

## Report CCR-PCD-30-16

**To:** Chair McQueen and Members of the Planning and Community Development Committee

**From:** Kim Wingrove, Sharon Vokes and Randy Scherzer

**Meeting Date:** November 10, 2016

**Subject:** **Analysis of Financial Statements to September 30, 2016**

**Status:** Recommendation adopted by Committee as presented per Resolution PCD131-16; Endorsed by County Council November 22, 2016 per Resolution CC150-16;

### Recommendation(s)

1. That Grey County Council receives Report CCR-PCD-30-16 Analysis of Financial Statements to September 30, 2016 for the Planning and Community Development Committee's portfolio.

### Background

#### 2016 budget as of September 30, 2015

Departmental Budget	Projected Year-End Surplus / (Deficit)
Planning - Operating	\$40,000
Planning - Capital	\$2,500
Agriculture	\$7,500
Forestry - Operating	(\$80,000)
Trails - Operating	\$5,000
Trails - Capital	\$0
Tourism	\$30,000
Economic Development	\$70,000
Intelligent Community	(\$7,000)
Grey Roots - Operating	\$60,000
Grey Roots - Capital	0
<b>TOTAL</b>	<b>\$128,000</b>

### *Planning*

The Planning Operating and Capital budgets are currently projected to have a total

surplus of approximately \$40,000 compared to the year-to-date (YTD) budgeted amount. This is primarily a result of higher than anticipated application revenue. The majority of the capital projects are funded from reserves and therefore the YTD actual amount will essentially balance out once the transfer to reserves occur at the end of the year.

### *Agriculture*

The Agriculture budget is currently anticipated to have a slight surplus compared to the year-to-date budgeted amount. Beaver and coyote claims are lower than the budgeted amount; however the majority of the claims normally come in at the end of the year. We still anticipate there will be an approximate \$7,500 surplus from these two budget lines.

### *Forestry*

The Forestry budget is still anticipated to come in over budget as a result of the lower than anticipated revenue from the County forest harvests. The amount that came in as part of the tenders came close to the actual forest estimates from the tree marking, however was \$100,000 less than the budgeted amount. In order to have better estimates for forests being harvested in 2017, the tree marking has been moved from the fall to the spring. This should help avoid overestimating or underestimating the revenue from the forest harvests going forward, although the actual bids received could always come in over or under the estimated amounts. At this stage it is anticipated that the Forest budget will come in approximately \$80,000 over budget. With the Trail Capital projects coming in under budget, staff will be recommending that any deficit from the Forestry budget be funded first from any surplus from the other planning budgets with any remaining deficit being funded from the Trails Reserve.

### *Trails*

The Trails Operating and Capital budgets are currently projected to have a slight surplus, however the majority of the expenses for the Trails Operating budget will occur later this year and therefore we will have a more complete picture of where these budgets will end up closer to year-end.

With respect to the Trails Capital projects, the Culvert 74 project which was switched from the Culvert 16 project has been awarded and came in under budget (approximately \$45,000 under budget). This project is to be funded from reserves and therefore will not result in any surplus. The culvert and bridge assessment has also been awarded and came in under budget (\$25,000 under budget). As a result of these two projects coming in under budget it is recommended that any remaining deficit from the Forestry budget be funded from the Trails Reserve after using any surplus from the other planning budgets. It should be noted that the consultant conducting the bridge

and culvert assessment did find 8 additional structures (total of 91 structures assessed). A draft assessment report will be completed prior to the end of this year and we will be able to update the 5 year capital program as well as the 10 year capital projection.

### *Tourism*

The Tourism budget is anticipated to have a year-end surplus of \$30,000. This surplus is related to the vacant shared tourism and economic development position. Staffing resources have now been realigned to achieve Council's strategic economic and tourism goals as per report CAO-PCD-02-16. The previous Tourism and Economic Development Manager position has now returned to Tourism full time and a new Economic Development Manager has been recruited.

Based on the timing of these staffing changes, the Tourism budget is projected to end the year with a surplus of \$30,000.

### *Economic Development*

The Economic Development budget is projected to the end the year with a surplus of \$70,000. This surplus is the result of the Economic Development Officer (EDO) position being made vacant in March and the 2016 budgeted new position to be shared with tourism not being filled. These staffing resources have now been utilized to support the creation of an Economic Development Manager position, which has now been filled.

### *Intelligent Community*

The Intelligent Community budget is projected to end the year with a small deficit of approximately \$7,000. Expenditures on travel and meals are higher than anticipated with the costs associated with staff attending the ICF (Intelligent Community Forum) Annual Summit in Columbus Ohio. The County's Project Lead was asked to participate on a panel at the Summit to present Grey County's story.

Grey County on October 19<sup>th</sup> was named one of the Smart21 Communities of 2017 by the Intelligent Community Forum (ICF). The Smart21 recognizes communities that embrace technology to improve prosperity and inclusiveness.

The Ag 4.0: The Next Big Thing summit was held on November 2-3<sup>rd</sup>. This event provided an opportunity to learn about new advances in agriculture, food and technology. Participants also had the opportunity to take part in an innovation tour which featured local producers and innovators and to learn how they are using technology to advance their operations and create new products.

## *Grey Roots*

Grey Roots will end the year with a projected overall surplus of approximately \$60,000. The primary factor leading to the surplus is the vacant position of the Media and Communications Coordinator. This position has now been posted and it is hoped that it will be filled prior to year-end. Staff held off posting this position until the strategic plan was finished. This provided flexibility in the event that the strategic plan identified more urgent staffing needs.

It's anticipated that general admission revenue will be slightly under budget. This has been offset by several new special event ventures in 2016 being the Saints and Sinners event and the Extraordinary Tree lecture series. As well, KidsCamp revenue has exceeded budget expectations.

The capital projects of updating Grey Roots' website and a consulting project to develop a plan to refresh the Grey County Gallery are both underway but will not be completed by year end. The 2017 budget anticipates that any unspent funds for these projects will be transferred to reserve and brought forward in 2017.

After these projects are considered, the capital portion of the budget is expected to be on budget. The strategic plan update was \$6,100 more than anticipated and a capacitor bank which wasn't budgeted for has been purchased at a cost of \$13,200. These expenses are covered by savings in pre engineering costs. The capacitor bank will improve the power factor and it's anticipated that there will be annual Hydro savings of \$3,000 to \$5,000 per year.

## Financial / Staffing / Legal / Information Technology Considerations

There are no staffing, legal or Information Technology considerations related to this report. At this time it is estimated that the combined budgets within the Committee's portfolio will end the year in a surplus position of \$128,000.

Staff will continue to monitor financial statements and will provide an update to these year-end projections, along with recommendations on any surplus/deficit positions for Council's consideration in January 2017.

## Link to Strategic Goals / Priorities

The analysis of current financial statements compared to the approved budget is a key mechanism to facilitate Council's goals of ensuring that financial sustainability and ongoing public accountability are maintained.

Respectfully submitted by,

Sharon Vokes  
County Clerk/Director of Council Services

Randy Scherzer  
Director of Planning

Kim Wingrove  
Chief Administrative Officer