

# Report

Date November 16, 2022  
Subject 3rd Quarter Financial Report

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File:

## PURPOSE

To provide an update on the General Fund Statement of Operation and Capital for the period ending September 30, 2022.

## BACKGROUND

The third quarter usually gives a good indication of how we are doing operationally compared to the budget. Taxation levies are fully billed and recorded in revenues for the year. Revenues continue to come back to pre-pandemic levels slowly. Construction season is usually well underway in the third quarter. However, we continue to experience delays and cancellations in some capital projects due to higher than expected tenders and continued difficulties in obtaining materials and supplies due, at least partially, to the lingering effects of the COVID-19 Pandemic as well as high inflation rates and job vacancies in various construction sectors.

## DISCUSSION

### Operating Revenue:

- Taxation revenue is in line with the 2022 budget. While the attached report (Attachment 1) reflects 100% of taxes billed to date, as of September 30, 2022, 93.6% of taxes have been collected, slightly lower than last year.
- Total Sales of Service revenues to September 30, 2022, are \$4,344,346, which is \$704,400 higher than last year and in line with the budget. The increase is due to increased revenues at the Cowichan Aquatic Centre, which is \$706,600 higher than the prior year, a good sign that revenues are returning to normal post-pandemic. The Fuller Lake Arena revenue is at 50% of the budget and on track to meet the target.
- Other revenue from our own sources are at 67% of the annual budget. Building permit fees are at \$556k to date, which is 84% of the annual budget. Business licenses are at \$188k, which is 117% of the annual budget. Engineering fees are at \$57k, which is 28% of the annual budget.
- Provincial and other government grants are at 69% of the budget. We anticipate that grant revenues will meet the budgeted target by the end of the year.

### Operating Expenses:

- General government services, which includes Finance, Legislative Services, CAO's office etc., is at 74% and in line with the 2022 budget.

- Protective Services is in line with the budget.
  - The RCMP contract has been billed to June 30, 2022; therefore, actual police expenditures to date are only at 51% of the annual budget but would be more or less in line once billings are completed for the 3rd quarter.
- Environmental department expenditures are at 62% and are expected to be in line with the budget by year end.
- Recreation, Cultural and Miscellaneous Services is in line with the 2022 budget. Swimming Pools operating expenses are up \$592k from this time last year which is 70% of the annual budget and predicted to be within the annual budget.

### Capital:

To date, 35% (\$28,851,640) of the capital budget has been committed, and the total capital committed to date is \$14.2 million more than the prior year at this time. We are still seeing some projects delayed due to difficulties obtaining supplies. Some projects have been deferred to future years due to request for proposals continuing to come in significantly higher than the budget. This is primarily due to the unfavourable bidding environment we find ourselves in. Projects will be re-tendered when construction costs are more favourable.

- *Municipal Owned Property* – The South End Fire Hall truck bay roof replacement contract has been awarded. Seismic upgrades will be completed this fall, and replacement of the flat roof will be completed in the spring of 2023. The Crofton Fire Hall upgrade schematic design is complete. Electoral approval has been obtained. Tendering for construction is expected to start in January 2023. The Chemainus and Public Works Yard salt shed replacement and containment repair construction is expected to begin in late winter 2022.
- Community Development – The Sportsplex Field House project tenders came in significantly higher than anticipated. The building is being re-designed to align with the available budget.
- Police and Other – The new RCMP detachment is still on target to meet the budget and timeline to open in the fall of 2023. The project is still on budget with 94% of the budget committed.
- Transportation – Canada Avenue flood gates and settlement repair design is complete. The construction contract is to be tendered in November 2022. The Menzies Road overlay and bike lane additions design is complete. Construction is expected to commence in 2023. The Genoa Bay Road rebuild project has been deferred to 2023 to review options. Construction on the Genoa Bay Road rebuild is yet to be determined. The Ford and Drinkwater Road improvements in front of the new RCMP detachment have been completed.
- Recreation – The Cowichan Aquatic Centre roof replacement project will be completed in November 2022, with safety anchors to be completed in 2023 during the annual maintenance shutdown. The Kinsmen Beach washroom upgrade project has been delayed and is expected to be completed in 2023. The Fuller Lake Arena dehumidifier upgrade is almost complete. There are some minor mechanical alterations required. The Fuller Lake Arena re-roofing construction is complete.

- Water Capital – The View Street water main replacement in Chemainus and the Roberts Street and Arthur Street water main replacements are all underway, with completion expected in the spring of 2023. The site of the new Crofton reservoir has been cleared. Staff is currently working with the developer and legal team to complete the cost-share agreement and review the design.
- Sewer Capital – The design consultant contract has been awarded for the JUB outfall relocation project.

## RECOMMENDATION

This report has been provided for information purposes only.

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## Approved to be forwarded to Council:



Ted Swabey  
Chief Administrative Officer

### Attachments:

Attachment 1- 2022 Q3 Operating Report  
Attachment 2- 2022 Q3 Capital Report