



Municipality of Port Hope Staff Report

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Report Title: 2022 Second Quarter (Q2) Financial Report

Report to: Finance Committee

Date of meeting: August 2, 2022

Report Author:

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Department responsible:

Finance

Report Number: FS-17-22

Recommendation:

Receive for information.

Highlights:

- 62.54% of the annual operating budget is remaining
- Value of procurement projects was \$ 5,948,357
- Since the first quarter report prior year tax arrears have reduced \$265,833

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 Q2 2022 is a preliminary review of actual to budget. In the first six months of operation, departmental budgets show on average 62.54% 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.

One notable budget variance is the \$130,000 repair of the Brand Road crossing train warning system which the Municipality is contractually obligated to reimburse CP Rail for which was not known or budgeted for in 2022 but was required and completed by CP Rail earlier this year.

The total Municipal Operating Budget, including the Police and Library Boards, is tracking well at 59.79% of Operating Budget remaining. Appendix “A” provides a summary of the current budget compared revenues and expenses to actual amount occurred.

From a capital perspective, the procurement for the Walker Road project was cancelled due to the lowest bid being \$100,000 over budget. The project will be re-tendered further in advance of next years construction season.

Purchasing:

During the second quarter, the following approved projects have been awarded:

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

Department	Project	Type	Awarded To	Price Net HST
W&E - Engineering	Rose Glen Road Reconstruction	Tender	Behan Construction Ltd.	\$2,650,743.73
W&E - Engineering	Walton St Reconstruction	Tender	Dekeyser Excavating Ltd.	\$1,883,928.641
W&E - Wastewater	Clarifier Systems Replacement - purchase of materials	Single Source	ACG Envirocan Inc.	\$354,608.16
W&E-Roads	Rural Roads Resurfacing	Tender	Greenwood Paving Ltd.	\$256,211.4
W&E - Wastewater	Clarifier Systems Replacement - installation	Single Source	Nielsen-Tran Mechanical Inc.	\$118,133.18
W&E - Engineering	Sylvan Glen Bridge	Proposal	Ainley Graham & Associates Limited	\$116,530.46
W&E - Engineering	Zone 1 Floating Storage	Single Source	CIMA Canada Inc.	\$101,590.06
PRC	Playground and Play Areas Upgrades	Proposal	Playground Planners Inc.	\$901,03.00531
W&E - Engineering	Rose Glen Road Reconstruction-Contract Administration	Single Source	CIMA Canada Inc.	\$78,116.00
Planning and Development	Visitor Centre RFP	Proposal	Port Hope Chamber of Commerce	\$45,792.00

Planning and Development	EcDev Strat Plan	Proposal	Mellor Murray Consulting Inc.	\$40,012.03
W&E - Water	Refurbish Low lift Pump 3	Single Source	Rudi Kovacko & Associates Inc.	\$28,492.8
PRC	TPRC HVAC	Tender	Se7en Hills Inc.	\$27,678.72
PRC	Library HVAC repairs - Nitrogen Generator	3 Quotes	Premium Fire Protection	\$26,543.61
PRC	Fireworks	3 Quotes	Blue Star Pyrotechnics	\$22,240.41
Corporate Services	MDM/2FA Licenses	Single Source	CDW	\$20,719.11
Corporate Services	Records and information management assessment	Single Source	InfoPros	\$20,352.00
Corporate Services	Wood Cladding at MJB Library	3 Quotes	D&R West Painting and Contracting	\$20,148.48
PRC	Sand filters at JBSC	3 Quotes	Unique Pool Service	\$12,343.92
PRC	Duct Insulation Lobby/Changerooms - JBSC	3 Quotes	HTS Engineering	\$12,190.85
PRC	5 Mill Street Roof Top Unit	3 Quotes	Better Mechanical	\$11,091.84
W&E-Wastewater	Odour Control Unit Media Replacement	3 Quotes	Continental Carbon Group Inc.	\$10,786.56

Taxes Receivable:

Arrears Pertaining to Prior Years						
TAXES RECEIVABLE	2021	2020	2019	2018 and older	Total	
2021 Year End	\$ 1,397,432.05	\$ 693,797.22	\$ 389,597.25	\$ 357,272.66	\$	2,838,099.18
2022 First Quarter (Mar 31)	\$ 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)
2022 Second Quarter (Jun 30)	\$ 923,161.53	\$ 561,401.63	\$ 376,275.49	\$ 373,530.53	\$	2,234,369.18
Q2 Increase / (Decrease)	(\$223,208.72)	(\$56,584.53)	1,820.13	12,139.68		(\$265,833.44)
YTD Increase / (Decrease)	(\$474,270.52)	(\$132,395.59)	(\$13,321.76)	16,257.87		(\$603,730.00)

Since the first quarter report the prior year's arrears have been reduced by \$265,833.44

As per the Tax Collection procedure, staff sent out overdue notices within two weeks of an installment due date and arrears notices will be sent out a total of 6 times this year. Three levels of warning letters regarding initiation of tax sale process for properties with two plus tax years in arrears were sent out beginning in March 2022 giving the 80 property owners advance notice to clear the minimum balance before August 15, 2022. This process was delayed for 2020 and 2021 due to Covid and resources. Staff are very conscious of what the impact to a property owner can be if their property is sold

under tax registration procedures, and therefore every effort is made to clear the arrears in advance of any proceedings of tax sale taking place.

At the end of the 2nd quarter, 32 property owners had made adequate payments to stop tax sale actions. 2 taxpayers who were not currently able to pay their arrears in full entered into payment plans in the second quarter. Farm Debt notices will be sent to the eligible property owners remaining, this is the final step prior to registering the properties for tax sale.

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 one open procurement project:

60P-CORP-2022 Electronic records and document management system

Conclusion:

During the second 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.

Several Procurement projects approved in the 2022 Budget were awarded during the second quarter of 2022.

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