

Township of

North Dundas

COUNCIL REPORT

To:	CAO, Mayor and Members of Council
From:	John J Gareau, CPA, CA, AMCT, Treasurer
Date of Meeting:	November 19 th 2013
Subject:	Finance Department Report – Oct 31 st 2013

Bank Balances:

Bank Balances, Oct 31 st	2013 Oct 31 st	Last Month Sept 30 th	2012 Oct 31 st
General Operating Acct	7,111,283.40	10,370,634.33	7,270,587.23
Cash, GIC's, (Reserve Fund)	6,225,105.39	6,218,436.23	6,143,322.30
Total	\$13,336,388.79	\$16,589,070.56	\$13,413,909.53

	Oct 31 2013	Oct 31 2012	Oct 31 2011
Taxes Receivable Outstanding			
Current Year (2013)	1,222,410.93	1,090,465.45	1,215,020.30
One Year in Arrears (2012)	454,305.25	443,462.76	488,361.37
Two Years in Arrears (2011)	236,873.13	290,750.83	266,574.40
Three Years in Arrears (2010+)	193,094.44	106,861.89	68,959.58
Penalty & Interest	169,437.33	143,031.52	140,662.67
Sub-Total	2,276,121.08	2,074,572.45	2,179,578.32
Allowance for Uncollectible Taxes	(226,077.04)	(169,059.80)	(169,059.80)
Net Taxes Receivable	\$2,050,044.04	\$1,905,512.65	\$2,010,518.52
Total Taxes Billed to Date	\$15,962,844.79	\$15,509,161.78	\$15,307,720.58
Percentage O/S Over Levy	12.843%	12.286%	13.134%

Net taxes receivable last month (ignoring the allowance account) were **\$2,902,560.44**; this month's balance of **\$2,276,121.08** (a decrease of \$626,439.36) represents the net impact of cash collections for the month of October. September was a tax collection month –our “final” tax due date was September 30th and although not everyone paid 100% of their final levy (as evidenced by the balance of taxes still outstanding) – the percentages for the last three years are down about 25% from what they were last month – so tax collection remains a priority and the tax department is doing an admirable job of staying on top of the outstanding balances. For council's information, note that the Township share of supplemental taxes billed to date is \$41,208.47 (this is over and above our “regular” taxation levy).

The final tax billing across all three years (2011-2013) is consistent in that all three years had a final billing in May with due dates of June 30th and September 30th. You can see the similarities when you look at the percentage of taxes outstanding – they are very comparable and range from a high of 13.134% to a low of 12.286%. The lowest of the three-year range is no longer the current year, instead it is the previous year – although they are virtually identical to the other two years.

State of the Union

Our cash position is still very strong as evidenced by the cash balances reported on page 1 but they are “trending downward” – which is always a pause for concern anytime a negative trend starts creeping in. We investigated as to why this might be and found the following:

We made our third instalment to the school boards, due the end of September, in the amount of \$890,772 (\$848,264 for 2012). In addition, we also made our final instalment to the Counties that was due October 15th in the amount of \$3,530,439 (2012 was \$3,366,034). The total of just these two commitments was approximately \$4.42M (\$4.21M for 2012); and both of these amounts are “out” of our bank balances for October 2013 and October 2012; we received our second (and final) instalment of Gas Tax Revenue from AMO in the amount of \$170,169.56.

In the main, cash balances are down from the same time last year because we have made some heavy capital expenditures in 2013 – several of which are being financed over several years although the cash payment had to be made in 2013.

We also have a small up-tick in our outstanding balances in taxes receivable as mentioned above, so some of our available cash is tied up in receivables. We have about 100 properties with taxes owing on them from three years ago or more – Michelle has sent out letters to the ratepayers with balances that will be 3 years or more in arrears as of January 1 2014; arrangements have been made with some; sent reminder notices out in October – and some payments have come in; there was a larger tax levy this year – not just for the Township but for counties and school boards as well – so there is more to collect and more to pay to the counties and school boards – whether we have received the money or not; we also had a supplementary tax run in September with due dates of October 15th and December 13th; we have about \$10k in PD cheques for the end of November and the final PAP (Pre-Authorized Payment) for the 2013 fiscal year is due November 20th in the amount of approximately \$200k. Drain billings for 2011, 2012 and 2013 are still to go out in the amount of approximately \$120k with a due date of January 31st 2014; backlog in 2011 due to switch in drainage Superintendents which caused a backlog of paper work – this will all be billed by end of November 2013.

Capital Projects Resulting in Unfinanced Balances at Year End

Recreation dept:

Chesterville Arena: replaced slab, dasher boards, new bleachers,	\$645,000
Winchester Pool: Rehabilitation of Winchester Pool	<u>205,000</u>
Total Cost	<u>\$850,000</u>

Only about \$50k of the above two projects were financed by new taxation revenue in 2013 – the balance is to be financed by grants and future taxation revenue over the next 5 - 10 years. In addition, there is about \$65,000 of unfinanced road projects in the Public Works Dept that are to be carried forward as unfinanced and dealt with during 2014 budget deliberations. Also, landfill/waste management purchased a garbage compactor and a roll-off truck (total cost approximately \$260K) – of which only about \$42,000 was financed through taxation revenue – the balance to be financed over the next 5 years.

All of the above were properly budgeted for in 2013 – it’s just we’re paying for them now and financing them over the next several years – so it’s causing a bit of a dip in our current cash reserve balances.

Projects Worked on During October

- Preparing for and attending at department head meeting of October 2nd and November 13th
- Prepared and submitted an EOI (Expression of Interest) grant application for MIII- Small, Rural, and Northern Municipal Infrastructure Fund – applied for a 90% Grant to do rehabilitation work on South Street – Chesterville; Received an email back and had several telephone conversations with the Ministry of Infrastructure - they are looking for a revised council resolution addressing certain specific requirements – a copy will be presented to council for approval at the meeting.
- Prepared and sent out an RFP (Request for Proposal) for auditing services for the next five years – commencing with the 2013 fiscal year; invited four accounting firms to submit tenders for auditing services if they were interested. One declined – the other three have indicated they will be submitting quotes - we should have them in by end of November. Selection will hopefully be by end of year so they can plan their interim and year end audit work for the 2013 fiscal year.
- Used up seven more days of vacation – October 9, 10, 16 and November 4, 5, 6 and November 11th
- Assisted with the Asset Management Plan, due by December 31st, 2013, including teleconference call between Township personnel and Fred Lacasse, Project Engineer with exp Services Inc. (engineering firm retained by KPMG to assist with the technical and engineering aspects of the Asset Management Plan).
- Working on budgets with various departmental managers.

Asset Management Plan

The Ontario Ministry of Infrastructure, through the Municipal Infrastructure Investment Initiative (MIII) has made funding available to undertake a study for an asset management plan. We filed an Expression of Interest in October 2012 with the Ministry of Infrastructure to be eligible for funding under the Asset Management Program – and we received funding in the amount of \$22,689.30 in December 2012 expressly for that purpose.

We are required to have a draft of our capital needs in place by the end of this fiscal year (December 31st 2013) as a necessary first step in securing government funding on a go-forward basis. This extends to any capital funding including by not limited to – the annual Gas Tax – and the EOI mentioned above for the rehabilitation of South Street –Chesterville.

KPMG were awarded the AMP via the tendering process; I sent an email to Bailey Church on Friday inquiring as to when we might expect a first draft as time was getting short; I received an email back indicating we would get one this week. I just received an email (as I was preparing this report) from Fred Lacasse (Project Engineer) from exp Engineering Inc., which I will attempt to review prior to the meeting. We will have to address this at a future council meeting and have it approved by December 31st.

Bank reconciliations – are all done up to date; and **Active Net** is balanced to the end of October.

Investment of Surplus Funds

The CAO and I met with representatives of BMO/Bank of Montreal and the finance department is currently engaged in contacting the four big banks (Bank of Montreal, BNS, TD, and Royal Bank) to get their best quotes on what they would be able to provide us with concerning their most favourable interest rates.

Budget Meetings

- Budget meetings: met with the CAO and department heads for the following budgets:
 - Economic Development
 - Waste Management/Recycling
 - Planning & Development/Building/By-Law Enforcement

These departmental budgets plus Administration Budget will be presented to council at the meeting. Public Works and Recreation are slated for presentation at November 26th meeting.

Staff Reports (attached)

I have attached the monthly reports from the finance staff for council's information.

Respectfully submitted,

Original signed by John J Gareau

Approved by:

Original signed by Angela Rutley

Township of

North Dundas

COUNCIL REPORT

To:	CAO, Mayor and Members of Council
From:	Karen A. Holmes, Deputy Treasurer
Date of Meeting:	November 19, 2013
Subject:	Finance Department Report – October 31, 2013

- Sort, stamp and hand out invoices daily.
- Printed off bank history from bank and prepared a general ledger listing; cleared entries daily and handed out to the different departments to initial.
- Enter invoices into Vadim daily.
- Payroll October 15, 2013 and October 28, 2013(enter from timesheets, and email/hand out pay slips).
- Prepare bi-weekly government remittances.
- Set up new employees in our OMERS and Green Shield electronically.
- Checked AP entries and printed off cheques (124) and EFT payments (84), October 09, 2013 and October 24, 2013
- Cash Disbursements cheques done as requested.
- Reconciled bank account for October 2013.
- Reconciled OMERS for October 2013.
- Reconciled WSIB for October 2013.
- Reconciled EHT for October 2013.
- Enter and post journal entries as requested.
- Answer calls concerning invoices with vendors.
- Gave account balances for the following accounts: Downtown Revitalization, Canada Day Committee and Ormond,Harmony and Cloverdale Recreation Association.
- Assist John as required with GL account maintenance and printing off reports.
- Assisted Department Heads with any of the 2014 budget print-outs and or reports.
- Opened and sorted mail when short staffed.
- Pulled and photocopied capital invoices and handed to Carly.
- Continued the process for the year-end binder. (AR Provincial and AR Federal Accounts)
- Balanced the Income Statement for October 2013.
- Contacted the 4 big banks (Bank of Montreal, Bank of Nova Scotia, TD and The Royal Bank) for investments options with their most favourable interest rates.

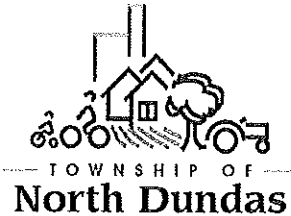


Township of
North Dundas

COUNCIL REPORT

To:	CAO, Mayor and Members of Council
From:	Michelle McDonell, Tax Collector
Date of Meeting:	November 19, 2013
Subject:	Finance Department Report

- During the month of November, John Oswald and I have been working on billing for the Municipal Drain Maintenance work that was done during 2011 and 2012. The total of these billings will be approximately \$120,000.
- In October, I mailed out notices to all property owners' who are in danger of tax registration on January 1, 2014. I have been discussing payment options with many of the property owners' who received registration notices and payments have started to come in. In December, when I send out the final reminder notices for the year, I will also be sending out a final notice to those who have not contacted me to make payment arrangements reminding them of the potential danger of their property being registered.
- Once the municipal drain billings are complete I will be working on the last of the write-offs and the last supp/omit run for 2013.
- The final pre-authorized payment (PAP) of 2013 is this month. There are a few property owners whose August and September water and sewer bills have been added to their tax account, which their monthly payment amounts did not cover. I will be sending letters to these property owners indicating that a December PAP installment is necessary to pay their tax account in full.



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COUNCIL REPORT

To:	CAO, Mayor and Members of Council
From:	Carly Bulger, Accounting Assistant (Part-time)
Date of Meeting:	November 19 th 2013
Subject:	Finance Department Report – October 31 st 2013

Carly

- Continuously assisting with the Asset Management Plan, due by December 31st, 2013, including regular email exchanges with Fred Lacasse, Project Engineer with exp Services Inc. (engineering firm retained by KPMG to assist with the technical and engineering aspects of the Asset Management Plan.) to provide documentation and schedule a field assessment to examine the road system along with a select number of buildings.
- Assisted Dan Belleau and John Gareau with an expression of interest application form for the Small, Rural and Northern Municipal Infrastructure Fund - Capital Program.
- Collected capital invoices in preparation of the 2013 capital binder, updated related spreadsheets, and prepared correcting journal entries as necessary.
- Organized and accounted for revenue of a capital nature to build up financing of capital.
- Photocopied invoices and completed summary sheets to prepare for PSAB 2013.
- Assisted with attendance at front desk and telephone answering as requested when short-staffed.

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