

Township of Perth South

Report to Council

TO: Mayor Wilhelm and Members of Council
FROM: Rebecca Clothier, CAO/Treasurer
DATE: September 6, 2022
SUBJECT: Capital Fund Variance Report as of August 31, 2022

Recommendation

THAT the Report of the Administrator/Treasurer entitled Capital Fund Variance Report as of August 31, 2022, dated September 6, 2022 be received for information.

Comments/Analysis

The Capital Fund Variance Report provides details on the Council approved capital projects, including the project description, current status in terms of construction, and the amount of spending to date in comparison to budgeted amounts.

Each year, due to the nature of construction projects, the majority of work is generally completed in the summer months and the billings follow the completion of the work. The 2022 year is similar to other years in this regard.

The 2022 Capital Budget included spending which totaled \$2,046,571 on projects from the following Departments:

Department	Capital Spending	Percentage of Budget
Administrative Infrastructure	\$ 1,425	1%
Protective Infrastructure	\$ 68,268	54%
Roads Infrastructure	\$1,620,909	74%
Bridge & Culvert Infrastructure	\$ 33,534	124%
Transportation Vehicles	\$ 186,794	35%
Waste Management Infrastructure	\$ 0	0%
Recreation Facilities	\$ 135,640	100%
Total Capital Spending	\$2,046,571	65%

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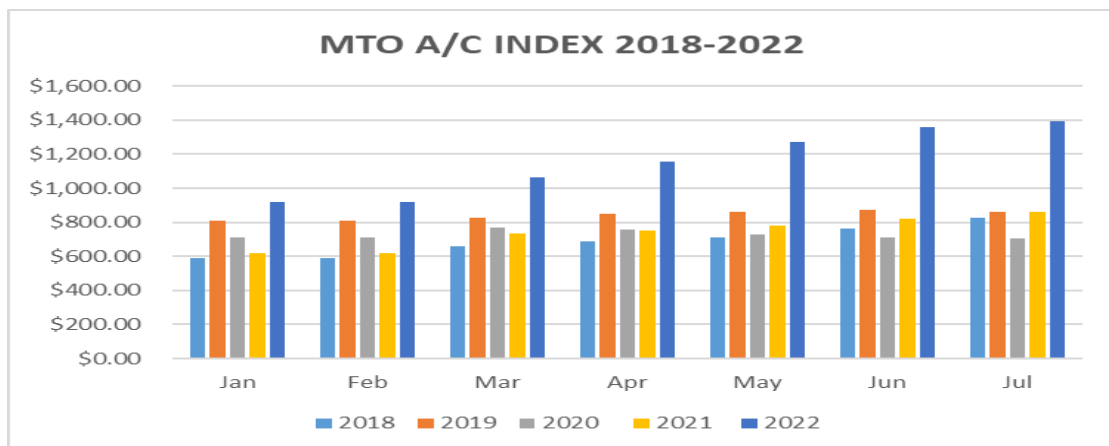
This capital spending was funded from a variety of sources including infrastructure grants, reserve transfers, recoveries, and the taxation levy. The following table provides a detailed breakdown:

Source of Funding	Funding Amount	Percentage of Budget
Taxation Levy	\$ 1,038,322	97%
Transfers from Reserves	\$ 686,650	55%
Proceeds of Sale	\$ 14,200	71%
Federal Gas Tax	\$ 236,997	100%
Provincial OCIF	\$ 236,997	100%
Total Funding	\$ 1,875,215	100%

As of August 31, 2022 the Capital Fund Variance Report indicates that the total capital spending is equal to 65% of the total capital budget. Although the majority of the capital projects are complete, the invoicing from vendors for the capital work completed remains outstanding.

It is anticipated that the capital construction costs for the roads will be over budget due to the increases in the MTO A/C Index. The Ontario Ministry of Transportation (MTO) used the A/C Index as a tool for calculating the contract adjustments for unexpected changes in asphalt and cement prices between when the project was bid and when the asphalt was placed.

The MTO A/C index changes are shown in the graph below. As the graph illustrates, there have been significant increases to this index in 2022 resulting in increased construction costs. The MTO A/C Index has increased 62% between July 2021 and July 2022.



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Financial Implications to Budget

The results for the eight months ending on August 31, 2022 indicates that some additional funding may be required to off-set budgeted shortfalls. Capital costs will be monitored closely throughout the remainder of the year. The receipt of outstanding capital invoicing will allow us to better estimate the additional funding that will be required. A Capital variance report will be prepared monthly until the end of the year to update Council on the status and cost of the 2022 capital projects.

Attachments:

1. Capital Fund – Statement of Capital Revenues and Expenses

Respectfully submitted by:

Rebecca Clothier
Chief Administrative Officer/Treasurer

TOWNSHIP OF PERTH SOUTH
Statement of Revenues and Expenses
As of August 31, 2022

	Actuals	Budget	% of Budget	Budget Remaining	Comments
Administration					
Old Township Office					
Revenue					
Provincial Capital Grant	(1,425)	(96,006)	1%	(94,581)	
Total Revenues	(1,425)	(96,006)	1%	(94,581)	
Expenses					
Contracted Expenses	1,425	96,006	1%	94,581	
Total Expenses	1,425	96,006	1%	94,581	
Net Contribution to Municipal Position	-	-	0%	-	
Protection of People & Property					
Pick-up Truck					
Revenue					
Transfer From Reserves	(39,095)	(9,005)	434%	(30,090)	The new pick up truck has been purchased and is in use. The old pick up has not yet been disposed. Staff considering options for truck in Public Works as it is in excellent condition and has low kilometers.
Proceeds from Sale		(30,000)		30,000	
Total Revenues	(39,095)	(39,005)	100%	(90)	
Expenses					
Capital Purchase	39,095	39,005	100%	90	
Total Expenses	39,095	39,005	100%	90	
Net Contribution to Municipal Position	-	-	0%	-	
e-Permitting Software					
Revenue					
Transfer From Reserves		(18,000)		(18,000)	The software company

TOWNSHIP OF PERTH SOUTH
Statement of Revenues and Expenses
As of August 31, 2022

	Actuals	Budget	% of Budget	Budget Remaining	Comments
Total Revenues	-	(18,000)		(18,000)	continues to work on the development of this software. A launch is anticipated in early 2023. This project will likely be deferred until that time. It will be included in the 2023
Expenses					
Capital Purchase		18,000			
Total Expenses		18,000		18,000	
Net Contribution to Municipal Position	-	-		-	

Police Cruiser

Revenue					
Transfer From Reserves	(29,173)	(49,285)	59%	(20,112)	Cost of replacement cruiser included in monthly billings.
Proceeds from Sale	0	(5,000)	0%	(5,000)	
Total Revenues	(29,173)	(54,285)	54%	(25,112)	
Expenses					
Capital Purchase	29,173	70,015	42%	40,842	
Total Expenses	29,173	70,015	42%	40,842	
Net Contribution to Municipal Position	-	15,730	0%	15,730	

Transportation - Bridges

Structure 46 - Line 14 East of 134

Revenue					
Total Revenues					
Expenses					
Contracted Services	33,534	27,000	124%	(6,534)	Inspection of structure has been completed. Waiting for

TOWNSHIP OF PERTH SOUTH
Statement of Revenues and Expenses
As of August 31, 2022

	Actuals	Budget	% of Budget	Budget Remaining	Comments
Total Expenses	33,534	27,000	124%	(6,534)	been completed. waiting for B.M. Ross Report.
Net Contribution to Municipal Position	33,534	27,000	124%	(6,534)	
Transportation - Roads					
Line 10 (RDS 7, 8, 9, & 10)					
Revenue					
Gas Tax Funding	(236,997)	(236,997)	100%	0	
Total Revenues	(236,997)	(236,997)	100%	0	
Expenses					
Contracted Services	1,140,990	1,066,562	107%	(74,428)	Project is complete.
Total Expenses	1,140,990	1,066,562	107%	(74,428)	
Net Contribution to Municipal Position	903,993	829,565	109%	(74,428)	
Line 4 (S. 23 & 24) - Road 151 to Road 164					
Revenue					
Transfer from Reserves	(413,811)	(413,811)	100%	0	
Total Revenues	(413,811)	(413,811)	100%	0	
Expenses					
Contracted Services	442,045	413,811	107%	(28,234)	Project is complete.
Total Expenses	442,045	413,811	107%	(28,234)	

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Statement of Revenues and Expenses
As of August 31, 2022

	Actuals	Budget	% of Budget	Budget Remaining	Comments
Net Contribution to Municipal Position	28,234	-		(28,234)	
Road 138 - Line 6 - Perth Line 8 (S. 37)					
Revenue					
Total Revenues					
Expenses					
Contracted Services	-	5,007	0%	5,007	Project to be completed in September when Perth County work on Line 8 is completed.
Total Expenses	-	5,007	0%	5,007	
Net Contribution to Municipal Position	-	5,007	0%	5,007	
Road 120 (S. 62 & 63) Perth Line 9 to Line 14					
Revenue					
Transfer from Reserves	-	(131,484)	0%	(131,484)	Project is complete. Invoicing is outstanding.
Total Revenues	-	(131,484)	0%	(131,484)	
Expenses					
Contracted Services	-	131,484	0%	131,484	
Total Expenses	-	131,484	0%	131,484	
Net Contribution to Municipal Position	-	-		-	
Road 125 (S. 56) Line 14 to Boundary					
Revenue					
Transfer from Reserves	-	(100,496)	0%	(100,496)	

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Statement of Revenues and Expenses
As of August 31, 2022

	Actuals	Budget	% of Budget	Budget Remaining	Comments
Total Revenues	-	(100,496)	0%	(100,496)	
Expenses					
Transfer to Reserves	-	-		-	Project is complete. Invoicing is outstanding.
Engineering	-	-		-	
Contracted Services	-	100,496	0%	100,496	
Total Expenses	-	100,496	0%	100,496	
Net Contribution to Municipal Position	-	-		-	

Line 14 (S. 55.1) - Road 125 to Road 120

Revenue					
Transfer from Reserves	(4,902)	(30,922)	16%	(26,020)	Project is complete. Invoicing is outstanding.
Provincial Capital Grant	-	-		0	
Total Revenues	(4,902)	(30,922)	16%	(26,020)	
Expenses					
Contracted Services	4,902	30,922	16%	26,020	
Total Expenses	4,902	30,922	16%	26,020	
Net Contribution to Municipal Position	-	-		-	

Line 15 (S.120/121/122) Hwy 7 -Perth Rd 130

Revenue					
Provincial Capital Grant	(32,972)	(332,094)	10%	(299,122)	
Total Revenues	(32,972)	(332,094)	10%	(299,122)	

TOWNSHIP OF PERTH SOUTH
Statement of Revenues and Expenses
As of August 31, 2022

	Actuals	Budget	% of Budget	Budget Remaining	Comments
Expenses					
Materials Purchased	-	-			Project is complete. Invoice is outstanding.
Advertising	-	-			
Engineering	-	-			
Contracted Services	32,972	443,679	7%	410,707	
Total Expenses	<u>32,972</u>	<u>443,679</u>	<u>7%</u>	<u>410,707</u>	
Net Contribution to Municipal Position	<u>\$ -</u>	<u>111,585</u>	<u>0%</u>	<u>111,585</u>	

Transportation - Vehicles

Tandem Plow						
Revenue						
Transfer From Reserves	(147,892)	(253,022)	58%	(253,022)	Truck is at dealer for final safety. Partial invoicing has been received.	
Proceeds from Sale	-	(20,000)	0%	(20,000)		
Total Revenues	<u>(147,892)</u>	<u>(273,022)</u>	<u>54%</u>	<u>(273,022)</u>		
Expenses						
Capital Purchase	147,892	273,022	54%	125,130		
Total Expenses	<u>147,892</u>	<u>273,022</u>	<u>54%</u>	<u>125,130</u>		
Net Contribution to Municipal Position	<u>-</u>	<u>-</u>		<u>-</u>		

Loader

Revenue					
Transfer From Reserves	-	(190,000)	0%	(190,000)	Working on joint tender with
Proceeds from Sale	-	(40,000)	0%	(40,000)	
Total Revenues	<u>-</u>	<u>(230,000)</u>	<u>0%</u>	<u>(230,000)</u>	

TOWNSHIP OF PERTH SOUTH
Statement of Revenues and Expenses
As of August 31, 2022

	Actuals	Budget	% of Budget	Budget Remaining	Comments
Expenses					
Capital Purchase	-	230,000	0%	230,000	Working on joint tender with Perth County. Expected to be out for tender in August 2022.
Total Expenses	-	230,000	0%	230,000	
Net Contribution to Municipal Position	-	-		-	
Pick Up Truck					
Revenue					
Transfer From Reserves	(37,819)	(17,814)	212%	(17,814)	
Proceeds from Sale	(14,200)	(20,000)	71%	(20,000)	
Total Revenues	(52,019)	(37,814)	138%	(37,814)	
Expenses					
Capital Purchase	37,819	37,814	100%	(5)	Pick up truck sold at auction.
Contracted Services	1,084			(1,084)	
Total Expenses	38,902	37,814	103%	(1,088)	
Net Contribution to Municipal Position	(13,116)	-		13,116	
Environmental Services					
Garbage Disposal - Downie Landfill					
Revenue					
Transfer from Reserves	-	(30,000)		-	
Total Revenues	-	(30,000)		-	
Expenses					CAO/Treasurer working on

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Statement of Revenues and Expenses
As of August 31, 2022

	Actuals	Budget	% of Budget	Budget Remaining	Comments
Contracted Services	-	30,000		-	finalizing agreement and water rights purchase.
Total Expenses	-	30,000		-	
Net Contribution to Municipal Position	-	-		-	
Recreational Facilities					
Optimist Building Improvements					
Revenue					
Federal Capital Grant	(36,005)	(36,005)	100%	-	Project is close to completion. Minor deficiencies are now being corrected.
Transfer from Reserves	(13,959)	(13,959)	100%	-	
Total Revenues	(49,964)	(49,964)	100%	-	
Expenses					
Materials Purchased	16,452	-		(16,452)	
Contracted Services	119,188	135,268	88%	16,080	
Total Expenses	135,640	135,268	100%	(372)	
Net Contribution to Municipal Position	85,676	85,304	100%	(372)	
Total Township of Perth South	\$ 1,038,322	\$ 1,074,191	97%	\$ 35,869	