



Dawn Schellenberg
Manager of Finance and Accounting

TOWN OF NEWMARKET
395 Mulock Drive
P.O. Box 328
Newmarket, ON L3Y 4X7

www.newmarket.ca
mmayes@newmarket.ca
905.895.5193 ext. 2104

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CORPORATE SERVICES INFORMATION REPORT - FINANCIAL SERVICES-2015-35

TO: Mayor Tony Van Bynen and Members of Council
SUBJECT: 2015 First Quarter Report – Operating, Capital, Water & Wastewater
ORIGIN: Manager of Finance and Accounting

In accordance with the Procedure Bylaw, any member of Council may request an Information Report to be placed on an upcoming Committee of the Whole agenda for discussion.

COMMENTS

The purpose of this report is to advise Council on the first quarter results for 2015. It is too early to see any trends in revenues or expenses and there is nothing to indicate we will not achieve our year-end budget targets. Timing is generally a factor at this point in the year. This is particularly true in the first year of a new Council's term as the later than normal budget approval, after the first quarter, (April 13, 2015) tends to delay some initiatives and projects.

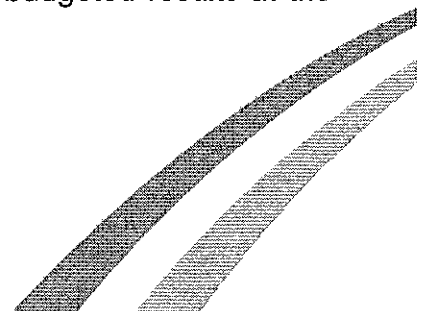
Tax Supported Operating Budget

The supplementary OMEX reassessment was expensed in 2014 and paid at the beginning of this year. Higher insurance premiums were a budget driver for 2015 and we are normally invoiced in the third quarter.

We continue to be challenged by the amount of taxes being refunded through property assessment appeals and property tax applications. A proactive assessment strategy is being developed and Council will receive an information report in Q3.

The NEER (WSIB) assessment of \$598,000 which was accrued in 2014 will be confirmed in September when the invoice is received.

An interim payment of \$43,000 is anticipated regarding the 2013 ice storm. At this point, we are not aware of any circumstances that would impact our ability to achieve budgeted results at the end of the year.



Capital Budget

Approximately \$2.3 million or 4% of the \$57.5 million in budgeted capital expenditures was spent at the end of the first quarter. Of the budgeted amount, \$700,000 was spent on the Old Town Hall, \$200,000 was spent on the Bayview Avenue Pumping Station, and approximately \$1 million was incurred on the Honeywell Retrofit Project. At this time, it is too early to project the year-end results.

Water and Wastewater Budget

The severe winter necessitated emergency repairs that were contracted out due to staff shortages at the beginning of the year. \$345,000 was spent on maintenance in the first 3 months and additional amounts were incurred between April and May for a cumulative total of \$730,000. The April and May invoices relate to swabbing/cleaning the water mains in advance of the re-conversion back to chloramine from free chlorine which is occurring now at the end of May.

After the end of the first quarter a \$122,597 credit was received from York Region for flushing in 2012.

Additional development charge funding was identified in our 2014 DC study for the Operations Centre debt. As we have not used the 2014 amount of \$532,961, it, along with the 2015 amount of \$548,123, are available to offset the higher expenses and potentially augment the rate stabilization reserves this year.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

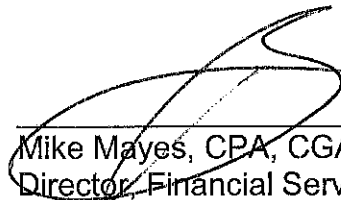
This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONTACT

For more information on this report, contact: Dawn Schellenberg at 905-953-5300, ext. 2104 or via e-mail at dschellenberg@newmarket.ca



Dawn Schellenberg, CPA, CA
Manager of Finance and Accounting



Mike Mayes, CPA, CGA
Director, Financial Services/Treasurer



Anita Moore, AMCT
Commissioner, Corporate Services