

# Report

Date                    October 18, 2023  
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, 2023.

## **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. General sales of service revenues continue to strengthen to post-pandemic levels. Construction season is well underway.

## **DISCUSSION**

### **Operating Revenue:**

- Taxation revenue is in line with the 2023 budget. While the attached report (Attachment 1) reflects 100% of taxes billed to date, as of September 30, 2023, 97.2% of taxes have been collected, which is 3.6% higher than last year.
- Sales of Service revenues are 66% of the year's total budget, comparable to this time in the prior year and on track to meet budget targets.
- The Cowichan Aquatic Centre admission and program revenues (included in the Sale of Service revenue) are at approximately 106% of the budget (excluding regional recreation funding), significantly higher than last year and practically at pre-pandemic levels. The Fuller Lake Arena revenue (excluding regional recreation funding) is at 61% of the budget and on track to meet the target for the year.
- Other revenue from own sources is at 78% of the overall annual budget. Building Permit fees and Engineering fees continue to be strong and are on track to reach 2023 budgeted revenues.
- Provincial and other government grants are well above budgeted amounts and are mainly attributed to the \$7.8M received from the Growing Communities Fund earlier this year.
- Interest revenue is at 217% of the budget in Q3 due to investments in GIC's (cashable and term) and higher interest rates overall.

### **Operating Expenses:**

- General government services, which include Finance, Legislative Services, CAO's office, etc., are at 80% and in line with the 2023 budget.

- Protective Services is in line with the budget at 58%:
  - The RCMP contract has been billed to June 30, 2023; therefore, actual police expenditures to date are only at 52% of the annual budget but would be more or less in line once billings are completed for the 3rd quarter; and
  - Fire protection is at 77% of the annual budget and in line with the budget.
- Environmental department is in line with the budget at 71%.
- Transportation Services, which includes Public Works and Roads and Streets, is in line with the budget at 79%.
- Recreation, Cultural and Miscellaneous Services aligns with the 2023 budget. Swimming Pool operating expenses are up \$554k from this time last year. This represents 83% and is predicted to be slightly higher than budgeted for the year. This is due to higher attendance figures than expected, which is seen in the increase in swimming pool revenues.

### **Capital**

29% or \$20,972,361 of the 2023 capital budget has been committed to date. Below is a more detailed breakdown of 2023 capital per department:

#### **Municipal Owned Property**

- South End Fire Hall truck bay roof replacement is substantially complete at the date of this report;
- Crofton Fire Hall construction has commenced; and,
- Crofton Child Care building is in the design stage.

#### **Community Development**

- Sportsplex Field House project construction is scheduled to start in October;
- Crofton Waterfront project anticipated to start in the fall 2023; and,
- Maple Bay Waterfront conceptual design is complete and in consultation with First Nations.

#### **Police and Other**

- The new RCMP detachment is still on target to meet the budget and timeline of completion in the Spring of 2024. The Interior is substantially complete; most flooring, wall panels and interior fixtures are done. Work is still in progress on data terminals, controls, and millwork throughout the building. Outside work has begun on fencing, plaza, irrigation and landscaping. 86% of the costs have been committed, and 77% have been invoiced as of September 11, 2023.

#### **Transportation**

- Canada Avenue floodgates and road settlement repair construction is well underway and is expected to be completed by mid-November 2023;
- Genoa Bay Road rebuild project design concepts are complete, with construction expected to start in Spring 2024;
- Herd Road Bridge upgrade is in the detailed design stage, which is expected to be completed by the end of the year, with construction in 2024;

- Genoa Bay Road culvert replacement at the marina is complete; and,
- Kingsview culvert replacement is in design stage. Complex design challenges have caused delays, and construction is expected to start in 2024.

#### Recreation

- Cowichan Aquatic Centre roof replacement is 95% complete, the fall protection system has been installed, and final inspections and billing are to be completed;
- Art Mann Park playground upgrade project has been tendered, with construction expected to start in late 2023 and to be complete in early 2024;
- Kinsmen Beach washroom upgrade project is complete; and,
- Fuller Lake Arena domestic hot water upgrade is complete.

#### Water Capital

- View Street water main replacement design is complete; construction has started and is approximately 20% complete;
- Chemainus Wells Chlorination System design is almost completed, construction to start in fourth quarter 2023;
- Roberts Street and Arthur Street watermain replacements are complete;
- The site of the new Crofton reservoir has been cleared. The developer has postponed the project due to unfavourable construction bids coming in over budget;
- Trans Canada Highway watermain from Beverly Street to Drinkwater Road project has been deferred to a future year due to an unsuccessful grant application;
- South End Hyprescon trunk water main design is in progress, with design completion in the spring of 2024; and,
- The next stage of the Beaumont water main replacement construction is expected in October 2023.

#### Sewer Capital

- Chemainus and Crofton Sewer Treatment Plants are receiving significant upgrades, which are required;
- The Crofton clarifier conceptual design is complete. A grant application has been submitted, and staff are awaiting approval;
- Detailed design for the solids handling improvements to both Chemainus and Crofton sewer treatment plants are underway; the screen system replacements for both are in the detailed design stage, which is being finalized. Construction of the screen systems is tied to the completion of the other treatment plant projects; and,
- The JUB outfall project is in the detailed design stage.

### **RECOMMENDATION**

THAT Council receive the 3rd Quarter Financial Report for information.

Report prepared by:

Report reviewed by:

James Goodman

James Goodman  
Manager, Budgets and Infrastructure



Teri Vetter  
Director, Financial Services

**Approved to be forwarded to Council:**



Ted Swabey  
Chief Administrative Officer

Attachments:

Attachment 1- 2023 Q3 Operating Report

Attachment 2- 2023 Q3 Capital Report