



# Municipality of Port Hope Staff Report

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## Report Title: 2022 First Quarter (Q1) Financial Report

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**Report to:** Finance Committee

**Date of meeting:** May 3, 2022

**Report Author:**

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**Department responsible:**

Finance

**Report Number:** FS-12-22

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### Recommendation:

Receive for information.

### Highlights:

At the end of the first three months of operations:

- 79.63% of the annual operating budget is remaining
- Value of Procurement projects was \$643,360
- Prior year tax arrears have reduced \$337,897

### Background:

Every three months, at the end of each fiscal quarter, the Finance Department provides Finance Committee with updates on Revenues and Expenses, Purchasing, and Taxes Receivable. This report consolidates these areas of interest. Other periodic financial updates are provided through separate reports.

The Municipal Purchasing Policy (By-law 20/2018) requires that procurement activity with an estimated value of \$10,000 or greater be reported to Finance Committee on the same quarterly basis for awareness.

Finally, a summary of the collection of tax arrears arising from prior years is provided as well as an update on notable collection activity.

### Discussion:

#### Operating Budget

The financial position compared to budget for Q1 2022 is a preliminary review of actual revenues and expenses compared to budget. In the first three months of operation, departmental budgets show on average 79.63% of their annual budget remaining. The

departments are relatively consistent with the year-to-date operating budget with some variances due to the timing of revenue receipts and related expenses.

The total Municipal Operating Budget, including the Police and Library Boards, is tracking well at 77.23% of Operating Budget remaining. Attachment 1 provides a summary of the current budget compared revenues and expenses to actual amount occurred.

Purchasing

During the first quarter the following approved projects have been awarded:

(Per our policy, only amounts estimated to be >\$10k are to be reported)

<b>Department</b>	<b>Type</b>	<b>Project</b>	<b>Awarded To</b>	<b>Award Amount Net HST</b>
W&E - Wastewater	Proposal	Toronto Road Watermain Upsizing and Sanitary Sewer Decommission	CIMA Canada Inc.	\$90,977.24
PRC/Facilities	Tender	Town Hall Renovations (HR/Upstairs)	MVW Construction and Engineering Inc.	\$89,803.20
W&E	Single Source	Water Meter System Upgrades	Evans Supply Limited	\$80,339.52
W&E - Roads/Wastewater	Single Source	Vactor Rental	FST Canada o/a Joe Johnson Equipmen	\$68,688.00
Corp Services	Single Source	SAN (Storage Area Network) Server	Dell Canada Inc.	\$68,449.96
W&E - Engineering	Proposal	Reline On-shore Effluent Outfall Pipe	The Greer Galloway Group Inc.	\$59,580.48
W&E - Engineering	Proposal	Lake Street Shoreline Erosion Protection	Planmac Engineering Inc.	\$48,992.35
W&E - Roads	Cooperative Purchase	PCI Roads Study	StreetScan	\$48,932.31
PRC	3 Quotes	New 3/4 ton Truck (Cemetery)	Thomas Buick GMC Ltd.	\$47,422.68
W&E-Water	Single Source	3 year - Zenmech Service Agreement	Suez Water Technologies	\$41,119.69

			& Solutions Canada	
W&E - Roads	Proposal	Slip in Water Tank	Road Maintenance Equipment and Services	\$35,282.23
Finance and HR	Single Source	Customer Service E- commerce Software	Central Square	\$35,178.43
Fire	Single Source	Pager Upgrade	BearCom	\$33,648.42
PRC-Corp Facilities	3 Quotes	Library HVAC repairs - 2 Heat Pumps	HTS Engineering	\$16,770.05
W&E - Wastewater	Single Source	Biosolids Disposal	SusGlobal Energy Belleville Ltd.	\$15,400.82

**Taxes Receivable**

TAXES RECEIVABLE	Arrears Pertaining to Prior Years				
	2021	2020	2019	2018 and older	Total
2020 Year End		\$ 1,447,847.86	\$ 585,109.82	\$ 457,908.21	\$ 2,490,865.89
2021 Year End	\$ 1,397,432.05	\$ 693,797.22	\$ 389,597.25	\$ 357,272.66	\$ 2,838,099.18
Increase / (Decrease)	\$ 1,397,432.05	(\$754,050.64)	(\$195,512.57)	(\$100,635.55)	
March 31, 2022	\$ 1,146,370.25	\$ 617,986.16	\$ 374,455.36	\$ 361,390.85	\$ 2,500,202.62
Increase / (Decrease)	(251,061.80)	(75,811.06)	(15,141.89)	4,118.19	(337,896.56)

The prior year's arrears have been reduced by \$1,050,199 during 2021, however at the end of 2021 \$1,397,432 remained outstanding for the year and now is added to the prior year arrears tracking. During the first quarter of 2022 an additional \$337,897 was collected pertaining to prior years arrears.

The tax sale process was initiated in the first quarter for properties with two plus years in arrears as of the end of 2021. There were 80 first notices sent out, Second, Final and Farm debt notices will be sent out in the second quarter.

E-billing for property tax and water/wastewater will be set up for property owners in the second quarter. We will also be launching our new Virtual City Hall platform in the third quarter. This self-service platform will allow property owners to manage their property tax and water/wastewater accounts and pay their bills online.

**Financial Considerations:**

Overall, the Municipality continues to strive towards strategically managing the 2022 Approved Budget. No changes to the budget are required as a result of this report. The collection of tax arrears improves the Municipal cash flow.

**Communication and Public Engagement:**

Currently, we have four open procurement projects:

- 09T-PRC-2022 Rooftop Units at TPRC
- 47P-PLN-2022 - Economic Development Strategic Plan
- 26T-ENG-2022 Rose Glen Road Reconstruction
- 21T-ENG-2022 Water Treatment Plant Bituminous Roof and Drain Replacement

**Conclusion:**

During the first quarter of 2022, departments are consistent with year-to-date budget with some variances due to timing of revenue and expenses. Staff will continue to monitor the budget on a regular basis and in accordance with the budget policy and will report any anomalies as they are known.

Significant effort continues towards reducing tax receivables which has also decreased the number of properties being registered for the tax sale process.

**Attachments:**

Attachment 1 - Department Financial Report