

 <p>GRAVENHURST GATEWAY TO MUSKOKA</p>	THE CORPORATION OF THE TOWN OF GRAVENHURST	
	To:	Committee of the Whole
	From:	Wayne Campbell, Director of Financial Services / Treasurer
	Date:	August 12, 2025
	Subject:	2025 Mid-Year Financial Update Report No. FIN 2025-13

RECOMMENDATIONS

The Director of Financial Services / Treasurer recommends:

THAT Report No. FIN 2025-13 re: 2025 Mid-Year Financial Update be received for information.

PURPOSE

The purpose of the 2025 Mid-Year Financial Update Report is to provide Committee with an update on mid-year financial performance versus budget, as well as a status update on some of the planned initiatives that were articulated in the budget, also known as the Town's business plan.

BACKGROUND

The 2025 Mid-Year Financial update is part of Administration's quarterly reporting schedule on performance. This is an important component in the accountability cycle to both Council and the community. It provides an opportunity to keep Council and the community informed on the use of resources approved in the 2025 budget, and to identify unanticipated anomalies in the business plan.

ANALYSIS

Operating Financial Analysis

As of June 30, 2025, the Town's net operating budget is at 50% utilization, consistent with the mid-year mark in 2024 and slightly higher than 48% in 2023 and 45% in 2022. A review of departmental expenditures reveals:

- Infrastructure Services is tracking at 62% budget utilization, primarily due to the challenging winter season and ongoing March 2025 ice storm clean-up efforts. The Town has submitted an Expression of Interest to apply for funding assistance under the Municipal Ice Storm Assistance (MISA) program and has received the MISA application package from the Ministry of Municipal Affairs and Housing (MMAH).
- Community Partnerships is tracking at 56% budget utilization, mainly due to the payment of the management fee to Muskoka Steamships and Discovery Centre.

- Development Services is tracking at 54% budget utilization, primarily due to lower-than-expected building permit revenue at this point in the year, which is the general experience across the industry based on a variety of factors.

Favourable Variances and Savings Opportunities

To mitigate the financial impact of the Infrastructure Services overage, Administration has spent extensive time attempting to mitigate this, and have identified favourable variances and savings opportunities that will assist our financial position.

These included:

- Positive Variances mainly from Corporate Administration Budget (\$1,419,000)
 - Corporate administration service delivery review implementation (\$100,000)
 - Cancellation of Council Market Review (\$15,000)
 - In-house SharePoint training (\$2,000)
 - Council rebate from the District (\$2,000)
 - Potential savings from Canada Post strike (\$2,000)
 - Investment proceeds from the sale of a Canadian deposit note (\$1,300,000)

Other possible savings opportunities were identified for consideration.

TOWN OF GRAVENHURST

2025 Mid-Year Financial Summary

June 30, 2025

<u>Department</u>	<u>Jan - Jun Net Spend</u>	<u>2025 Net Budget</u>	<u>% Utilized</u>
Council	144,454	331,700	44%
Community Partnerships	790,611	1,414,250	56%
Community Contributions	37,200	104,200	36%
Office of the CAO	399,930	875,850	46%
Legislative Services	202,830	536,875	38%
Financial Services	322,167	763,850	42%
Fire & Emergency Services	639,831	1,287,141	50%
Recreation & Culture	388,276	1,064,105	36%
Development Services	711,858	1,327,107	54%
Infrastructure Services	3,649,174	5,905,526	62%
Corporate Administration	3,076,317	7,066,265	44%
NET OPERATING BUDGET	10,362,648	20,676,869	50%

Office of the CAO & Human Resources

Office of the CAO

- Continued work on the implementation, monitoring and reporting of the Town's approved Strategic Plan
- Continued monitoring and dialogue with Infrastructure Ontario on the disposition and development of the Muskoka Regional Centre, and to a degree, the Ontario Fire College lands
- Organizational assessment and initiation of the Town's Service Delivery Review
- Continued support to finalize the new YMCA management agreement
- Work with the Cottage Country Family Health Team and the associated Steering Committee on the Health Hub initiative aimed at expanding health care services to the Town and District
- Continued work with the Health Human Resources Task Force as it relates to doctor recruitment efforts
- Continued support in the development of most corporate initiatives, including climate adaptation and mitigation, housing, and departmental business planning

- Council support, where applicable, and the provision of board development
- Participation in external groups including, but not limited to, Tourism Gravenhurst and MAILT

Human Resources

- Recruitment and Onboarding: 33 vacancies, including summer and seasonal positions; 14 summer students and 8 seasonal staff (lifeguards and marina) onboarded
- Corporate Training: Key initiatives included Respect in the Workplace, UKG platform training, Financial Wellness Sessions, LEAN Training (15 white belts, 2 yellow belts), and Managing a Hybrid Workforce
- UKG HRIS Implementation: Successfully launched the new system in June 2025, enhancing staff access to information and payroll processes; next phase includes automating recruitment and onboarding
- Co-op Opportunities: Hosted 3 Gravenhurst High School co-op students
- Health and Safety: Promoted wellness through newsletters (Comfort Zone, Managing Safely, Wellness Whispers) and training sessions (Safe Lifting, Health and Safety Awareness, Corporate Orientation)

Financial Services

- Continue to assess new financial software with area municipalities.
- Continue to research electronic tax payment financial software in conjunction with the financial software assessment.
- Continue to research and assess online payment options.
- Implementation and training on a new payroll system corporate wide in collaboration with HR as part of the new HRIS.
- Support INF with the next legislated requirement for asset management planning.
- Complete a cycle of identifying and declaring surplus town owned properties which can be listed for sale.

Fire and Emergency Services

- Call volume for 2025 has greatly increased, with the Department responding to 257 calls as of mid-July. The past average per year has been 280.
- New Fire Prevention Officer has been successfully onboarded and is having a positive impact on safety in Gravenhurst.
- The new pumper truck for Station 3 is set to be delivered soon. One of only two of its kind in Ontario, it will increase the operational capacity of the FES fleet.
- Two new 4x4 utility pickups will be delivered mid-August and will increase the Department's service delivery options.
- Many members of FES have begun certification in technical rescue disciplines, in response to the provincial mandatory certification program.

Legislative Services

- Mid-Year Data (end of June 2025):

FOIs	15
STRs	95
Refreshment Vehicles	37
Marriage Licenses	51
Civil Ceremonies	19
Engage Gravenhurst Projects	3

- Hosted comprehensive corporate SharePoint training (101, 102, 103 levels)
- Released and awarded the Cemetery Modernization RFP, continued to backfill scanning of essential cemetery records in anticipation of the project
- Collaboratively with wide corporate representation, performed a records management classification review and updates to the Retention By-law
- Continued the active expansion and promotion of the “Stay in Touch” campaign to continue to advise to the public of the various methods of communication
- Produced two physical editions of The Gravenhurst Connection newsletters including design, printing and mailbox delivery
- Led the public engagement and community outreach booth at the Gravenhurst Farmers’ Market ensuring weekly representation to connect with the community
- Completed interviews and videography work for government services public relations promotional campaign
- Provided Emergency Customer Service during the March 2025 Ice Storm event
- Implemented Gravenhurst specific procedures to adopt the Strong Mayor legislation
- Led the discoveries and contract management for the IT Services Review project with the Town of Bracebridge.
- Initiated preparation for the 2026 Municipal Election including confirmation of alternative voting methods and release and award RFP for voting services,
- Through support of the Gravenhurst Public Arts Committee and collaboration with the Muskoka Discovery Centre, implemented the rotation art displays at Town Hall featuring local artists
- Upon the resignation of the Integrity Commissioner, appointed an Interim Integrity Commissioner to provide continued support to Council and the public

Infrastructure Services

- The Asset Management Plan Compliance review is underway. Public and Council engagement surveys have been completed, and a financial strategy is currently being developed.
- Road condition assessments are complete, and capital betterment strategies are being evaluated against asset performance needs
- The Wharf Recreation Hub Working Group has been established, with the kickoff meeting scheduled for August 19th.
- Strategic beautification and landscaping efforts are continuing at the Gravenhurst Wharf.
- Enhancements to the Gull Lake Park parking lot have been completed.
- Operational resource needs within the department are currently under review, with future state plans in development.
- Portfolio descriptions for the Manager of Engineering and Asset Management Specialist roles are underway.
- Support being provided to Legislative Service with onboarding of the Cemetery Software platform and transition of cemetery sales.
- Riley Lake Road improvements being planned for August using internal resources, materials to complete the project have been ordered.
- Assumption of the Muskoka Discovery Centre expansion is currently under consideration. Preparation of various Council approved Road Use Agreements.

Development Services

Planning Services

- Planning Application revenue is lower than expected at this point in the year.
- A Request for Proposals (RFP) for reviewing Planning Application Fees was released earlier this year and work is well underway. It is anticipated that this project will be completed by the end of Q3 of this year.
- Following the completion of the Housing Needs Assessment in late 2024, an interdepartmental working group was set up to develop the Housing Action Plan in-house, which was delivered to Council in May.

Building

- Building Permit revenues are significantly lower than last year at this time and lower than expected at this point in the year. The uncertainty of global markets and the current economic landscape are expected to be the reason for this drop-in activity. This is a trend that most building divisions across the province are experiencing.
- Septic re-inspection program has continued this summer.

By-law

- Completed reviews and updates of several key municipal by-laws, as directed by Council, including the Parking, Property Standards and the Clean and Clear by-laws.

Economic Development

- Successfully facilitated 5-year lease of Gull Lake Concession Stand while also supporting the expansion of local business.
- Facilitated on going activations at Muskoka Wharf including the filling of all four Shops on the Boardwalk and weekly Music performers.
- Implemented year two of the We Dig Gravenhurst Campaign, including shop local campaigns, signage for downtown and Wharf, comprehensive events promotion, spin to win contests and local currency giveaways.
- Partnered with Muskoka Tourism to facilitate Birding in Muskoka program in Spring. Over 300 registrants for the program.
- Participated in region tariff response committee to provide online resources for small business owners across multiple sectors.

Recreation, Arts and Culture

Centennial Centre

- The first year of the facility use agreement with Muskoka Bay Golf Club ended in June. As with the first year of most initiatives, some work needs to be done. A debrief meeting will be scheduled to discuss options and opportunities.
- Youth space continues to be successful; the space is being piloted over the summer a few days a week to see if the need exists while school is out. A partnership with the Mind Aid Mobile Youth Hub has been in place over the past school year and the hub will continue to set up every other week over the summer as well as select days at Gull Lake and Muskoka Wharf.
- The YMCA agreement is being finalized. It is being reviewed by the YMCA legal team and Administration is waiting for the responses.

Recreation Programming

- Work on the Park, Recreation and Trails Master Plan is ongoing with work on increasing facility utilization, offering additional low and no cost programs, and policy review
- Summer programming in the parks will include Picasso in the Park. Other summer programming includes Trail Blazers, a hiking program, adult and youth cornhole and junior tumblers.
- Guarding for the summer has proven challenging, with only 4 guards.

Events

- A couple annual events remain in Bracebridge due to the Bay and Beyond project. Tall Pines remained at Gull Lake Park, while Ribfest and the Triathlon moved back to the Wharf. Third Party events continue with great support from the community.
- Corporate events are also seeing success in participation. The Town Charity Funspiel, Mayor's Tea and Canada Day were all well attended and received positive feedback. The Civic Holiday Fireworks and Make a Splash each occurred during the writing of this Report

Opera House/Barge

- The first year of school programming proved very successful with the Opera House Admin teaming up with Timberbeast Productions to provide classes in Beechgrove and Gravenhurst Public Schools with 5 hours of in class learning with each grade. The Creative Seed program ended with each school performing on stage at the Opera House in front of their peers and family as well as members of Council.
- Planning for the Opera House 125th Anniversary is well underway with the celebration taking place in 2026.
- Reignited the Ship & Show bus tour package with the Steamships, Lunch Cruise followed by a Matinee performance to one of the Live Theatre Productions. We have sold 5 bus tour groups this summer.
- Live Theatre is underway with the Town continuing the partnership with the Orillia Opera House to bring two great shows to our theatre this summer, A Woman's Love List and Hurry Hard.
- Music on the Barge season has been very well attended. Battle for the Barge "Winner Night" continued with an elimination style platform having 1 winner. The winning band was chosen by the community through a voting process on Engage Gravenhurst. Positive feedback and comments continue to come in about the line-up. It's nice to see the new seating area full.

Gravenhurst Public Library Board

- Completed installation of audio/visual equipment upgrade in program/meeting room.
- Implemented new CloudNine print management system and coin-op with CC/Debit Pay Station for self-serve use at public workstations.
- Completed and filed application for charitable status with CRA.
- Developed brochure and matching webpage for fundraising purposes.
- Established teaching garden at front of the library with indigenous pollinator plants.
- Expanded “the library of things” with new nature discovery backpacks through grants obtained on the library’s behalf by Watersheds Canada.
- Added robotics and a set of wireless hot glue guns to the mobile maker lab.
- Offered a wide variety of programming opportunities to people of all ages including: Preschool Story Time, Baby Bop, Felt Friends, Afterschool Kids’ Club, Lego League, DashLab, Mini Makers, Summer Trade School, Steam Team, Tween Scene, and Reading Challenges for youngsters; Craft & Connect, Cricut Creations, One-on-One Tech Help, Books and Brews, Adult Board Game Nights, and Free Tax Clinics for adults.
- Continued to enhance relationships with partners as well as look for opportunities for new partnerships within the community including those with: the Gravenhurst Archives, Therapeutic Paws of Canada, EarlyON, Great Beginnings, Peter Johnston and the Plant Based Treaty Initiative, the Arthritis Society, Gravenhurst Against Poverty, Muskoka Master Gardeners, Muskoka Pride, Gravenhurst Farmers’ Market, the Town of Gravenhurst, and the District of Muskoka.

Capital Program

The 2025 Capital program is moving along with 58 active projects at mid-year. We continue to tender projects throughout the year with some projects expected to carry over into 2026.

Projects completed at mid-year:

- Purchase of road grader
- Purchase of new plow truck
- Purchase of new backhoe
- Purchase new mower for cemeteries
- Replace the sand dome that was destroyed in the March 2025 ice storm
- Municipal office walkway
- Food Cycler municipal pilot program

Active projects include:

- Opera House digital marquee sign
- Human Resources information system
- Musquash Rd, Abbey Lane and Oriole Cres drainage projects

- Engineering and design for Hahne St sewer realignment
- 2025 Roads Rehabilitation Program – Peninsula and Baseline Roads
- Fairview Drive Storm sewer Improvements
- Campbells Road Rehabilitation Design
- Building Automation Systems Design – Municipal Office/Centennial Centre
- Muskoka Discovery Centre Roof Replacement
- Redwing Drive Drainage Improvements
- North Morrison Lake Landing Improvements
- Lorne Street Rehabilitation
- Outdoor AED's and Muskoka Beach Park AODA ramp
- Boat launch improvements at Muskoka Wharf and Hewitt St
- Various fleet and fire vehicles replacement

Projects that will not be completed in 2025

- Shops at the Boardwalk expansion (may do hydro work in 2026, look for it in the 2026 Capital Budget)
- Ebikes (couldn't mobilize this year but look for it next year)
- Kayakomat purchase (instead facilitated a small business to offer boat rentals at Gull Lake Rotary Park)

There are no known issues with the capital program at mid-year. All projects are tracking within budget.

CONSULTATION

The following individuals / community groups were consulted:

- Senior Leadership Team
- Chief Executive Office, Gravenhurst Public Library
- Manager of Revenue / Deputy Treasurer
- Manager of Operations
- Manager of Facilities

CORPORATE FINANCIAL IMPACT

Based on the current financial performance and taking into account the identified favourable variances and savings opportunities, as well as the potential impact of external funding programs, such as the Municipal Ice Storm Assistance (MISA) program, the Town is projecting a year-end operating result ranging from break-even to a 1% operating surplus.

COMMUNICATIONS

This Report will be posted on the Town website.

FUTURE CONSULTATIONS

Looking ahead, the following financial reports are planned:

- Third Quarter Report: To be presented in October 2025, providing an update on the Town's financial performance.
- 2026 Budget Documents: Expected to be released in November 2025, featuring comparative year-to-date and multi-year data.
- 2025 Year-End Report: To be presented in April 2026, once all 2025 financial activity has been accounted for and consolidated, providing a comprehensive review of the Town's operating and capital financial performance.

CONCLUSIONS

Administration concludes that 2025 Mid-Year Financial Update Report highlights the Town's sound financial management and accountability during a time of great instability and unanticipated financial impacts (e.g. ice storm). Our financial performance demonstrates good progress on Council-approved initiatives, and we anticipate ending the year within our projected financial outlook of an operating surplus ranging from break-even to a 1%. This outcome reflects our ongoing efforts to manage resources effectively and respond to emerging financial opportunities and challenges.

CLIMATE CHANGE IMPLICATIONS

While this Report does not directly advance the goals of the Climate Change Declaration, it is essential to acknowledge the connection between climate change and the Town's financial performance. The increasing frequency and intensity of extreme weather events, such as those experienced in 2024/2025, are expected to continue and potentially escalate due to climate change. This underscores the importance of integrating climate resilience into decision-making processes and future budgeting. Notably, the Operating Budget includes various initiatives related to adaptation and mitigation plans, which are designed to support informed climate-related decision-making and help the Town navigate the financial implications of climate change.

RELATION TO STRATEGIC PLAN

This Report advances and supports the following elements of the Town of Gravenhurst Strategic Plan by:

Pillar 3: Effective Municipal Services

Goal 10: Ensure continued prudent financial and asset management planning

Administration's quarterly reporting schedule on performance is an important component in the accountability cycle to both Council and the community. It provides an opportunity to keep Council and the community informed on the use of resources approved in the annual budget.

RELATION TO OTHER MUNICIPAL REPORTS, PLANS OR APPLICABLE LEGISLATION

This Report related to other municipal reports, plans or applicable legislation including:

1. 2025 Operating Budget
2. 2025 Capital Budget and Multi Year Plan

ATTACHMENTS [- nil]

RESPECTFULLY SUBMITTED BY:

Author: Theresa Trott, Manager of Accounting / Deputy Treasurer

Approved by: Wayne Campbell, Director of Financial Services / Treasurer

Approved by: Scott Lucas, Chief Administrative Officer