



The Corporation of the District of Central Saanich

REGULAR COUNCIL REPORT

For the Regular Council meeting on Monday, September 9, 2024

Re: Q2 2024 Financial Report

BACKGROUND:

Regular budget reporting forms part of good financial governance and transparency. In accordance with the Community Charter, Council approves a five-year financial plan bylaw that authorizes the expenditure of funds and collection of revenues for the District's various programs. The financial plan is reviewed regularly during the year and a financial report is prepared for Council outlining budget variances and commentary on the variances. This report outlines the status of the 2024 Financial Plan as of June 30, 2024.

DISCUSSION:

Overall, operations for the first half of 2024 are aligned well within budget expectations and there are no significant variations from operating expenses (47% spent to date). Individual comments to budget variances for operating and capital are detailed in the attached statements. Additional information for the 2024 Strategic Implementation Plan (SIP) projects is also included in the Q2 SIP Council report.

Budget amendments for grants and land acquisitions will be presented to Council on the October 23rd Special Council meeting, and will include the following:

- 1124 Mt Newton X Rd Land Acquisition: \$3.23M
- Hovey Rd, Lot A Land Acquisition: \$4.67M
- 7210 Wallace Drive (Trail ROW): \$120k (subject to ALC approval)
- WLTS Grant: \$28k
- CSLL Turf Field Fund: to be determined

Revenues:

As of June 30th, overall revenues are 66% of the 2024 budget (83%% in 2023). This is lower than last year as the District received \$5.5M from the Growing Communities Fund grant, but consistent with the previous years. Property tax revenues are levied in May of each year, which accounts for the majority of the Districts revenue. Water and Sewer utility revenues are within expectations with larger consumption volume occurring on the 2nd and 3rd tri-annual billings in the second half of the year. Other items to note are as follows,

- Some investment returns are trending higher than forecast to date.

- Building permits are trending lower than forecasted.
- Gas Tax & other government transfers are expected in Q3 & Q4.
- Government capital grant funding has been approved for the Brentwood/Hagen Sewer Upgrade and payments will be received when phases of the capital projects are substantially completed.

Revenue collection:

As of July 2nd tax collections were at 91% which is considered normal and consistent with the previous years collections. No unusual trends have been experienced in 2024. Over the summer, finance staff will be working on the collection of outstanding delinquent taxes (2022) to avoid any property tax sales in September. Currently, the District has 7 properties with delinquent taxes, which is slightly lower than the prior year (2023 – 10).

Operating Expenses:

Overall operating expenses are 47% of budget to date (44% in 2023) and are being managed within the Financial Plan. Items to note are as follows,

- Higher interest payments for prepaids & deposits.
- Custodial services are trending over budget due to loss of previous contractor. Scope of services are being reviewed with a temporary contractor. A process to contract a new provider has began for 2025.
- Sections within Municipal Yard and Parks are trending under budget to date as more seasonal work is performed in Q3.
- Projects and strategic initiatives are at 13% of budget to June 30th. Work is ongoing and a number of projects and initiatives are scheduled to be completed in Q3 and Q4.
- Water and Sewer operating costs are within expectations and comparable to prior years.

Capital Expenses:

Capital projects are at 22% of budget to June 30th. A large volume of capital project work is expected in the last half of the year. The District has procured almost all the budgeted vehicles in 2024 with some already delivered and others should be delivered later this year. Although some supply and delivery issues persist, we are seeing a return to normal. Phase 1 of the Brentwood/Hagen Sewer Upgrade (sewer mains) was awarded earlier this year and construction should be completed by the end of the year. The District plans to award the Phase 2 work (pump station and equipment) in Q4.

CONCLUSION:

To date overall operating revenues are trending well and collection is consistent with prior years (excluding the Growing Communities Fund grant received in 2023). Overall expenses are favorable to date and are being managed within the 2024 Financial Plan. Although, less progress has been made towards the Capital projects and strategic initiatives, a larger volume of spending is expected in the second half of the year.

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Concurrence by:	Troy Ziegler, Chief Financial Officer
Concurrence by:	Christine Culham, Chief Administrative Officer

ATTACHMENTS:

Appendix A: 2024 Q2 Financial Report