



Subject: Trimester 1 Financial Reporting

To: Council

From: Corporate Services Department

Report Number: 2021-77

Meeting Date: June 28, 2021

Recommendation:

That Corporate Services Department Report 2021-77 be received for information.

Purpose:

This report serves to provide Council with a summary of budget to actual, capital and related projects, reserves, debt management and investment activity during the first trimester of 2021.

Background:

This report serves to support the strategic plan of the City of Port Colborne (the "City"). While all pillars are supported by strong financial management and are noted below, the pillar of strong financial management to achieve financial sustainability is highlighted as the driving pillar for this report.

Discussion:

Financial Services identifies this report is new to the City and its structure is a work-in-progress.

At the time of writing this report the City's account structure realignment project is anticipated to conclude in early July. While the project has been on-going there are certain limitations to the reporting available in this report. Specifically, the operating summary in Appendix A reflects departmental budgets excluding inter- and intra-departmental transfers, capital and related project and reserve transfers. These

transactions will be included in the Trimester Two (“T2”) reporting that will include the time period of January 1, 2021 to August 31, 2021.

When readers of this report review the appendices, they are cautioned that actual figures mainly reflect cash transactions and not accrual, encumbered or committed transactions. This means activity may be occurring for certain initiatives, but the expense or cost has not yet been billed or recorded by the City.

While the City is moving to a forecasting model in its financial reporting and efforts were being made to include that in this report, staff acknowledge the City is not there yet. A forecast to year-end will be provided with the T2 reporting to help support budget deliberations.

While a full account-by-account forecast has not been provided, Appendix A does outline account activity within departments for the first four months and at this time, staff anticipate a 2021 balanced budget or slightly better scenario.

Recognizing the COVID-19 pandemic is ongoing, Financial Services highlights the following funding received for COVID-19 and anticipated allocation:

Funding from Province of Ontario	\$630,536
Personnel costs covered by grant	\$370,536
Information Technology	\$55,000
Materials, Contracts Costs	\$105,000
Vale Health and Wellness Centre (“VHWC”), net	\$100,000
Grant remaining	\$NIL

At the time of writing this report, most of these costs are being reflected in departmental accounts. Once the account realignment project is completed those already incurred will be transferred to the COVID-19 accounting which is identifiable in Section A3 of Appendix A.

As the Province of Ontario begins to re-open, Sugarloaf Marina is experiencing strong interest. Staff remain optimistic the financial experience in 2021 will be balanced compared to the 2020 COVID-19 related loss.

Savings from Canal Days, Recreation and Other Events have not been identified as savings above in anticipation of some potential discussion on carrying forward or repurposing some of those funds as a future reinvestment in civic events and/or infrastructure to recognize these past two years.

Staff are pleased to pass along some additional news regarding recent grant submissions:

- The Ontario Trillium Foundation (OTF) has awarded the Library a \$121,200 grant to renovate workstations, purchase new workstations and improve study spaces
- The Niagara Region Combined Sewer Overflow program has partnered with the City in a \$400,000 project related to the Omer Area with \$220,000 funded from the Niagara Region and \$180,000 funded from the City's capital budget. The project will investigate innovative stormwater management solutions and investigate the remediation of outstanding inflow and infiltration ("I&I") contributors.

Staff are also in the process of applying for several additional grants as follows:

- Ontario Municipal Modernization Funding – Phase 2 in the amount of \$125,000 to continue to migrate on premises databases to the cloud and to implement an online building permit software with the Building Department
- Canada Health Community Initiative: Innovative Digital Solutions for approximately \$32,500 to support fibre optic connectivity at the Library and Museum as well as the VHWC.
- Community Museum Digital Capacity Grant in the amount of \$7,810 to support the move from in person programing to digital programming.
- Niagara Investment in Culture Grant in the amount of \$12,705 (50% funded by the Museum and 50% from private donations) to bring together residents and artists to create designs and decorations on flowerpots based on reach of the diverse heritage in Port Colborne.
- Seniors Community Grant in the amount of \$9,000 to catalog artifacts to help seniors live active, safe and connected lives.
- Investing in Canada Infrastructure COVID Resilience Fund in the amount of \$213,000 for the Dain City Multi-Use trail.

While the above identified grants are further along the application process, staff continue to review other grant opportunities including those related to accessibility and any opportunities to support water, wastewater and storm infrastructure.

Internal Consultations:

Financial Services continues to discuss budget to actual activity with all City departments.

Financial Implications:

This financial report is for information purposes to help inform future decision making.

Conclusion:

That Corporate Services Department Report 2021-77 be received, and that City staff identify a balanced budget is anticipated in 2021.

Appendices:

- a. Appendix – A – Operating Summary
- b. Appendix – B – Capital and Related Projects Summary
- c. Appendix – C – Reserves
- d. Appendix – D – Debt Management
- e. Appendix – E – Investments

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final approval is by the Chief Administrative Officer.