

THE MUNICIPALITY OF LAMBTON SHORES

Report TR 21-2022

Council Meeting Date: October 18, 2022

TO: Mayor Weber and Members of Council
FROM: Janet Ferguson, Director of Financial Services
RE: Third Quarter Draft Financial Statements

RECOMMENDATION:

THAT Report TR 21-2022 regarding the Draft 2022 Third Quarter Financial Statements be received.

SUMMARY

This report accompanies the Draft 2022 Third Quarter Operating and Capital Financial Statements for Councils review.

BACKGROUND

Tax Supported

General Government

The final tax bills were issued in late July with due dates on the last business day of August and November. The amount showing as outstanding is the amount Council authorized to maintain the tax rate at the same level as the previous year. The offsetting allocation will be done in the last quarter of 2022.

The supplemental billings and write off adjustments will continue through the last quarter; however, the current net position is favorable.

The third quarter is a busy time in the Finance Department due to the seasonal transactions for the harbour and parking activities.

There continues to be growth in e-billing and pre-authorized payment processes.

Fire and Protection Services

The Protection Services budget is tracking well.

By-law services are currently reviewing last summer's operation and will be making recommendations for improvement.

During the third quarter Fire and Emergency Services responded to 90 emergency calls for a total of 212 this year. We also welcomed our new departmental trainer, Dave Robertson.

Approved Fire Master Plan implementation of the “foundation pieces” continued this quarter with emphasis on standardization of procedures and training, and the implementation of a new dispatcher.

| Activity | 2021 – 3 rd Quarter Events | 2022 – 3 rd Quarter Events |
|---|--|--|
| Fire | 3 | 7 |
| Pre-fire conditions | 5 | 4 |
| Open air fires/ complaints | 9 | 6 |
| Fire alarm system malfunction | 16 | 5 |
| Fire alarm system accidental activation | 4 | 3 |
| CO detector – CO found | 2 | 2 |
| CO Alarm – False alarm | 7 | 2 |
| Gas leak | 7 | 2 |
| Power lines / hydro | 6 | 3 |
| Vehicle collisions | 15 | 18 |
| Technical rescue | 4 | 10 |
| Medical (EMS support) | 23 | 13 |
| Cancelled on Route | 7 | 6 |
| Other | 6 | 9 |
| Totals | 114 | 90 |

| Total Calls – 3rd Quarter | |
|---------------------------|-----|
| 2022 | 90 |
| 2021 | 114 |
| 2020 | 97 |
| 2019 | 112 |

Building Services

The Building Department continues to be very busy. The budgeted revenue has already reached 99% while the expenses are trending on track. The following chart outlines the activity for the third quarter:

| Permit Type | # of Permits | Project Value | Construction Type | Permit Fee |
|--|--------------|-----------------|-----------------------|--------------|
| Accessory Bldg Commercial | 1 | \$4,000.00 | New | \$762.30 |
| Accessory Bldg Residential | 5 | \$1,317,100.00 | New | \$3,841.55 |
| Agricultural | 7 | \$6,065,000.00 | New | \$9,435.00 |
| Change of use | 1 | \$0.00 | Change of Use | \$1,108.00 |
| Commercial Addition | 1 | \$50,000.00 | Addition | \$200.00 |
| Commercial Alteration/Renovation | 1 | \$700,000.00 | Alteration/Renovation | \$6,410.00 |
| Commercial New | 1 | \$980,000.00 | New | \$10,842.30 |
| Demolition Accessory Bldg | 2 | \$25,000.00 | Demolition | \$400.00 |
| Demolition Residential | 5 | \$28,200.00 | Demolition | \$1,800.00 |
| Residential Multi New | 6 | \$4,950,000.00 | New | \$35,264.65 |
| Residential SDD Addition | 9 | \$1,229,000.00 | Addition | \$5,081.50 |
| Residential SDD Alteration /Renovation | 3 | \$1,450,000.00 | Alteration/Renovation | \$4,437.60 |
| Residential SDD New | 12 | \$7,262,919.58 | New | \$36,521.55 |
| Special Events Tent | 2 | \$6,000.00 | Unknown | \$700.00 |
| Residential Trailer Addition | 3 | \$132,248.74 | Addition | \$1,002.80 |
| Sign | 1 | \$6,500.00 | New | \$100.00 |
| | 60 | \$24,205,968.32 | | \$117,907.25 |

Transportation Services

Transportation budgets are on target for the most part to the end of the third quarter.

Gravel and dust suppressant placement was completed in the fall. Roadside ditching was completed in the summer and early fall. Public Works is continuing to experience pressure on brushing/tree trimming budgets, mostly in contracted services. It is our expectation that with the addition of the new bucket truck that we will be able to do more proactive tree maintenance in the future reducing this pressure. The new roadside mower, purchased in the capital budget, has been successfully implemented into our roadside mowing program with excellent results.

Annual capital resurfacing programs have now been completed with only sweeping left on tar and chip surfaced roads.

Staff are continuing to receive many speeding related inquiries and are responding by investigating prevailing speeds and implementing traffic calming methods as necessary. Staff have been investigating the use of alternative traffic calming measures and plan to continue to implement successful measures as they are required based on our findings.

Public works is preparing for winter by procuring sand and salt in preparation for cold weather and creating a winter maintenance plan for use by staff.

Huron Shores Area Transit

The third quarter reflected the largest ridership numbers thus far. Visitors to the Grand Bend area have been using the service and additional trips were added for July and August to meet the demand. The fare revenue has exceeded the budget this year.

The marketing efforts have increased in the third quarter and will continue throughout the fourth quarter. Other initiatives in progress are implementing methods to have more electronic information available and reviewing and updating bus stops and locations.

Environmental Services

Budgets in this unit are generally as expected for this point in the year. Revenues are trending higher than anticipated due to continued growth in the Municipality.

The annual fall leaf pickup is scheduled for October 17th to November 23rd. The compost site will remain open 9am to 2pm on Wednesdays and Saturdays until November 30th.

Recreation and Cultural Services

The parking revenues in Grand Bend were under the budgeted amount by approximately \$80,000. With most travel restrictions removed, staff expect that the decreased revenue is explained by visitors having more travel options available than the previous two summers. Beach Patrol were on duty from June 17th to September 5th for a total of 80 days. During this time, they assisted a total of 310 people either through first aid support, missing persons or rescues. A total of 34 in water rescues were performed, with 57 patrons being rescued.

The information booth at the Grand Bend Beach continued to operate in 2022, providing information to patrons and facilitating equipment rentals like the amphibious wheelchair (no cost), lifejackets (no cost) and beach umbrellas (\$10 rental). The beach umbrella rental program provided \$13,000 of unbudgeted revenue for 2022.

Both the Grand Bend and Port Franks Harbours were busy this year, particularly in boat launch revenue. Council will recall that in Q2 staff discussed the spot dredging requirements needed in Port Franks in order to operate the marina in 2022. Spot dredging is difficult to predict because it is highly impacted by water levels. Annually, staff complete soundings to attempt to estimate the spot dredging requirements for the year. This action cannot be completed until the spring once the budget has already been established. At this point, staff anticipate that the same amount of dredging that occurred in 2022 will be required in 2023.

In addition to spot dredging, the Municipality contracts prop-washing, which primarily occurs in the channel in Grand Bend and river mouth in Port Franks. The Municipality is currently on year three of a five-year contract for this work. This is budgeted at a set amount in the contract.

Revenue in parks were higher than budgeted due to the offset of successful grants. Expenses in parks were on budget. Minor sports leagues and events returned to near pre-pandemic levels throughout the third quarter.

The Shores Recreation Centre reopened for the season in August and the Legacy Recreation Centre reopened in September. Public skating is returning to both facilities in October, and tournaments are planned for the 2022/2023 season. Both facilities are on track for reaching near-targeted revenue before the end of the year, however the closure of these facilities in January 2022 will impact the bottom line at the end of the year. Expenses at both facilities are trending higher due to repairs needed primarily on HVAC systems and during ice plant start up. Compressors and HVAC rooftop units are becoming costly due to their age, and repairs/replacement will continue to be budgeted for.

The concessions at both arenas are starting to reopen with the Optimist Club of Forest operating the concession at the Shores, and the Municipality operating the concession at the Legacy. The gymnasium at the Shores continues to be used periodically for COVID-19 vaccine clinics, allowing for other user groups to resume normal pre-pandemic programming.

Community Centre revenues are tracking lower than budgeted. Indoor events and activities have been slow to recover from the pandemic. Most facilities in Q3 were operating at pre-pandemic levels with most regular programs and events returning. Expenses at the Old Forest Arena are over budget due to ongoing repairs on the boiler system. Staff will be bringing a report back to Council next quarter for options to consider on the future of the building.

Planning and Development

Like the Building Department, the Planning Department continues to be very busy. In general the revenues are on target with the exception of the administration fee which is higher than budgeted as a sizeable subdivision application was received. The expenses are under budget at this time, pending invoices for the zoning by-law review.

Various Economic Development projects are currently underway and pending invoices. The Community Improvement Plan is also in process in conjunction with a consultant.

There is continued growth across all social media platforms and a strong engagement with Facebook followers continuing to share notices/content. There has also been a continued increase in newsletter subscribers (11.9% over last year). The ongoing construction update emails for the Ontario St N project are well received and will continue through the balance of the project phases. The website traffic is returning to a pre-covid status which caused an increase level of views.

User Rate Supported

Water and Wastewater

Water and wastewater budgets are generally trending as expected. Transfer to reserves have not been completed for these units which makes expenses appear under budget relative to the time of year.

Capital

The Capital statement includes staff comments on the status of the numerous projects completed or underway.

ALTERNATIVES TO CONSIDER

None

RECOMMENDED ACTIONS

That the 2022 Third Quarter Draft Operating and Capital Financial Statements be received.

FINANCIAL IMPACT

There is no additional financial impact by receiving this report.

CONSULTATION

Nick Verhoeven, Director of Public Works
Ashley Farr, Director of Community Services
Stephanie Troyer-Boyd, Director of Corporate Services
Lawrence Swift, Fire and Emergency Services
Steve McAuley, CAO

Attachment 1 – Draft Third Quarter Operating Financial Statement
Attachment 2 – Draft Third Quarter Capital Financial Statement