

ATTACHMENT A
Variance Analysis of the Operating Results
for the Nine Months Ending 2024-SEP-30 & Projections for the
Year Ending 2024-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 2024 and includes an explanation for variances over \$100,000.

City Administration

The City Administration division shows year-to-date total revenues at 41% and expenditures at 67%. Based on the analysis of these accounts at 2024-SEP-30, a net surplus of \$320,300 is projected. The key variances over \$100,000 are:

- Human Resources - \$166,200 surplus - This anticipated surplus is due to several partial year vacancies.
- Legislative Services - \$164,300 surplus - This projected surplus is due to savings on both legal and employee expense costs.

Corporate Services

The Corporate Services division shows year-to-date total revenues at 57% and expenditures at 68%. Based on the analysis of these accounts at 2024-SEP-30, a net surplus of \$481,900 is projected. Areas with variances exceeding \$100,000 are:

- Financial Services & Supply Chain Management - \$404,100 surplus - This anticipated surplus is a result of savings in wages and benefits, and employee expenses due to multiple vacancies.
- Corporate & Business Development Administration - \$169,600 surplus - This surplus is largely due to a senior management position vacancy.
- Port of Nanaimo Centre - \$123,000 surplus - This projected surplus is due to higher than anticipated event revenues at the Conference Centre.

Community Safety

The Community Safety division shows year-to-date total revenues at 93% and expenditures at 71%. Based on the analysis of these accounts at 2024-SEP-30, a net surplus of \$2,372,200 is projected. Areas with variances exceeding \$100,000 are:

- Bylaw/CSO - \$340,400 surplus - This projected surplus is a result of position vacancies and unspent management consulting budget.
- Fire Services - \$455,100 surplus - This anticipated surplus is the result of higher than anticipated VIERA revenues combined with unplanned wage recoveries.
- Police Support Services - \$1,381,100 surplus - Savings in wages and benefits due to numerous vacant positions are the reason for this expected surplus.

- RCMP Contract - \$114,000 surplus - This projected surplus is mainly due to savings from RCMP member vacancies.

Parks, Recreation & Culture

The Parks, Recreation & Culture division shows year-to-date total revenues at 91% and expenditures at 74%. Based on the analysis of these accounts at 2024-SEP-30, there is a projected year end surplus of \$1,238,500. The key variances over \$100,000 are:

- Facility Planning & Maintenance - \$140,800 surplus - This projected surplus is a result of staff vacancies and vandalism costs savings.
- Parks Operations - \$249,200 surplus - This anticipated surplus is due to staff vacancies, including unfilled natural area technician and park attendant positions.
- Aquatics Operations - \$248,300 surplus - The projected surplus is a result of increased facility usage and lower than budgeted utility costs.
- Arena Operations - \$323,300 surplus - This variance to budget is a result of higher than planned revenue from program participation and overall ice usage.
- Recreation Services - \$204,200 surplus - This projected surplus is due to an increase in programming revenue and facility rental revenue.

Planning & Development

The Planning & Development division shows year-to-date total revenues at 100% and expenditures at 63%. Based on the analysis of these accounts at 2024-SEP-30, there is a projected year end surplus of \$126,100. The key variances over \$100,000 are:

- Administration - \$235,100 surplus - This anticipated surplus is mainly due to a management position being vacant for the entire year.
- Building Inspections - \$415,400 deficit - This projected deficit is due to lower than anticipated building permit revenues as a result of higher interest rates that have only recently started to decline.
- Current Planning - \$125,300 surplus – This expected surplus is due to wage and benefit savings from vacant positions.
- Permit Centre & Business Licencing - \$127,900 surplus - This projected surplus is due to higher than anticipated revenues from both business licences and permits.

Engineering & Public Works

The Engineering & Public Works division shows year-to-date total revenues at 71% and expenditures at 74%. Based on the analysis of these accounts at 2024-SEP-30, there is a projected year end surplus of \$1,047,940. The variances exceeding \$100,000 are:

- Engineering - \$537,800 surplus - This expected surplus is due to wage and benefit savings from multiple staff vacancies.

- Sanitation - \$112,600 surplus – This anticipated surplus is largely due to wage and benefit savings.
- Transportation - \$447,240 surplus - This projected surplus is due to numerous vacancies and utility costs trending lower than budgeted.

General Revenue

The General Revenue division shows year-to-date total revenues at 98% and expenditures at 82%. The majority of revenues in this division relate to property taxation, which are recorded in May and June of each year. Correspondingly, many expenditures relate to tax pay overs and transfers to reserves. Based on the analysis of these accounts, at 2024-SEP-30, a surplus of \$373,200 is expected. The variances exceeding \$100,000 are:

- Grants in Lieu of Taxes - \$154,200 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 - \$100,000 surplus - This estimated surplus is the result of interest rate reductions being slower than anticipated.
- Miscellaneous Income - \$276,000 surplus - This surplus is due to higher than budgeted tax penalty revenue.

Sewer

The Sewer division shows year-to-date total revenues at 92% and expenditures at 93%. Based on the analysis of these accounts at 2024-SEP-30, the projected year end surplus is \$138,900 which is a result of staff vacancies.

Water

The Water division shows year-to-date total revenues at 77% and expenditures at 89%. Based on the analysis of these accounts, at 2024-SEP-30 there is a projected year end deficit of \$1,250,200. This deficit is largely due to lower than planned water revenue.