Expenses:			
02-3140-1603	SLUDGE TANK MIXER	23,342.47	-
02-3140-2000	NEW GATE AT WWTP	-	10,000.00
02-3140-2001	FENCE REPAIRS	-	10,000.00
02-3140-2002	GRAVEL ROADWAY (NEW GRAVEL AND GRADING)	-	10,000.00
02-3140-2003	OFFICE AIR CONDITIONER	2,957.15	15,000.00
02-3140-2004	UV DISINFECTION SYSTEM	-	150,000.00
02-3140-2005	BUILDING FOR UV DISINFECTION SYSTEM	-	40,000.00
02-3140-2006	MCGIVERN STREET REPLACEMENT	6,969.48	100,000.00
02-3140-2007	STEP SCREEN OVERAL	-	10,000.00
02-3140-2008	REMOVE/REPLACE STUCK GATES	-	6,000.00
02-3140-2009	BACKUP BLOWERS	-	45,000.00
02-3140-2010	PRIMARY DIGESTER GAS FLOW METER	-	8,000.00
02-3140-2011	SLUDGE HOLDING TANK MIXER	-	35,000.00
02-3140-2012	FINAL CLARIFIER 3 & 4 PONTOON REPLACEMENT	-	7,500.00
02-3140-2013	ENGINEERING OF FERRIC TANK REPLACEMENT	-	30,000.00
02-3140-2014	BIOGENERATOR REFURB	-	125,000.00
		33,269.10	601,500.00
	Net Balance	33,269.10	-
Comments:			
Projects are in progress and will be completed by the end of 2020, reserve fund transfers will be completed at year-end			

Sewage Collection System

Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3141-0142	TRANSFERS FROM RESERVE FUND	-	(95,000.00)
		-	(95,000.00)
Expenses:			
02-3141-2000	SEALING OF LOBIES PARK MANHOLE	-	65,000.00
02-3141-2001	INFLOW & INFILTRATION STUDY	-	30,000.00
		-	95,000.00
	Net Balance	-	-
Comments:			
'Projects are in progress and will be completed by the end of 2020, reserve fund transfers will be completed at year-end			

Brant/Greenock Landfill

Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3144-0142	TRANSFERS FROM RESERVE FUND	-	(75,000.00)
		-	(75,000.00)
Expenses:			
02-3144-1600	PURCHASES - CAPITAL	13,952.83	-
02-3144-2000	TRAILER	-	15,000.00
02-3144-2001	NEW SIGN	-	10,000.00
02-3144-2002	PREPARE CELL C	7,639.02	25,000.00
02-3144-2003	OPEN CELL B3	-	25,000.00
		21,591.85	75,000.00
	Net Balance	21,591.85	-
Comments:			
Projects are in progress and will be completed by the end of 2020, the New Sign project was deferred to 2021 due to COVID-19			

Recreation - Soccer Fields			
Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3167-0129	GRANTS ONTARIO	(79,200.00)	(64,000.00)
02-3167-0142	TRANSFER FROM RESERVE FUND	-	(16,000.00)
		(79,200.00)	(80,000.00)
Expenses:			
02-3167-1600	CAPITAL EXPENSE	-	-
02-3167-2000	DRAINAGE	-	80,000.00
02-3167-2001	NETS	6,085.25	8,000.00
		6,085.25	88,000.00
	Net Balance	(73,114.75)	8,000.00
Comments:			
Projects are in progress and will be completed by the end of 2020, reserve fund transfers will be completed at year-end. Tender for the soccer drainage scheduled to go out in July			

Recreation - Parks			
Account	Description	2020 YTD Actual	2020 Approved Budget
Expenses:			
02-3161-1600	PURCHASES - CAPITAL-MOWER	-	-
02-3161-2000	DIAMOND #2 FENCING	2,251.33	8,000.00
02-3161-2001	LUTHERAN BED UPDATE	-	8,000.00
02-3161-2002	MOWER REPLACEMENT	10,201.71	12,000.00
02-3161-1720	TRANSFERS TO RESERVE FUND	-	-
		12,453.04	28,000.00
	Net Balance	12,453.04	28,000.00
Comments:			
Projects are in progress and will be completed by the end of 2020			

Recreation -Pool			
Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3162-0142	TRANSFERS FROM RESERVE FUND	-	(100,000.00)
		-	(100,000.00)
Expenses:			
02-3162-1600	PURCHASES - CAPITAL	-	65,000.00
02-3162-2000	HIGH DIVE REMOVAL AND NEW EQUIPMENT	-	35,000.00
02-3162-2001	LIGHTING UPDATES - DECK AND WALL PACKS	-	10,000.00
02-3164-1720	TRANSFERS TO RESERVE FUND	-	-
		-	110,000.00
	Net Balance	-	10,000.00
Comments:			
Projects are in progress and will be completed by the end of 2020			

Recreation - Community Centre			
Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3163-0126	GRANTS ONTARIO	-	-
02-3163-0129	LONGTERM DEBT - BANK	-	-
02-3163-0142	TRANSFERS FROM RESERVE FUND	-	(88,000.00)
		-	(88,000.00)
Expenses:			
02-3163-1605	CHILLER REPLACEMENT	-	18,000.00
02-3163-2000	ELECTRICAL REPAIR/INSPECTION	-	12,000.00
02-3163-2001	CONDENSER COOLING TOWER	-	70,000.00
02-3163-2002	COMPRESSOR REFURB	-	11,000.00
02-3163-2003	OFFICE RENOVATIONS	-	10,000.00
02-3163-2004	LINE & PUMP REPLACEMENT	-	30,000.00
		-	151,000.00
	Net Balance	-	63,000.00
Comments:			
Projects are in progress and will be completed by the end of 2020, the following projects are deferred to 2021:			
- Electronic inspection and repair			
- Office Renovation - some updates currently taking place for Health and Safety measures due to COVID-19			

Recreation -Lobies			
Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3164-0126	GRANTS ONTARIO	-	-
02-3164-0142	TRANSFER FROM RESERVE FUND	-	(36,000.00)
		-	(36,000.00)
Expenses:			
02-3164-1600	PURCHASES - CAPITAL	1,773.70	-
02-3164-2000	SHOWER UPGRADES AND PICNIC TABLES	6,945.12	10,000.00
02-3164-2001	ELECTRICAL UPGRADES	-	36,000.00
02-3164-1720	TRANSFERS TO RESERVE FUND	-	-
		8,718.82	46,000.00
	Net Balance	8,718.82	10,000.00
Comments:			
Projects are in progress and will be completed by the end of 2020, the following projects are deferred to 2021:			
- Electronic upgrade			

Recreation Playground			
Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3165-0142	TRANSFER FROM RESERVE FUND	-	(10,000.00)
		-	(10,000.00)
Expenses:			
02-3165-2000	PAVILION	-	10,000.00
		-	10,000.00
	Net Balance	-	-
Comments:			
Project deferred to 2021 due to COVID-19			

Recreation - CDCF

Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3169-0127	GRANTS CANADA	-	-
02-3169-0128	GRANTS MUNICIPAL	-	-
02-3169-0132	DONATION	(5,380.01)	-
		(5,380.01)	-
Expenses:			
02-3169-2000	DREDGE	-	8,000.00
02-3169-1600	PURCHASES - CAPITAL-ENTRANCE WAY	-	-
		-	8,000.00
	Net Balance	(5,380.01)	8,000.00
Comments:			
Projects are in progress and will be completed by the end of 2020			

EDC

Account	Description	2020 YTD Actual	2020 Approved Budget
Revenue:			
02-3185-0128	GRANT - COUNTY	(5,155.00)	-
02-3185-0129	LONGTERM DEBT - BANK	-	(1,360,000.00)
02-3185-0142	TRANSFERS FROM RESERVE FUND	-	(500,000.00)
		(5,155.00)	(1,860,000.00)
Expenses:			
02-3185-1601	ENTRANCE SIGN	-	65,000.00
02-3185-1620	EAST RIDGE PARK	-	1,795,000.00
		-	1,860,000.00
	Net Balance	(5,155.00)	-
Comments:			
Projects are in progress and will be completed by the end of 2020, the following project is deferred to 2021:			
- East Ridge Road Construction			

Total Capital funded from Taxes

(100,564.06)

236,206.82