

## Staff Report

**To:** Mayor Bazinet and Members of Council  
**Report From:** Deanna Hastie, Director of Corporate Services/Treasurer  
**Meeting Date:** March 17, 2025  
**Subject:** 2024 Year End Adjustments  
**Attachment(s):** 1) None

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**Recommendation:**

That Goderich Town Council approve the recommended transfers in the report.

**Report Summary:**

Treasury staff have completed most of their review and year end processes for 2024. Several recommendations regarding year end results are provided for Council's consideration.

**Background and Analysis:**

Treasury staff complete a detailed analysis of the Town's year-end financial results annually. As part of this process, recommendations for transfers to reserves and reserve funds are provided for Council's consideration.

**Building Inspection Department**

The Building Code Act allows municipalities to set permit fees to cover the cost of administering and enforcing the Building Code. Generally, these services should be self-supporting and not impact the municipal net budget requirements.

Previous Town Council approved the creation of a Building Fee Stabilization Reserve Fund to stabilize revenues in years with minimal building permit revenue, to provide funds for future service enhancements, unexpected department expenses such as training, legal fees of staffing needs.

In 2024, building permit revenues exceeded budget. This extra revenue has resulted in a need to adjust the transfer to/from the Building Fee Stabilization Reserve Fund.

**Recommendation**

A transfer of \$143,424.82 to the Building Fee Stabilization Reserve Fund is recommended to comply with direction under the Building Code Act and provide funds to support this department in future years. The budget reflected a transfer from the Reserve Fund in 2024 to support the department.

**Downtown Square Revitalization Project**

Engineering costs were budgeted at \$215,000 for 2024 based on the level of planning expected

to be accomplished and estimated time involved. Actual engineering costs for 2024 were \$330,967.26.

**Recommendation**

A transfer of \$115,967 from the OCIF Reserve Fund is proposed to provide funding for these additional costs.

**Stanley St Parking Lot**

Council authorized the paving of the Stanley Street parking lot to increase available parking, particularly during the Downtown Square Project. The cost of the work was \$222,585.02. Initially, funding was proposed to come from reserve fund borrowing.

The Town also has a Cash in Lieu of Parking Reserve Fund with a balance of \$79,853.66. The Reserve Fund was established by By-law 18 of 1987. These funds have been contributed by developers whereby a cash payment is made in lieu of providing onsite parking spaces. Use of this funding for this added parking lot is consistent with the purpose of the reserve fund.

**Recommendation**

A transfer of \$79,853.66 from the Cash in Lieu of Parking Reserve Fund is proposed as partial funding for the Stanley Street parking lot with the remainder of the cost funded by borrowing from reserve funds.

**Road Maintenance Department**

Safe and reliable infrastructure is the first goal outlined in the Town's Corporate Strategic Plan. A goal to establish an annual Roads Maintenance Program with associated funding to ensure ongoing minor improvements to primary transportation routes is cited as a measurable action step.

**Recommendation**

A transfer of \$150,000 to the Road Reconstruction Reserve Fund is proposed to provide some base funds to implement program initiatives. An expenditure of \$100,000 has been added to the 2025 Draft Budget changes listing as a starting point in the implementation of proposed program initiatives for equipment investment and added program costs. Beyond 2025, these road maintenance costs will be built into the operational budget.

**Parks Department**

The 2024 budget included the purchase of a new pick-up truck with a budget of \$50,000 supported by taxation. Although the RFP for the purchase was approved, supply delays have resulted in the carryover of the purchase to 2025.

**Recommendation**

A recommendation to transfer \$50,000 to the Public Works Reserve fund is provided to set aside the funds to cover the cost of the vehicle when it is received in 2025.

**Public Works Department**

Subsequent to the replacement of one of the Town's snowplow trucks, this department was able to recover \$13,273.75 in proceeds for the sale of the prior plow truck on Govdeals. In addition, the cost of the department's capital purchases funded by taxation were underbudget by approximately \$7,000.

**Recommendation**

That a transfer of \$20,000 to the Public Works Reserve Fund be approved to provide funds for future equipment replacement.

**Recreation Department**

The actual YMCA operating support was significantly lower than the budget. Overall, the 2024 results reflected a \$62,094 gain rather than an expense of \$200,561. In addition, building maintenance costs were also underbudget as the ceiling tile replacement was completed by Town staff rather than a contractor resulting in \$15,000 in savings

**Recommendation**

A transfer of \$275,000 to the Recreation Reserve is recommended to provide funding for future capital needs. This recommendation could also eliminate the need for the one-time transfer of \$150,000 that is currently reflected in the 2025 Draft Budget.

**Library Department**

The 2024 budget reflected the start of a phased replacement of carpeting - \$20,000. This project was not completed in 2024 and has been included in the Draft Budget for 2025. This project was supported by taxation in 2024.

**Recommendation**

A recommendation to transfer \$20,000 to the Infrastructure Reserve Fund is proposed. This transfer would then be used to provide funding for the project in the 2025 Draft Budget

**Policing Department**

As Council is aware, policing costs increased significantly in 2025. The Province provided 10% relief to assist municipalities, however, staff are not aware of any further promise of support beyond 2025 at this time. The level of assistance for 2025 is \$396,856. As part of the Draft 2025 Budget a transfer of \$130,000 is proposed to provide funds for policing cost increases expected beyond 2025.

**Recommendation**

A recommendation to transfer a further \$75,000 to the Policing Reserve as part of the 2024 year- end adjustments is proposed due to the magnitude of the potential cost increase of this service in the future. Having some funds reserved would help to mitigate the impact of the potential future increase on taxation.

**Winter Maintenance Department**

This department's results were approximately \$50,000 under budget for 2024.

**Recommendation**

A transfer of \$50,000 to the Public Works Reserve Fund is proposed to provide funds for future vehicle and equipment needs.

**Childcare Department**

The Town has received approval to apply \$10,124.30 in 2024 funding toward the EarlyOn program in 2025.

**Recommendation**

A transfer of \$10,124.30 to the Childcare Reserve is proposed. These funds would then be used in the 2025 Draft Budget to support an increase to the EarlyOn program.

**Contingency Reserve**

Funding for projects/needs that came to light during the year were funded from the Contingency Reserve in the amount of \$37,253.

**Recommendation**

A transfer of \$37,253 to the Contingency Reserve is proposed to repay this reserve.

**General**

The Town received additional unbudgeted revenue in 2024 from interest, a successful Salt and Harvest Festival and supplementary childcare funding support from the County. Staff suggest that this is an opportunity to augment the current asset management strategies that seek to provide resources and address the Town's infrastructure deficit.

**Recommendation**

A transfer of \$260,000 to the Road Reconstruction Reserve Fund to provide funds to address future roadwork, streetlights and storm sewer needs.

**Linkage:**

- Corporate Strategic Plan Priority #4: Good Government

**Financial Impacts and/or Source of Funding:**

The financial impact of this report is as described in each recommendation and has a direct impact on the 2024 surplus.

**Consulted With:**

Sean Thomas, Director of Community Services, Infrastructure and Operations

**Approved By:**

Janice Hallahan, Chief Administrative Officer

Andrea Fisher, Director of Legislative Services/Clerk