

ATTACHMENT A
Variance Analysis of the Operating Results
for the Six Months Ending 2023-SEP-30 & Projections for the
Year Ending 2023-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 2023, and includes an explanation for significant variances over \$100,000.

City Administration

The City Administration division shows year-to-date total revenues at 151% and expenditures at 67%. Based on the analysis of these accounts, at 2023-SEP-30, a net surplus of \$246,500 is projected. The key variance over \$100,000 is:

- Human Resources – \$180,800 surplus – This projected surplus is due to lower than planned wages as a result of position vacancies.

Corporate & Business Development

The Corporate & Business Development division shows year-to-date total revenues at 63% and expenditures at 70%. Based on the analysis of these accounts, at 2023-SEP-30, a net surplus of \$327,300 is projected. The key variance over \$100,000 is:

- Economic Development – \$191,400 surplus – This projected surplus is largely due to a management position vacancy.

Corporate Services

The Corporate Services division shows year-to-date total revenues at 73% and expenditures at 64%. Based on the analysis of these accounts, at 2023-SEP-30, a net surplus of \$1,908,000 is projected. Areas with variances exceeding \$100,000 are:

- Information Technology – \$245,600 surplus – This projected surplus is due to lower than budgeted wages as a result of position vacancies.
- Police Services – \$1,034,300 surplus – Savings in wages due to several vacant positions has resulted in this projected surplus.
- RCMP Contract - \$700,000 surplus - This projected surplus is mainly due to wage savings as a result of RCMP member vacancies.

Development Services

The Development Services division shows year-to-date total revenues at 102% and expenditures at 68%. Based on the analysis of these accounts, at 2023-SEP-30, a net surplus of \$1,056,100 is projected. Areas with variances exceeding \$100,000 are:

- Bylaw Enforcement including Parking – \$586,900 surplus – This projected surplus is a result of position vacancies, lower than expected expenditures and higher than projected fine revenue. Since the addition of 12 Community Safety Officers in the fall of 2022, Bylaw officers have been able to focus on enforcing the City's bylaws.
- Building Inspections - \$134,600 surplus – This projected surplus is due to several position vacancies.
- Current Planning - \$104,900 surplus – Savings in wages due to vacant positions has resulted in this expected surplus.

Parks, Recreation & Culture

The Parks, Recreation & Culture division shows year-to-date total revenues at 84% and expenditures at 76%. Based on the analysis of these accounts, at 2023-SEP-30 there is a projected year-end deficit of (\$111,900). The key variances over \$100,000 are:

- Parks Operations – (\$413,900) deficit – This deficit is due to higher than anticipated operating costs including security, garbage collection and general maintenance at various downtown parks and parks facilities.
- Aquatics Operations – \$234,700 surplus – This variance is a result of wage savings due to difficulties in staffing at planned levels and reduced operating hours at Beban Pool.

Engineering & Public Works

The Engineering & Public Works division shows year-to-date total revenues at 75% and expenditures at 77%. Based on the analysis of these accounts, at 2023-SEP-30, a net deficit of (\$53,700) is projected. The variances exceeding \$100,000 are:

- Engineering – \$176,900 surplus – This projected surplus is due to wage savings as a result of position vacancies.
- Transportation – (\$335,200) deficit – This projected deficit is due to the anticipation of higher than budgeted snow and ice removal costs in the upcoming winter season.

Fire

The Fire division shows year-to-date total revenues at 94% and expenditures at 74%. Based on the analysis of these accounts, at 2023-SEP-30, there is a projected year-end surplus of \$264,800. The variance exceeding \$100,000 is:

- Fire Services – \$220,000 surplus – This projected surplus is the result of an inspector vacancy and higher than anticipated VIERA revenue.

General Revenue

The General Revenue division shows year-to-date total revenues at 98% and expenditures at 93%. 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 reserves. Based on the analysis of these accounts, at 2023-SEP-30 an estimated surplus of \$721,200 is expected. The variances exceeding \$100,000 are:

- Investment Income - \$600,000 surplus – This estimated surplus is due to continued interest rate increases in 2023.
- Miscellaneous Income - \$140,600 surplus – It is projected that revenues earned from tax penalties will be higher than budgeted.

Sewer

The Sewer division shows year-to-date total revenues at 90% and expenditures at 92%. Based on the analysis of these accounts, at 2023-SEP-30 there is a projected year-end surplus of \$259,500 as a result of position vacancies and higher than budgeted user fee revenue.

Water

The Water division shows year-to-date total revenues at 73% and expenditures at 88%. Based on the analysis of these accounts, at 2023-SEP-30 there is a projected year-end surplus of \$34,200.