

# Report

Date August 17, 2022

File:

Subject 2nd Quarter Financial Report

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## PURPOSE

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

## BACKGROUND

The 2<sup>nd</sup> 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. We are seeing revenues continue to slowly come back to pre-pandemic levels. Construction season is usually just getting started in the second quarter.

## 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 June 30, 2022, 93.6% of taxes have been collected which is slightly higher than this time last year.
- Sales of Service revenues are at 40% of the total budget for the year, which is comparable to this time in the prior year and is on track to meet the budget target. Included in this, the Cowichan Aquatic Centre admission and program revenues are at approximately 22% of budget. 2022 was the first year that the annual maintenance shut down was in June, which is the reason that the revenues are at 22% of the budget. We are predicting to meet the annual revenue budget as attendance is continually increasing back to pre-pandemic levels. The Fuller Lake Arena revenue is at 45% of the budget and on track to meet the target for the year.
- Other revenue from own sources are at 46% of the annual budget. Development fees continue to be strong and are on track to reach 2022 budgeted revenues.
- Provincial and other government grants are at 34% 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 57% and in line with the 2022 budget.
- Protective Services is in line with the budget.

- The RCMP contract has been billed to March 31, 2022; therefore actual police expenditures to date are only at 30% of the annual budget but would be more or less in line once billings are completed for the 2nd quarter.
- Environmental department is in line with the budget.
- Recreation, Cultural and Miscellaneous Services is in line with the 2022 budget. Swimming Pools operating expenses are up \$382k from this time last year, but at 46% of the annual budget and predicted to be within the annual budget.

### Capital:

To date, 28% (\$22,270,869) of the capital budget has been committed and the total capital committed to date is \$15.054 million more than the prior year at this time. We are still seeing some projects delayed due to the November 2021 storm event, which consumed significant staff time on unplanned work, and difficulties in obtaining supplies. Other projects have been deferred to future years due to requests for proposals coming in significantly higher than the budget. This is primarily due to the unfavorable bidding environment in which we find ourselves. 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 to borrow the funds necessary to complete the upgrade through an alternative approval process is currently underway.
- Community Development – The Sportsplex Field House project construction contract will be re-tendered this fall. The initial tenders in 2021 far exceeded the budget which required an adjustment in scope to the project.
- 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 exterior sheeting is underway, pads for the mechanical on the roof is being poured and the interior walls are being framed. The roof will be sealed and the windows will be installed by mid-September. The project is still on budget with 73% of the budget committed. The final large tender for furniture closed at the end of July.
- Transportation – Canada Avenue flood gates and settlement repair design will be complete in late September and will be tendered in late 2022. The Menzies Road overlay and bike lane additions design will be complete by the end of the year with construction commencing in 2023. The Genoa Bay Road rebuild project design will be completed in September 2022. 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 will be completed in August 2022.

- Recreation – The Cowichan Aquatic Centre roof replacement project will be completed in September 2022 with safety anchors to be completed in 2023 during the annual maintenance shutdown. The Kinsmen Beach washroom upgrade project will be completed in November 2022. The Fuller Lake Arena dehumidifier upgrade is expected to be completed in August 2022. The safety anchors on the Fuller Lake Arena roof will be installed by the end of September 2022.
- 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 late 2022. 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 reviewing the design.
- Sewer Capital – The design consultant contract has been awarded for the JUB outfall relocation project.

## RECOMMENDATION

THAT Council receive for information the 2nd Quarter Financial report.

Report prepared by:

[James Goodman]

James Goodman  
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Report reviewed by:



Talitha Soldera  
Director, Financial Services

## Approved to be forwarded to Council:



Ted Swabey  
Chief Administrative Officer

Attachment(s):

Attachment 1- 2022 Q2 Operating Report

Attachment 2- 2022 Q2 Capital Report