

ATTACHMENT A
Variance Analysis of the Operating Results
for the Six Months Ending 2022-JUN-30 & Projections for the
Year Ending 2022-DEC-31

On a monthly basis, each City department monitors its actual financial results as compared to the Financial Plan. The following section provides a summary of the projected surplus (deficit) by department for 2022, and includes an explanation for significant variances over \$100,000.

City Administration

The City Administration division shows year-to-date total revenues at 4% and expenditures at 43%. Based on the analysis of these accounts, at 2022-JUN-30, a net surplus of \$168,800 is projected which is due to a number of position vacancies.

Corporate & Business Development

The Corporate & Business Development division shows year-to-date total revenues at 28% and expenditures at 32%. Based on the analysis of these accounts, at 2022-JUN-30, a net surplus of \$369,900 is projected. The key variance over \$100,000 is:

- Economic Development – \$446,600 surplus – This projected surplus is due to a position vacancy and a reduction in spending due to the delayed start up of the Nanaimo Prosperity Corporation.

Corporate Services

The Corporate Services division shows year-to-date total revenues at 67% and expenditures at 47%. Based on the analysis of these accounts, at 2022-JUN-30, a net surplus of \$838,800 is projected. Areas with variances exceeding \$100,000 are outlined below:

- Financial Services and Purchasing – \$179,800 surplus – Savings in wages due to vacant positions has resulted in this surplus.
- Information Technology – \$386,500 surplus – This projected surplus is due to lower than budgeted wages as a result of position vacancies, and savings on both hardware and software renewals.
- Police Services – \$225,500 surplus – Savings in wages due to vacant positions has resulted in this surplus.

Development Services

The Development Services division shows year-to-date total revenues at 98% and expenditures at 43%. Based on the analysis of these accounts, at 2022-JUN-30, a net surplus of \$1,497,500 is projected. Areas with variances exceeding \$100,000 are outlined below:

- Bylaw Enforcement including Parking – \$195,000 surplus – This projected surplus is mainly due to a number of Bylaw position vacancies.

- Community Planning - \$150,500 surplus – A number of vacancies in Community Planning have resulted in this surplus.
- Building Inspections – \$1,004,200 surplus – This projected surplus is due to the expectation that the volume of building inspections will be higher than anticipated for the year.

Parks, Recreation & Culture

The Parks, Recreation & Culture division shows year-to-date total revenues at 36% and expenditures at 46%. Based on the analysis of these accounts, at 2022-JUN-30 there is a projected year-end deficit of (\$148,700). The key variances over \$100,000 are as follows:

- Facility Planning & Maintenance – (\$103,000) deficit – This projected deficit is mainly due to an increase in security and other contracted services costs as a result of vandalism.
- Parks Operations – (\$218,200) deficit – This deficit is due to higher than anticipated operating costs for the Serauxman Stadium.
- Aquatics Operations – \$379,000 surplus – This variance is a result of reduced operating hours due to lifeguard shortages and the closure of Beban Pool in January due to unscheduled maintenance.
- Arena Operations – (\$207,600) deficit – This deficit is a result of revenues not returning to pre-pandemic levels as quickly as planned.

Engineering & Public Works

The Engineering & Public Works division shows year-to-date total revenues at 51% and expenditures at 48%. Based on the analysis of these accounts, at 2022-JUN-30, a net deficit of (\$175,400) is projected. The variance exceeding \$100,000 is outlined below:

- Transportation – (\$106,300) deficit – Higher than estimated cost of snow and ice removal is the contributing factor to this deficit.

Fire Rescue

The Fire Rescue division shows year-to-date total revenues at 54% and expenditures at 49%. Based on the analysis of these accounts, at 2022-JUN-30, there is a projected year-end surplus of \$33,400.

General Revenue

The General Revenue division shows year-to-date total revenues at 97% and expenditures at 75%. The majority of revenues in this division relate to property taxation, which are recorded in May and June of each year. Correspondingly, the majority of expenditures relate to tax pay overs and transfers to reserve. Based on the analysis of these accounts, at 2022-JUN-30 an estimated surplus of \$1,159,000 is expected. The variances exceeding \$100,000 are outlined below:

- Grants In Lieu of Taxes – \$321,000 surplus – This surplus is due to higher than anticipated revenues from the property holdings of the contributing entities (WCB, Provincial Rental Housing Corporation, BC Hydro, Federal properties, Canada Post, BCPC and ICBC)

- Investment Income - \$800,000 surplus – This is due to an increase in interest rates in 2022.

Sewer

The Sewer division shows year-to-date total revenues at 77% and expenditures at 87%. Based on the analysis of these accounts, at 2022-JUN-30 there is a projected year-end surplus of \$79,700.

Water

The Water division shows year-to-date total revenues at 46% and expenditures at 74%. Based on the analysis of these accounts, at 2022-JUN-30 there is a projected year-end deficit of (\$436,300). This is due to a decrease in water consumption in the first half of the year which has resulted in lower than anticipated revenues.