

## Report to Council

<b>Report Title:</b>	Brockton Financial Update as of June 30, 2020		
<b>Prepared By:</b>	Trish Serratore, Chief Financial Officer		
<b>Department:</b>	Finance		
<b>Date:</b>	June 23, 2020		
<b>Report Number:</b>	FIN2020-25	<b>File Number:</b>	C11FIN, P03
<b>Attachments:</b>	Statement of Operations as of June 30 <sup>th</sup> , 2020 Capital Analysis as of June 30 <sup>th</sup> , 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 30<sup>th</sup>, 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 30<sup>th</sup>, 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 12<sup>th</sup>, 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 12<sup>th</sup>, 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