

## Attachment #2

### *Quarterly Department Operating Memos*

Office of the CAO	PAGE 2
Anvil Centre and Arts Services	PAGE 4
BridgeNet	PAGE 6
Climate Action, Planning and Development	PAGE 7
Electric Utility	PAGE 9
Electrical Services	PAGE 11
Engineering	PAGE 12
Financial Services	PAGE 15
Fire	PAGE 16
General Government	PAGE 18
Human Resources and Information Technology	PAGE 19
Library	PAGE 21
Parks and Recreation	PAGE 23
Police	PAGE 25
Sewer Utility	PAGE 26
Solid Waste Utility	PAGE 28
Water Utility	PAGE 30

## Q2 Operating Memo – Administration Department

Administration Department June 30, 2023	Q2 Budget	Q2 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Jun 30	YTD Jun 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
250 Grants from Other Governments	(2,498)	(13,000)	10,502	(5,000)	(8,000)	3,000	
300 Other Revenue	(1,731,108)	(1,636,712)	(94,396)	(1,731,108)	(1,701,108)	(30,000)	
<b>Total 100 Revenue</b>	<b>(1,733,606)</b>	<b>(1,649,712)</b>	<b>(83,894)</b>	<b>(1,736,108)</b>	<b>(1,709,108)</b>	<b>(27,000)</b>	
200 Expenses							
400 Salaries/Benefits/Training	2,152,489	1,795,139	357,350	4,324,455	3,980,636	343,819	177,076
450 Contracted Services	666,033	258,625	407,408	1,342,701	863,864	478,837	218,637
500 Supplies and Materials	46,255	125,649	(79,394)	93,965	508,657	(414,692)	3,026
<b>Total 200 Expenses</b>	<b>2,864,777</b>	<b>2,179,413</b>	<b>685,364</b>	<b>5,761,121</b>	<b>5,353,157</b>	<b>407,964</b>	<b>398,739</b>
<b>Total Administration</b>	<b>1,131,171</b>	<b>529,701</b>	<b>601,470</b>	<b>4,025,013</b>	<b>3,644,049</b>	<b>380,964</b>	<b>398,739</b>

### As At June 30, 2023 Budget vs Actual to Date

Administration Department is tracking under budget in Q2 with a net surplus of \$601.4K, primarily from \$357.3K savings in salaries and benefits which is due to \$80K savings from payroll accrual treatment of retirement benefits for 2022 Mayor and Councillor wages and \$277.3K savings in salaries and benefits due to vacancies across the department and timing of conferences and training.

Out of approximately 17.4 full-time equivalent positions, the department has two full-time vacancies in Legislative Services and one of which is expected to be filled in Q3 and two auxiliary vacant positions from the 2023 enhancements that are expected to be filled in Q3 and Q4 respectively. Contracted services and Supplies and Materials should be viewed together as the YTD budget for the Building Safer Community Fund project (\$314.8K) is in the contracted services whereas YTD's actual spending (\$90.4K) is in the supplies and materials category. The net savings of \$328.0K is primarily due to the timing of project starts and delay due to the delay in the budget being approved which is partially offset by overspending in legal (\$56.3K) in Legislative Services.

**2023 Service Enhancement**

<b>Description</b>	<b>Amount</b>	<b>Status</b>
Consulting and Studies for Indigenous Relations/Asset Mgmt	\$ 100,000	In progress - on track to utilize up to \$100K
Records Management enhancement cost increase	\$ 21,500	Monitoring - actuals trending higher than budget
Policy payments of \$35K to Indigenous Rights and Title holders who participate in City Committees and \$20K to individuals living in poverty who participate on city committees.	\$ 55,000	In progress - on track to utilize up to \$55K
One-time funds to support the Economic Impact Model	\$ 25,000	In progress - the consultation is expected to start in Sep and expected to be complete by Dec 31st
One-time TPT Indigenous Rel Liason partially funded from auxiliary	\$ 15,000	In progress - expect to fill by Q3
One-time Auxiliary Communications Coordinator Clerk 3	\$ 47,047	The position was staff from January-May. Currently vacant and plan to hire in Q4
One-time Communications Coordinator (Internal)	\$ 95,012	Filled end of May
One-time Auxiliary for Business Licensing	\$ 20,017	Completed - funding to extend an existing position

**2023 Annual Budget vs Forecast**

For year-end, Administration is expected to be under budget with a net surplus of \$380.9K, primarily from \$343.9K savings in salaries and benefits. The department is on track to meet the 3% savings in salaries and benefits from delayed hiring of the one-time salary enhancements, the payroll accrual treatment of retirement benefits for 2022 Mayor and Councillor wages, and the planned vacancy in Legislative Services. The net surplus of \$64.1K in the Contracted Services and Supplies and Materials is attributed to \$176.4K for the Building Safer Community Fund project offset by \$112.3K overage mostly in the Legislative Services as the division is positioned to hire consultants to clear the some of the back log of work as well as projected overspending in legal. There will be zero net impact from the Building Safer Community Fund project as the corresponding grant funding for the project is budgeted in General Government.

**Planning Ahead**

Economic Development anticipates starting work on the Economic Impact Model in fall 2023. They also anticipate an enhancement request for 2024 of 1.0 FTE to support implementation of the Retail Strategy and as well as other business support and growth initiatives. Legislative Services expects to be fully staffed by Q3, savings should be realized for advertising and promotions given the public notice location changes and the transition to the new committee model by the end of Q4 will utilizing the 2023 enhancement to support committee member participation.

## Q2 Operating Memo – Anvil Centre and Arts Services

Anvil Centre & Arts Services Group as at June 30, 2023	Q1 Budget	Q1 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual	2023
	YTD Jun 30	YTD Jun 30	Var \$	Budget	Forecast	vs Forecast	Enhancement
Total 200 Sale of Services	(29,906)	(97,537)	67,631	(61,030)	(128,662)	67,632	-
Total 250 Grants from Other Governments	(14,700)	(191,255)	176,555	(30,000)	(191,255)	161,255	-
Total 300 Other Revenue	(1,200,804)	(1,534,504)	333,700	(2,450,619)	(2,784,320)	333,701	-
Total 350 Contribution Revenue	(4,916)	(2,654)	(2,262)	(10,030)	(7,768)	(2,262)	-
Total 100 Revenue	(1,250,326)	(1,825,950)	575,624	(2,551,679)	(3,112,005)	560,326	-
Total 400 Salaries/Benefits/Training	1,595,410	1,646,696	(51,286)	3,197,784	3,252,321	(54,537)	-
Total 450 Contracted Services	216,034	151,928	64,106	440,912	391,830	49,082	14,912
Total 500 Supplies and Materials	137,664	96,734	40,930	280,743	261,069	19,674	19,161
Total 600 Cost of Sales	683,780	787,981	(104,201)	1,395,462	1,499,659	(104,197)	-
Total 725 Amortization	1,295,560	1,321,998	(26,438)	2,644,000	2,644,000	-	-
Total 200 Expenses	3,928,448	4,005,337	(76,889)	7,958,901	8,048,879	(89,978)	34,073
Anvil Centre & Arts Services Group	2,678,122	2,179,387	498,735	5,407,222	4,936,874	470,348	34,073

### As at June 30, 2023 Budget vs Actual to Date

\$1.25M Revenue budget split is \$1.08M or 86% **Anvil Conference Centre & Administration**, \$0.15M or 12% **Anvil Centre Theatre & Arts Services**, \$0.01M or 1% **Museum & Heritage Services** and \$0.01M or 1% **Art + Technology**. Q2 is indicating a \$0.58M surplus which is primarily due to Canadian Heritage, BC Arts Council operating grants, Anvil Conference Centre Room Booking, Catered Food/Non Alcoholic Beverages and Audio Visual Rental revenue.

\$3.93M Expense budget split is \$2.62M or 67% **Anvil Conference Centre & Administration**, \$0.57M or 14% **Anvil Centre Theatre & Arts Services**, \$0.44M or 11% **Museum & Heritage Services** and 0.30M or 8% **Art + Technology**. Q2 is indicating a negative variance of \$0.08M primarily due to cost of sales which is consistent with positive variance in revenues.

### 2023 Service Enhancements

No 2023 Service Enhancements to report on.

### 2023 Annual Forecast Budget vs Actual

\$2.55M Revenue budget split is \$2.19M or 86% **Anvil Conference Centre & Administration**, \$0.31M or 12% **Anvil Centre Theatre & Arts Services**, \$0.04M or 1% **Museum & Heritage Services** and \$0.01M or 1% **Art + Technology**. Annual forecast is signaling a \$0.56M surplus primarily due to grant and booking revenue.

\$7.96M Expense budget split is \$5.32M or 67% **Anvil Conference Centre & Administration**, \$1.14M or 14% **Anvil Centre Theatre & Arts Services**, \$0.89M or 11% **Museum & Heritage Services** and 0.61M or 8% **Art + Technology**. Annual forecast is signaling a negative variance of \$0.09M primarily due to cost of sales which is consistent with positive variance in revenues.

### Planning Ahead

Out of the five areas of the *2023-2026 Strategic Priorities Plan*, the Anvil Centre and Arts Services plays a vital role in the area of Community Belonging and Connecting, and has a secondary or indirect involvement in People-Centered Economy. Conference and Events Services is continuing to expand their market base,



re-book events and manage cost of sales. Significant increases in the cost of food and services due to weather and environmental challenges has impacted the Conference & Events Department. Staff have implemented cost savings & revenue generating measures and are on track to exceed annual projected margins.

## Council Report – Q2 Report

### BridgeNet

BU and Accounts	Q2 Budget	Q2 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Jun 30	YTD Jun 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
<b>100 Revenue</b>							
Total 150 Utility Rates	(93,982)	(107,241)	13,259	(191,800)	(191,800)		
Total 200 Sale of Services							
Total 250 Grants from Other Governments							
Total 300 Other Revenue		(25,124)	25,124	(23,095)	(23,095)		
Total 100 Revenue	(93,982)	(132,365)	38,383	(214,895)	(214,895)		
<b>200 Expenses</b>							
Total 400 Salaries/Benefits/Training	98,701	81,929	16,772	197,622	188,573	9,049	
Total 450 Contracted Services	38,009	24,032	13,977	77,570	77,570		
Total 500 Supplies and Materials	26,272		26,272	52,600	52,601	(1)	
Total 725 Amortization	292,040	298,002	(5,962)	596,000	601,961	(5,961)	
Total 200 Expenses	455,022	403,963	51,059	923,792	920,705	3,087	
<b>Total BridgeNet Admin/Operations</b>	<b>361,040</b>	<b>271,598</b>	<b>89,442</b>	<b>708,897</b>	<b>705,810</b>	<b>3,087</b>	

### As At June 30, 2023 Budget vs Actual to Date

#### General

Overall, BridgeNet is favorable to Budget \$0.1M due to timing differences between Actual expenses and revenue and Budgeted timing and expense timing. It is expected that the utility will achieve planned revenue and expenses by end of year.

#### Payroll

At Q2 2023 BridgeNet has a Budget of 1 FTE and is fully staffed.

### 2023 Service Enhancement:

Not applicable

### 2023 Annual Forecast Budget vs Actual

BridgeNet is expected to achieve budgeted revenue and operating income by end of year.

### Planning Ahead

Planning ahead, BridgeNet will work on implementing its operational improvement plan, work with a new marketing consultant and achieving planned revenue improvements.

## Q2 Operating Memo - Climate Action, Planning and Development Department (CAPD)

Climate Action, Planning, and Development Department as at June 30, 2023	Q2 Budget	Q2 Actual	YTD Bud	2023	2023	2023 Annual	2023
	YTD Jun 30	YTD Jun 30	Var \$	Annual	Annual	Budget	Enhancement
				Budget	Forecast	vs Forecast	
<b>100 Revenue</b>							
Total 200 Sale of Services	(8,497)	(55,330)	46,833	(16,993)	(70,826)	53,833	
Total 250 Grants from Other Governments	(283,787)	(308,288)	24,501	(567,575)	(592,076)	24,501	(517,575)
Total 300 Other Revenue	(2,067,809)	(2,244,488)	176,679	(4,135,877)	(7,290,563)	3,154,686	
Total 350 Contribution Revenue	(352)	(25,000)	24,648	(700)	(25,348)	24,648	
<b>Total 100 Revenue</b>	<b>(2,360,445)</b>	<b>(2,633,106)</b>	<b>272,661</b>	<b>(4,721,145)</b>	<b>(7,978,813)</b>	<b>3,257,668</b>	<b>(517,575)</b>
<b>200 Expenses</b>							
Total 400 Salaries/Benefits/Training	3,216,934	2,731,110	485,824	6,438,478	5,955,312	483,166	407,506
Total 450 Contracted Services	527,244	546,923	(19,679)	1,054,482	1,079,476	(24,994)	536,146
Total 500 Supplies and Materials	73,379	68,798	4,581	146,753	145,442	1,311	13,126
Total 650 Grants	107,048	71,600	35,448	214,100	178,652	35,448	
<b>Total 200 Expenses</b>	<b>3,924,605</b>	<b>3,418,431</b>	<b>506,174</b>	<b>7,853,813</b>	<b>7,358,882</b>	<b>494,931</b>	<b>956,778</b>
<b>Total CAPD</b>	<b>1,564,160</b>	<b>785,325</b>	<b>778,835</b>	<b>3,132,668</b>	<b>(619,931)</b>	<b>3,752,599</b>	<b>439,203</b>

### As At June 30, 2023 Budget vs Actual to Date

The Climate Action, Planning and Development Department is currently operating below the allocated budget in Q2, resulting in a net surplus of \$779K. This surplus can be attributed primarily to savings in salaries and benefits (62%), as well as an increase in building, plumbing and planning permits (Other Revenue, 23%). The majority of the surplus from Other Revenue (96%) has been generated by large one-time projects (i.e. Royal Columbian Hospital, Pier West, master plan applications).

Among the department's approximately 60 full-time equivalent positions, there are currently 10 vacancies in existing roles, 5 vacant positions that have been approved for enhancement in 2023 but were delayed due to a late budget approval, and 3 staff members on leave; note the department has 2 additional positions approved for 2023 which are temporary and funded through the capital plan. Efforts are underway to recruit suitable candidates to fill the vacancies.

The Contracted Services are experiencing a negative variance of around \$20K, related to rental and maintenance costs for the portable toilet which have been funded to date through a grant, which has been exhausted; staff is working to identify alternative funding sources within the City.

### 2023 Service Enhancement

Description	Amount	Status
RFT Senior Development Planner 3	\$ 143,300	Completed – position filled, waiting to start in September
TFT Affordable Housing Planning Analyst	\$ 104,036	Completed – position filled, started in July – note: funded through capital plan
Aux Building Clerk 3	\$ 39,557	Completed – position filled
TFT Affordable Housing Building Coordinator	\$ 117,100	In progress – pending posting – note: funded through capital plan
TPT Plumbing Inspector	\$ 55,000	Completed – position filled
RFT Livability Coordinator	\$ 103,470	In progress – pending posting
TFT Livability Coordinator	\$ 56,470	In progress – pending posting

### **2023 Annual Budget vs Forecast**

At the end of the year, it is projected that the Climate Action, Planning and Development Department will operate below the allocated budget with a net surplus of \$3.75M. The surplus is primarily attributed to building, plumbing, and planning permit issuances, and savings in salary, benefits, and training expenses resulting from existing vacancies described above.

This net surplus is expected to be one-time only. Salary and benefits expenditures will balance as new recruitments are made and training and development activities are carried out for both existing and newly hired staff members. The increase in permit revenues in the first half of the year is related to large one-time projects (i.e. Royal Columbian Hospital, Pier West, master plan applications). The Department foresees a further increase in building permit collections during early Q3, paced by the phased issuance of permits for the large projects, but it is unclear whether the growth of plumbing permits will continue throughout the remainder of the year. Planning permit revenues are expected to return to original forecasts through the remainder of the year. The department will continue monitoring the trajectory of building, plumbing and planning permit activities.

### **Planning Ahead**

A portion of the surplus in Q2 was generated by one-time charges for a number of master plan applications, which was also seen in Q1. These revenues, totaling \$163,800.58 over Q1 and Q2 are specifically intended to offset the cost of temporary additional resources to support the processing of these large applications; these resources will be requested in the 2024 budget process.

Additionally, in Q3 CAPD staff will be submitting an application for the Canada Mortgage and Housing Corporation (CMHC) Housing Accelerator Fund (HAF), through which the City could receive funding, estimated on the order of \$10 million, to facilitate affordable housing, deliver housing and growth related infrastructure, as well as support the development of complete, low-carbon and climate-resilient communities.

CAPD continues its efforts to recruit for the remaining vacant positions in order to address staffing shortages. Close collaboration with IT and other related departments is ongoing to enhance tracking capabilities, leverage synergies, and establish new protocols that meet the increasing customer service and regulatory demands of the complex development process. With the upward trend in revenues from new developments, the department is actively investing in digitization technologies. A significant consultant-led effort has been successfully initiated by CAPD to streamline the development review process. The department has achieved substantial progress in this ongoing endeavor and remains committed to completing Phase 1 by the end of Q4. This initiative aims to improve the efficiency and effectiveness of the development review process, benefiting all stakeholders involved. CAPD's ongoing efforts are focused on implementing a more agile approach to project intake, tracking, review, issuance, and inspections, as well as enhancing reporting capabilities for both leading and lagging indicators.

CAPD continues to support Downtown Livability initiatives with an integrated approach to better serve the community along with implementation of Climate Action initiatives including Step Code advancement. Policy updates to ensure alignment and advancement of the updated Building Code and new Carbon Pollution Standard are underway and the Climate Action team has begun working on development of a supportive decision making framework to prioritize action implementation, which is required to achieve the City's climate action targets.

## Council Report – Q2 Report

### Electrical Utility

BU and Accounts	Q2 Budget YTD Jun 30	Q2 Actual YTD Jun 30	YTD Bud Var \$	2023 Annual Budget	2023 Annual Forecast	2023 Annual Bud vs Forecast Var \$	2023 Enhancement
<b>100 Revenue</b>							
Total 150 Utility Rates	(29,893,860)	(29,270,303)	(623,557)	(59,787,717)	(59,011,971)	(775,746)	
Total 200 Sale of Services	(2,174)	50,823	(52,997)	(50,957)	(47,960)	(2,997)	
Total 250 Grants from Other Governments							
Total 300 Other Revenue		(298,064)	298,064	(269,603)	(308,064)	38,461	
Total 325 Contributed TCA							
Total 350 Contribution Revenue	(1,200,577)	(415,192)	(785,385)	(2,450,154)	(2,450,154)		
Total 100 Revenue	(31,096,611)	(29,932,736)	(1,163,875)	(62,558,431)	(61,818,149)	(740,282)	
<b>200 Expenses</b>							
Total 400 Salaries/Benefits/Training	1,806,076	1,528,445	277,631	3,622,326	3,341,863	280,463	
Total 450 Contracted Services	697,265	779,663	(82,398)	1,417,901	1,528,520	(110,619)	250,000
Total 500 Supplies and Materials	234,240	463,880	(229,640)	478,046	541,580	(63,534)	
Total 600 Cost of Sales		77	(77)				
Total 725 Amortization	1,736,070	1,771,500	(35,430)	3,543,000	3,578,430	(35,430)	
Total 750 Utility Purchases and Levies	16,909,327	16,501,578	407,749	33,818,655	33,410,906	407,749	
Total 775 Capital Loss							
Total 200 Expenses	21,382,978	21,045,143	337,835	42,879,928	42,401,299	478,629	250,000
<b>Total Electrical Utility</b>	<b>(9,713,633)</b>	<b>(8,887,593)</b>	<b>(826,040)</b>	<b>(19,678,503)</b>	<b>(19,416,850)</b>	<b>(261,653)</b>	<b>250,000</b>

### As At June 30, 2023 Budget vs Actual to Date

#### General

Overall, the Electrical Utility is unfavorable to Budget by \$0.8M due to unfavorable revenue performance, stemming from cooler, stable weather and revenue timing; this is offset by vacancies and lower electrical purchases from BC Hydro due to cooler weather.

Revenue is below Budget by \$1.2M due to:

- Utility Rate Revenue from consumption being unfavorable to Budget by \$0.7M due to cooler weather.
- \$0.5M unfavorable Contribution Revenue variance in Q2 due to Budget timing of Contributions versus actual incurrence

Expenses are below Budget by \$0.3M due to:

- \$0.3M favorable variance in salaries and benefits due to staff vacancies;
- \$0.4M favorable variance in Electrical Purchases due to slightly warmer weather in January; offset by
- \$0.2M unfavorable variance in supplies and materials due to expense coding
- \$0.1M unfavorable variance on subcontract services in 3<sup>rd</sup> Party services that are recoverable through revenue

## Payroll

The utility currently lists 23.5 budgeted FTEs of which 4.5-roles are currently vacant (1 engineer, 1 Asset Coordinator, a manager, a Clerk Typist in the first quarter, and 0.5 FTE Safety Officer that is a 2023 service enhancement intended to be shared with Engineering).

## **2023 Service Enhancement:**

The Electric Utility successfully hired a Clerk Typist in May partially funded by service enhancement. The Electric Utility is in the process of hiring for a Safety Officer and Asset Coordinator.

## **2023 Annual Forecast Budget vs Actual**

The Electrical Utility is forecasting at this time to be -\$0.3M due to the impact of lower temperatures on electrical consumption in the first half of the year offset by staff vacancies. It is still anticipated that these roles are filled in a go-forward basis.

## **Planning Ahead**

Planning ahead, the Electrical Utility will need to budget and review the operating impact for the new Queensborough Substation, reviewing financial impacts of long-term load supply and demand needs, along with planning the financial impacts of introducing Advanced Metering.

## Council Report – Q2 Report

### Electrical Services

BU and Accounts	Q2 Budget YTD Jun 30	Q2 Actual YTD Jun 30	YTD Bud Var \$	2023 Annual Budget	2023 Annual Forecast	2023 Annual Bud vs Forecast Var \$	2023 Enhancement	Status of Enhancement
<b>100 Revenue</b>								
Total 200 Sale of Services	(1,938)	(46,372)	44,434	(44,440)	(88,875)	44,435		
Total 100 Revenue	(1,938)	(46,372)	44,434	(44,440)	(88,875)	44,435		
<b>200 Expenses</b>								
Total 400 Salaries/Benefits/Training	380,103	392,215	(12,112)	760,672	772,476	(11,804)		
Total 450 Contracted Services	46,556	40,655	5,901	95,013	95,013		3,213	
Total 500 Supplies and Materials	71,311	168,969	(97,658)	145,524	347,499	(201,975)	4,922	
Total 200 Expenses	497,970	601,839	(103,869)	1,001,209	1,214,988	(213,779)	8,135	
<b>Total Electrical Services</b>	<b>496,032</b>	<b>555,467</b>	<b>(59,435)</b>	<b>956,769</b>	<b>1,126,113</b>	<b>(169,344)</b>	<b>8,135</b>	

### As At June 30, 2023 Budget vs Actual to Date

#### General

Electrical Services is unfavorable to Budget due to unfavorable variances in Supplies and Materials that are slightly offset by higher than expected revenue in Sales of Services. On review, this line item has average \$235k of spending in the past 5-years so the department will over spend budget. This will be taken into account in the Operational Budget moving forward.

Unfavorable Contract Services variance will continue to the end of the year.

#### Payroll

Electrical services lists 6-FTE budgeted. The department is currently fully-staffed.

### 2023 Service Enhancement:

Not applicable

### 2023 Annual Forecast Budget vs Actual

Ongoing Supplies and Materials variances due to Budget not aligning with past spending.

### Planning Ahead

Planning ahead, the Electrical Services will be seeking budget enhancements to align Annual Budget with annual spending over the past-5 years. The department will also be exploring process changes to bring Supplies and Materials expenses under control. Changes include processes to assign more specific accountability to Supplies and Materials expenses.

## Q2 Operating Memo - Engineering (General Fund)

Engineering Department (General Fund) as at Jun 30, 2023	Q2 Budget	Q2 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual	2023
	YTD Jun 30	YTD Jun 30	Var \$	Budget	Forecast	vs Forecast	Enhancement
Total 200 Sale of Services	(2,208,510)	(2,700,158)	491,648	(4,507,157)	(4,998,805)	491,648	-
Total 250 Grants from Other Governments	(451,328)	(450,242)	(1,086)	(902,660)	(956,722)	54,062	(155,000)
Total 300 Other Revenue	(1,509,393)	(1,729,387)	219,994	(3,076,223)	(3,255,380)	179,157	50,000
Total 350 Contribution Revenue	(12,872)	(21,874)	9,002	(25,758)	(24,761)	(997)	-
Total 100 Revenue	(4,182,103)	(4,901,661)	719,558	(8,511,798)	(9,235,668)	723,870	(105,000)
Total 400 Salaries/Benefits/Training	7,848,528	7,578,698	269,830	15,758,234	15,493,866	264,368	182,070
Total 450 Contracted Services	1,397,857	916,044	481,813	2,839,679	2,664,899	174,780	492,168
Total 500 Supplies and Materials	1,841,676	2,101,671	(259,995)	3,758,009	4,032,031	(274,022)	412,113
Total 600 Cost of Sales	-	11,700	(11,700)	-	11,701	(11,701)	-
Total 700 Insurance and Claims	155,942	182,637	(26,695)	318,250	346,100	(27,850)	-
Total 725 Amortization	4,614,330	4,708,500	(94,170)	9,417,000	9,511,170	(94,170)	-
Total 200 Expenses	15,858,333	15,499,250	359,083	32,091,172	32,059,767	31,405	1,086,351
Engineering Department (General Fund)	11,676,230	10,597,589	1,078,641	23,579,374	22,824,099	755,275	981,351

### As at June 30, 2023 Budget vs Actual to Date

The Engineering Department is reporting a net favorable variance of \$1,079K largely due to better than expected Parking Revenues and ongoing staff vacancies. At the end of Q2, there remain 17 vacancies which are partially being managed through contracted services, overtime and auxiliary staff.

The Operations Division is experiencing an increase in volume and complexity of services offered, particularly in areas of street cleanliness and customer service call response, leading to increased spending costs despite the ongoing vacancy concerns.

The Engineering Department General Fund supports the delivery of core services to the City, including the operations and maintenance of buildings and properties, services delivered by Engineering Operations, Transportation services, Q to Q Ferry, asset management, utilities engineering, Engineering development services, design and construction, Engineering environmental services, and customer service and administrative Services. Operating Budget challenges being faced by the Engineering Department are significant in terms of scope, scale and complexity. The Department has been facing rising costs associated with maintaining and operating existing buildings and properties, streets and sidewalks, and other aging assets, while also responding to the needs of a growing inventory of assets and facing inflationary and market increase challenges.

### 2023 Service Enhancements

Description	Amount	Status
Street Cleaning Services - Grant	\$ 155,000	Not yet secured
Street User Permits Revenue Increase	\$ 50,000	Uncertain that this additional revenue will be achieved within this calendar year
Q to Q Ferry Fare Revenue Reduction	\$ 100,000	Actuals are trending as anticipated
Street Cleaning Services Specialist	\$ 82,000	To be posted



Street Cleaning Operations Supervisor - Permanent Free-Standing Toilet	\$ 100,000	To be posted
Contracted Services - Permanent Free-Standing Toilet	\$ 125,000	Actuals are trending as anticipated
Contracted Services - Street Cleaning Services	\$ 180,000	Actuals are trending as anticipated
Contracted Services & Supplies and Materials - Engineering Operations	\$ 400,000	Actuals are trending as anticipated

### **2023 Annual Forecast Budget vs Actual**

For year-end, staff are forecasting a surplus of \$755K. This surplus is anticipated to be driven by the forecasted increase in parking revenue and Q to Q ferry fare, which is predicted to offset the increasing facility utility charges and scheduled and unscheduled maintenance expenses. Utility consumption and costs have steadily increased over the past several years and continue to climb as core service areas grow (buildings are programmed to be operational for longer hours accommodating more people – staff and public). Unscheduled Maintenance costs continue to climb year over year as the facility portfolio ages. The best way to control unexpected unscheduled maintenance is by improving scheduled maintenance practices - so we are seeing additional costs in that area across the portfolio. Massey Theatre's actual operating costs continue to trend to exceed budget estimates for this recently acquired asset.

**Planning Ahead**The Operating Budget challenges being faced by the Engineering Department are significant in terms of scope, scale and complexity. Summarized below are some of the key areas of concern for the Engineering department:

1. Operations – Due to various factors, including a significant increase in the volume and complexity of street cleaning in commercial areas, weather-related operational pressures, and increased cleaning and maintenance needs for greenways, parks and open spaces, compounded by high staff turnover and an inability to act quickly on filling vacancies, it is increasingly difficult for Operations to deliver high quality, reliable levels of service.
2. Civic Buildings & Facilities – The City has seen an increase in the number of buildings that require maintenance, greater complexity and cost of maintenance, and various staffing challenges including vacancies, labour relations issues, and long term medical leaves. This is compounded by aging infrastructure, climate-related operational pressures, and legacy Divisional structure and budget challenges.
3. Transportation – the City is committed to delivering high quality people-centred public realm and sustainable transportation options. There are meaningful operational implications associated with maintaining greenway routes and public gathering spaces like plazas and parklets to a high standard. As we continue to add this type of infrastructure across the City, the ongoing staff shortages in Operations makes it increasingly challenging to maintain our priority transportation infrastructure to a high standard. Another significant transportation challenge is the Q to Q Ferry. Ridership remains relatively low, and we have been unable attract third party funding to offset the cost to deliver the service.
4. Downtown Livability – The ongoing challenges being experienced Downtown, and in other commercial areas, continues to present challenges to our staff, and is adding pressure to our

operating budget. The challenges are a result of increased need for street cleaning and removal of discarded materials, including human waste and drug related waste.

5. Human Resources – finally, in spite of ongoing effort and commitment to supporting our HR needs, it is evident that HR is overwhelmed as well.

Staff are working with HR to prioritize and find efficient and innovative means to address outstanding recruitments. In addition, third-party consultants, contractors and auxiliary staff are engaged to supplement services as needed.

## Q2 Operating Memo - Finance

Financial Service Department as at June 30, 2023	Q2 Budget	Q2 Actual	YTD Bud	2023	2023	2023 Annual	2023
	YTD Jun 30	YTD Jun 30	Var \$	Annual	Annual	Budget	Enhancement
				Budget	Forecast	vs Forecast	
200 Expenses							
Total 400 Salaries/Benefits/Training	1,992,943	1,826,516	166,427	3,992,207	3,799,121	193,086	
Total 450 Contracted Services	74,569	108,933	(34,364)	152,177	158,862	(6,685)	5,149
Total 500 Supplies and Materials	231,840	249,216	(17,376)	473,138	503,251	(30,113)	16,003
Total 700 Insurance and Claims	1,919,492	1,754,642	164,850	3,917,333	4,037,482	(120,149)	
Total 200 Expenses	4,218,844	3,939,307	279,537	8,534,855	8,498,716	36,139	21,152
Total Finance	4,218,844	3,939,307	279,537	8,534,855	8,498,716	36,139	21,152

### As At June 30, 2023 Budget vs Actual to Date

The Finance Department is currently under budget as at June 30<sup>th</sup>, with a year to date net surplus of \$279.5K. The surplus is primarily from savings in salaries and benefits which are offset by higher trending supplies and materials costs and invoicing timing of contracted services expenses. The finance department employs approximately 35 full-time equivalent positions, of which three are vacant and one staff member is on an on gradual return-to-work schedule. Financial Services continues to utilize the temporary and auxiliary staff to maintain service levels and support the existing staff.

### 2023 Service Enhancement

There were no specific service enhancement in 2023. Inflation adjustments to contracted services, supplies and materials are trending to be fully spent.

### 2023 Annual Forecast Budget vs Actual

For year end, the Finance Department is forecasted to be under budget with a net surplus of \$36.1K. Anticipated saving Salary/Benefits/Training savings from vacancies are expected to be continue as the department plans to hold vacancies in support of the Advanced Metering Infrastructure (AMI) project.

However, the savings in salaries is likely to be offset by a higher than planned insurance policy renewal cost for July 2023 to June 2024 coverage. The increases in insurance costs can be attributed to increased insurance market risk factors from global events and increased City assets valuation. Budgetary pressure in Supplies and Materials are expected to continue primarily due to increased printing and postage cost associated with property tax and utilities billing.

### Planning Ahead

Finance Department will continue to hold staff vacancies as we support the AMI project implementation, with strategies to maintain level of services through utilizing auxiliary staffing to backfill vacancies as needed.

## Q2 Operating Memo – Fire Department

	Q2 Budget	Q2 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Jun 30	YTD Jun 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
200 Sale of Services	(6,419)	(14,886)	8,467	(13,100)	(21,567)	8,467	-
250 Grants from Other Governments	(9,998)		(9,998)	(20,000)	(20,000)		(20,000)
300 Other Revenue	(19,323)	(44,605)	25,282	(39,431)	(92,626)	53,195	-
350 Contribution Revenue					(47,500)	47,500	-
<b>Total 100 Revenue</b>	<b>(35,740)</b>	<b>(59,491)</b>	<b>23,751</b>	<b>(72,531)</b>	<b>(181,693)</b>	<b>109,162</b>	<b>(20,000)</b>
200 Expenses							
400 Salaries/Benefits/Training	8,435,065	8,201,008	234,057	16,982,210	17,006,904	(24,694)	274,049
450 Contracted Services	417,151	417,299	(148)	851,325	898,451	(47,126)	129,092
500 Supplies and Materials	156,304	208,603	(52,299)	318,987	345,977	(26,990)	62,243
725 Amortization	315,560	322,002	(6,442)	644,000	644,000		-
<b>Total 200 Expenses</b>	<b>9,324,080</b>	<b>9,148,912</b>	<b>175,168</b>	<b>18,796,522</b>	<b>18,895,332</b>	<b>(98,810)</b>	<b>465,384</b>
<b>Total Fire Services</b>	<b>9,288,340</b>	<b>9,089,421</b>	<b>198,919</b>	<b>18,723,991</b>	<b>18,713,639</b>	<b>10,352</b>	<b>445,384</b>

### As At June 30, 2023 Budget vs Actual to Date

Fire Department is tracking under budget in Q2 with a net surplus of \$198.9K, primarily from savings in salaries and benefits from vacant positions and city staff EOC training and conferences that take place later in the year. The overspending in supplies and materials is due to timing of expenses.

Out of approximately 102.5 full-time equivalent positions, the department has 7 vacancies in existing positions; 3 in Fire Administration and 4 in Fire Operations. The 0.5 vacancy from the approved 2023 enhancement position has been filled in April. Two full-time vacancies in Fire Administration are currently filled by acting staff from Fire Operations and recruitment has been completed for the vacancies for the Deputy Chief Positions and the Executive Assistant vacancy for Fire Administration. Recruitment for vacancies in Fire Operations are expected to be completed by Q4.

### 2023 Service Enhancement

Description	Amount	Status
One-time TPT (910 hours) Chief Equity Officer for the DEIAR Framework	\$ 50,000	Completed - position filled in April and expected to work till end of 2023
One-time project management and various other consultant scope work	\$ 15,000	In progress - expected to be spent in Q3 & Q4
One-time ESS Volunteer Coordinator	\$ 31,100	Completed - funding to extend an existing position (budgeted in Corporate Contingency)
One-time Emergency Medical Responder (EMR) as follows:		
-Contracting for instructors for priority care	\$ 9,000	Completed - most of the budget spent in Q2
-License fee for EMR	\$ 29,500	In progress - expected to be spent in Q4
-EMR diagnostic equipment	\$ 23,330	Completed - procurement completed in Q2
-Staffing costs of fire fighters are paid at straight time per union agreement	\$ 221,568	In progress - overtime from Fire Fighters for EMR project expected to start in Q2 completed by Q4
One-time programmable communication tool from Twilio to aid residents in response to an emergency or extreme weather event	\$ 10,000	In progress - expected to be completed in Q4
One-time UBCM Grant and spending for Emergency Support Services	\$ 20,000	In progress - spending is expected in Q4 and grant is expected to be received in Q1 2024

**2023 Annual Budget vs Forecast**

For year-end, Fire is expected to be under budget with a net surplus of \$10.3K. Salary/Benefits/Training savings from vacancies are expected to be reduced with new recruitments and training and development activities occur later in the year. The other budgetary pressure on salaries and benefits include unbudgeted payment for a retiring officer till mid-year, an expected \$31.1K payment for an ESS volunteer coordinator whose budget is in corporate contingency, expired collective agreement, and the possibility of an increase in overtime during summer months in response to emergencies. Contracted Services and Supplies and Materials are at risk of overspending primarily due to spending for an increase in emergency response for the opioid crisis and other unbudgeted city emergencies in the Emergency Support Services such as the Hospital Street fire which is recoverable from the Province.

**Planning Ahead**

Staff and resources have been deployed to address the Accelerated Heat Plan initiative, Emergency Medical Responder training and work to mitigate the impacts of the opioid, mental health and housing crises. Staff overtime will be incurred during Q3 to assist with the activations of Westminster Pier Park, FEST and other additional community events. A review to produce concrete recommendations to align the department with the principles of the DEIAR framework is well underway with preliminary results expected in Q3. Development of short term Fire Department Strategic Plan is expected to complete with a longer term Master Plan to be completed in early 2024. Q3 will see some Cost Recovery from Senior Fire Management Wildfire Deployments and greater than usual financial recoveries from large scale structure fire incidents.

## Q2 Operating Memo – General Government

General Government as at June 30, 2023	Q2 Budget	Q2 Actual	YTD Bud	2023	2023	2023 Annual	2023
	YTD Jun 30	YTD Jun 30	Var \$	Annual	Annual	Budget	Enhancement
				Budget	Forecast	vs Forecast	
<b>100 Revenue</b>							
Total 100 Taxation Revenue	(103,098,000)	(104,207,494)	1,109,494	(105,142,045)	(104,834,143)	(307,902)	
Total 200 Sale of Services	(77,832)	(70,349)	(7,483)	(158,845)	(151,363)	(7,482)	
Total 250 Grants from Other Governments	(16,164,794)	(15,850,000)	(314,794)	(16,497,590)	(16,497,590)	0	
Total 300 Other Revenue	(5,173,217)	(6,196,409)	1,023,192	(10,557,583)	(15,120,776)	4,563,193	
Total 350 Contribution Revenue	(3,447,054)	(3,246,637)	(200,417)	(6,908,275)	(6,707,857)	(200,418)	
<b>Total 100 Revenue</b>	<b>(127,960,897)</b>	<b>(129,570,889)</b>	<b>1,609,992</b>	<b>(139,264,338)</b>	<b>(143,311,729)</b>	<b>4,047,391</b>	<b>0</b>
<b>200 Expenses</b>							
Total 400 Salaries/Benefits/Training	(1,234,843)	105,323	(1,340,166)	(2,469,601)	203,574	(2,673,175)	
Total 450 Contracted Services	265,648	121,846	143,802	539,839	340,039	199,800	126,469
Total 500 Supplies and Materials	183,267	15,252	168,015	368,807	93,417	275,390	258,849
Total 650 Grants	489,222	537,103	(47,881)	978,450	1,010,254	(31,804)	
Total 725 Amortization	265,090	270,498	(5,408)	541,000	546,408	(5,408)	
<b>Total 200 Expenses</b>	<b>(31,616)</b>	<b>1,050,022</b>	<b>(1,081,638)</b>	<b>(41,505)</b>	<b>2,193,692</b>	<b>(2,235,197)</b>	<b>385,318</b>
<b>300 Fiscal Expenses</b>							
Total 550 Interest	2,380,609	2,628,292	(247,683)	4,858,387	5,106,069	(247,682)	
<b>Total 300 Fiscal Expenses</b>	<b>2,380,609</b>	<b>2,628,292</b>	<b>(247,683)</b>	<b>4,858,387</b>	<b>5,106,069</b>	<b>(247,682)</b>	<b>0</b>
<b>Total General Government</b>	<b>(125,611,904)</b>	<b>(125,892,575)</b>	<b>280,671</b>	<b>(134,447,456)</b>	<b>(136,011,968)</b>	<b>1,564,512</b>	<b>385,318</b>

### As At June 30, 2023 Budget vs Actual to Date

The General Government Department is tracking under budget as at June 30th by \$0.3M, due to favourable interest income in the current high interest rate environment and timing of grants in lieu of taxes payments received. The favourability is partially offset by planned staff vacancy savings across the organization where actual savings are recognized by the individual departments, the timing of contribution revenue and grant payments budgeted to be received this year, and the planned sales of carbon credits to be completed later in the year.

### 2023 Service Enhancement

Description	Amount	Status
Corporate Contingency	\$ 112,000	Staff will continue to monitor expenditure on incurred for Inflation/Extreme Events across the organization for the utilization of the Corporate Contingency; Actual expenditures are recognized at the individual departments
New Staff IT Equipment, Furniture, and Training	\$ 285,000	Ongoing training and purchase of IT equipment and furniture for onboarding new staff; Actual expenditures are recognized at the individual departments

### 2023 Annual Forecast Budget vs Actual

For year end, the General Government Department is forecasting to be under budget by \$1.6M mainly due to other revenue trending higher than budget. The favourability is due to higher than planned interest income by \$4.1M in the current high interest rate environment, which are partially offset by higher debt interest expense and a planned surplus of \$2.6M for 3% staff vacancies budgeted across the organization, where actual savings will be recognized in the individual departments. The planned staff vacancies are currently on target across the organization, as the overall year-end forecast for salaries, benefits, and staff training expenditures are in line with budget.

### Planning Ahead

The current practice of budgeting for 3% of salaries as planned vacancies will be reviewed as staff looks to be more proactive in filling vacancies and providing transitional support for planned retirements.

## Q2 Operating Memo – Human Resources (HR) and Information Technology (IT)

Human Resources (HR) & Information Technology (IT) as of June 30, 2023	Q2 Budget	Q2 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual	2023
	YTD Jun 30	YTD Jun 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
Total 200 Sale of Services	(2,450)		(2,450)	(5,000)	(2,550)	(2,450)	
Total 300 Other Revenue							
<b>Total 100 Revenue</b>	<b>(2,450)</b>		<b>(2,450)</b>	<b>(5,000)</b>	<b>(2,550)</b>	<b>(2,450)</b>	
200 Expenses							
Total 400 Salaries/Benefits/Training	3,191,893	2,595,893	596,000	6,414,916	5,626,912	788,004	29,500
Total 450 Contracted Services	152,275	187,412	(35,137)	310,777	397,914	(87,137)	10,509
Total 500 Supplies and Materials	839,100	980,866	(141,766)	1,712,447	1,974,213	(261,766)	162,740
Total 725 Amortization	713,930	728,502	(14,572)	1,457,000	1,471,572	(14,572)	
Total 775 Capital Loss							
<b>Total 200 Expenses</b>	<b>4,897,198</b>	<b>4,492,673</b>	<b>404,525</b>	<b>9,895,140</b>	<b>9,470,611</b>	<b>424,529</b>	<b>202,749</b>
<b>Total HR &amp; IT</b>	<b>4,894,748</b>	<b>4,492,673</b>	<b>402,075</b>	<b>9,890,140</b>	<b>9,468,061</b>	<b>422,079</b>	<b>202,749</b>

### As At June 30, 2023 Budget vs Actual to Date

The HR and IT department is showing an overall *favourable* variance in spending by \$0.40M (8%), primarily from savings in salaries and benefits which are offset by higher trending supplies and materials costs.

There are 47 full-time equivalent (FTE) positions, split between **HR** having 24 positions and **IT** having 23 positions. There are 5 vacant positions within the HR and IT department.

The major expenses that exceeded the budget are in **HR**, *Recruitment Expenses*- due to 4 senior management level vacancies across different departments; *Employee Assistance Program*- due to an increase in the use of this service; *Consulting Services*- to carry out several initiatives to overcome attrition and recruitment challenges, and in **IT**, *Supplies, and Materials*- due to the license costs of all the software used across the organization.

### 2023 Service Enhancement

Description	Amount	Status
Learning and Development Specialist 18-month TFT	\$ 28,415	Completed – funding to extend existing position
TFT Workplace Wellness and Ability Management Specialist	\$ 28,865	On hold – these funds will be used to hire an agency that would provide the City with these services and bring more efficiency and value. The RFP is being drafted.
HR Recruiter	\$ 116,854	Completed – RFT position filled in June 2023.
HR Assistant	\$ 82,265	Completed – TFT position filled January 2023. Provision position for RFT.
2022 Service Enhancement Carryover Training - Diversity, Equity, Inclusion, and Anti-Racism Training; Sanctuary City	\$ 25,000	In progress – training sessions to be provided for staff throughout 2023
RFT IT Project Manager	\$ 126,669	In progress – recruitment is underway.
RFT IT Security Administrator	\$ 129,169	On hold – there will be a recommendation to allocate funds to hire an agency that would provide

Description	Amount	Status
		the City with 24/7 security monitoring and remediation with a team of experts. Estimated costs are less than the current FTE costs and would bring significant value.
Business Systems Analyst/Programmer	\$ 126,369	Completed – position filled for AMI project
IT Support Clerk (administrative assistant) Extension	\$ 20,000	Completed – Position filled.
Computer Systems Maintenance Enhancement	\$ 100,000	Monitoring – Actuals trending higher than budget

### **2023 Annual Forecast Budget vs Actual**

For the year-end, HR and IT is expected to have net savings in spending by \$0.42M. The savings are mainly due to the vacancies in the department. A portion of these savings may be offset as the recruitment efforts for vacant positions are underway. The budgetary pressure is likely to continue on Contracted Services, Supplies, and Materials for risk of overspending, primarily due to increasing software and network maintenance costs and subcontract work for network infrastructure support.

### **Planning Ahead**

The HR and IT department plays a crucial role in supporting all other departments to accomplish the outcomes provided in the *2023-2026 Council Strategic Priorities Plan*. In the recent past, considering the changes in the labor market and IT infrastructure environment, the staff will pivot and work collaboratively with the other departments to provide services that are in the best interest of the organization, as well as be strategic in implementing internal controls to yield operational savings and effectiveness where practical to do so.



## Q2 Operating Memo – Library

Library Department as at Jun 30, 2023	Q2 Budget	Q2 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Jun 30	YTD Jun 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
200 Sale of Services	(15,288)	(17,494)	2,206	(31,200)	(34,467)	3,267	
250 Grants from Other Governments	(150,340)	(359,535)	209,195	(150,340)	(159,742)	9,402	
300 Other Revenue		(127)	127		(126)	126	
350 Contribution Revenue	(18,865)		(18,865)	(38,500)	(38,500)		(31,000)
<b>Total 100 Revenue</b>	<b>(184,493)</b>	<b>(377,156)</b>	<b>192,663</b>	<b>(220,040)</b>	<b>(232,835)</b>	<b>12,795</b>	<b>(31,000)</b>
200 Expenses							
400 Salaries/Benefits/Training	1,740,161	1,418,437	321,724	3,498,347	3,159,300	339,047	4,500
450 Contracted Services	56,184	43,619	12,565	114,663	119,043	(4,380)	3,823
500 Supplies and Materials	404,026	374,689	29,337	824,545	799,364	25,181	57,557
725 Amortization	345,940	352,998	(7,058)	706,000	706,000		
<b>Total 200 Expenses</b>	<b>2,546,311</b>	<b>2,189,743</b>	<b>356,568</b>	<b>5,143,555</b>	<b>4,783,707</b>	<b>359,848</b>	<b>65,880</b>
<b>Total Library</b>	<b>2,361,818</b>	<b>1,812,587</b>	<b>549,231</b>	<b>4,923,515</b>	<b>4,550,872</b>	<b>372,643</b>	<b>34,880</b>

### As At June 30, 2023 Budget vs Actual to Date

The Library Department is tracking under budget in Q2 with a net surplus of \$549.2K, primarily because of \$321.7K savings in salaries and benefits. This savings is mostly due to vacant positions, with some being back-filled at a lower rate. The Library also received an additional \$409.6K special one-time “Library Enhancement Grant” from the Province that may be spent over three years (2023-2025) to support local library service enhancement.

Out of approximately 31.6 full-time equivalent positions, the department has 9 full-time positions that were vacant for most of Q1 and Q2. As well, the Chief Librarian position became vacant in June and the work of recruiting a new Chief Librarian is underway. The library is able to backfill for the most critical duties by more junior staff or temporary assignments for auxiliary staff. Some backfilling of 3 of the positions will continue to the end of the year, while recruitment for other positions are underway and anticipating 4 positions to be filled by the end of Q3.

### 2023 Service Enhancement

Description	Amount	Status
Librarian 2	\$ 103,275	In progress - expected to be filled by Mid Sep 2023
Librarian 2	\$ 107,687	Temporary filled for one year contract- contract ends May 2024
Library Assistant 2	\$ 74,383	In progress - position backfilled by auxiliary person in Q1 and Q2. It will continue to be backfilled until it is filled. Expected to be filled by Q1, 2024
Library Assistant 2	\$ 74,383	In progress - position backfilled by auxiliary person in Q1 and Q2. It will continue to be backfilled until it is filled. Expected to be filled by Q1, 2024
Library Assistant 2	\$ 74,383	In progress - position backfilled by auxiliary person in Q1 and Q2. It will continue to be backfilled until it is filled. Expected to be filled by Q1, 2024
Training and education of the permanent positions	\$ 4,500	In progress - expected to be spent by year-end

Offset by Auxiliary Budget	\$ (438,611)	Offsets the above 5 permanent positions from vacant part-time positions so no net impact to budget
Balance of the one-time \$80K Provincial grant for COVID-19 recovery received in 2022 to be spent on small equipment in the supplies section in 2023	\$ 31,000	In progress - expected to be spent by year-end and offset by grant

### **2023 Annual Budget vs Forecast**

For year-end, the Library is expected to be under budget with a net surplus of \$372.6K. Salary and Benefits savings from vacancies from Q2 are expected to be carried forward to year-end. The Library is not planning to spend the special one-time “Library Enhancement Grant” from the Province of \$409.6K in 2023. The grant will be removed from the annual forecast to defer the spending to 2024-2025.

### **Planning Ahead**

Staffing levels continue to be in flux with retirements and resignations. Managing staff vacancies and resulting additional workloads for existing staff is an ongoing challenge. Our top priority is to ensure seamless delivery of core library services and the new work directions identified by our strategic plan already underway.

Staff development and training remains a high priority, not only as part of recruitment and onboarding activities, but to better support staff as we navigate the challenges of serving our community with the continued presence of mental health and substance abuse incidents. Staff themselves are not immune to the stressors facing our community on a personal and professional level and we are working with Human Resources Department to better support staff.

The Library is actively monitoring the growing population of displaced individuals in and around library spaces, including the rise in open drug use and mental health incidents. Library staff are working with other City departments and local service agencies to increase support for library staff and provide options for those vulnerable individuals amenable to assistance. In addition, Library staff are reviewing how other libraries are responding to similar activities as part of a review of library services, barriers to service, and the competing uses of library spaces by a diverse community.

The acquisition of an electric car to help the library’s outreach and community work is delayed to 2024 due to market availability.

## Q2 Operating Memo - Parks and Receptions

Parks and Recreation as of June 30, 2023	Q2 Budget	Q2 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Jun 30	YTD Jun 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
200 Sale of Services	(1,681,130)	(1,998,102)	316,972	(3,430,820)	(3,747,794)	316,974	
250 Grants from Other Governments	(10,290)	(25,150)	14,860	(21,000)	(35,860)	14,860	
300 Other Revenue	(165,424)	(121,786)	(43,638)	(337,600)	(293,962)	(43,638)	
350 Contribution Revenue	(3,380)	(20)	(3,360)	(6,800)	(3,440)	(3,360)	
<b>Total 100 Revenue</b>	<b>(1,860,224)</b>	<b>(2,145,058)</b>	<b>284,834</b>	<b>(3,796,220)</b>	<b>(4,081,056)</b>	<b>284,836</b>	
200 Expenses							
400 Salaries/Benefits/Training	6,907,066	7,080,110	(173,044)	13,849,383	14,011,704	(162,321)	80,000
450 Contracted Services	289,909	186,231	103,678	593,913	479,619	114,294	106,187
500 Supplies and Materials	717,360	644,633	72,727	1,462,234	1,429,670	32,564	49,282
600 Cost of Sales	134,358	53,660	80,698	274,200	193,502	80,698	
725 Amortization	1,810,550	1,847,502	(36,952)	3,695,000	3,731,952	(36,952)	
775 Capital Loss							
<b>Total 200 Expenses</b>	<b>9,859,243</b>	<b>9,812,136</b>	<b>47,107</b>	<b>19,874,730</b>	<b>19,846,447</b>	<b>28,283</b>	<b>235,469</b>
<b>Total Parks and Recreation</b>	<b>7,999,019</b>	<b>7,667,078</b>	<b>331,941</b>	<b>16,078,510</b>	<b>15,765,391</b>	<b>313,119</b>	<b>235,469</b>

### As At June 30, 2023 Budget vs Actual to Date

Parks and Recreation is showing an overall *favorable* variance in Revenue by \$0.28M (15%), split between Receptions *favorable* by \$0.24M (15%), and Parks by \$0.04M (16%).

*Favorable* variance in **Recreation** sale of services is primarily due to increased program registrations such as swimming, gymnastics, camps, and rentals along with steady drop-in and membership revenues offset by lower-than-expected concessions sales. **Parks** sales of services from rentals such as grass and artificial turf fields are also reporting better than expected.

During 2023, unique circumstances led to *unfavorable* variance in certain revenues. For instance, job action in the film industry by the Writers Guild and America and the Screen Actors Guild has resulted in a decrease in revenue from filming licenses, street occupancy, etc. Another reason for a reduction in revenue pertains to the downsizing (and projected decommissioning) of Centennial Community Center (CCC) for the development of tənəsewtx<sup>w</sup> Aquatic and Community Centre (TACC).

Overall the actual expenses of \$9.81M of both Parks and Recreation are less than the budget by \$0.05M. The **Parks** spent less than the budget by \$0.32M, on the other hand, the **Recreation** spent \$0.28M over the budget. Out of approx. 106 full-time equivalent (FTE) positions in the department, there are savings anticipated from approx. 9 vacant positions, of which 3 are expected to be filled within this year. The savings from vacant positions are expected to be offset by over-spend caused by the backfill through auxiliary staff.

**2023 Service Enhancement**

Description	Amount	Status
Civic Observances, Celebrations, and Community Partnerships	\$80,000	The temporary position has been filled in Q2-2023.
Arboriculture Operations Support	\$87,500	In progress - Staff are monitoring the spending. The amount is expected to be spent in Q3 and Q4.

**2023 Annual Forecast Budget vs Actual**

For the year-end, the departmental operational subsidy (i.e. expenditure less revenue) will be approximately \$16M and in alignment with the approved budget. The Revenue in Parks and Recreation is seasonal. Recreation is anticipating a sustained uptick in program registrations. Enhanced service requirements paired with inflation are creating budgetary pressure on Contracted Services, Supplies, and Materials for the risk of overspending, to maintain the services at the appropriate standards.

**Planning Ahead**

Out of the five areas of the *2023-2026 Strategic Priorities Plan*, the Parks and Recreation department plays a crucial role in the area of '*Community Belonging and Connecting*', and has a secondary or indirect involvement in the other strategic initiatives as well.

Staff will continue to closely monitor and manage the service offerings. Staff will be putting additional measures in monitoring the services that are pivoted/customized with the change in circumstances, such as ongoing capital projects. Recruitment efforts will remain ongoing, yet strategic in order to yield operational savings where practical to do so.

## **Q2 Operating Memo – Police Department**

New Westminster Police Department quarterly performance can be found in the link below after the Police Board meeting on September 12<sup>th</sup>, 2023 at 9:30AM.

<https://www.nwpolice.org/inside-new-westminster-police-department/police-board/2023-meetings-schedule-agendas/>

## Council Report – Q2 Report

### Sewer Utility

BU and Accounts	2023 Annual Budget	Q2 Budget YTD Jun 30	Q2 Actual YTD Jun 30	YTD Bud Var \$	2023 Annual Budget	2023 Annual Forecast	2023 Annual Bud vs Forecast Var \$	2023 Enhancement
<b>100 Revenue</b>								
Total 100 Taxation Revenue		(23,571)	(14,404)	(9,167)		0	0	
Total 150 Utility Rates	(28,307,000)	(26,443,320)	(26,132,738)	(310,582)	(28,307,000)	(27,996,417)	(310,583)	
Total 200 Sale of Services	(424,000)	(203,520)	(158,356)	(45,164)	(424,000)	(378,836)	(45,164)	
Total 250 Grants from Other Governments								
Total 300 Other Revenue	(20,000)	(9,600)		(9,600)	(20,000)	(20,000)	0	
Total 325 Contributed TCA								
Total 350 Contribution Revenue	(5,886,733)	(2,825,631)	(30,000)	(2,795,631)	(5,886,733)	(2,215,000)	(3,671,733)	(1,092,337)
<b>Total 100 Revenue</b>	<b>(34,637,733)</b>	<b>(29,505,642)</b>	<b>(26,335,498)</b>	<b>(3,170,144)</b>	<b>(34,637,733)</b>	<b>(30,610,253)</b>	<b>(4,027,480)</b>	<b>(1,092,337)</b>
<b>200 Expenses</b>								
Total 400 Salaries/Benefits/Training	1,229,445	613,813	460,518	153,295	1,229,445	974,963	254,482	52,376
Total 450 Contracted Services	990,573	422,230	405,089	17,141	990,573	1,079,535	(88,962)	100,000
Total 500 Supplies and Materials	144,609	61,536	56,795	4,741	144,609	145,125	(516)	
Total 725 Amortization	2,268,000	1,111,320	1,134,000	(22,680)	2,268,000	2,290,680	(22,680)	
Total 750 Utility Purchases and Levies	11,965,955				11,965,955	11,965,955		
Total 775 Capital Loss								
<b>Total 200 Expenses</b>	<b>16,598,582</b>	<b>2,208,899</b>	<b>2,056,402</b>	<b>152,497</b>	<b>16,598,582</b>	<b>16,456,258</b>	<b>142,324</b>	<b>152,376</b>
<b>Total Sewer Fund</b>	<b>(18,039,151)</b>	<b>(27,296,743)</b>	<b>(24,279,096)</b>	<b>(3,017,647)</b>	<b>(18,039,151)</b>	<b>(14,153,995)</b>	<b>(3,885,156)</b>	<b>(939,961)</b>

### As At June 30, 2023 Budget vs Actual to Date

#### General

Overall, the Sewer Utility is unfavourable to Budget by \$3.0M in Q2 as archeological considerations have delayed budgeted grant revenue recognition, particularly from the West End Sewer Separation project. As per accounting standards, grant contributions are accrued based on the percentage of the project work completed. As the project is delayed due to archeological impacts the amount of grant revenue recognized in 2023 is projected to decline in line with the reduced level of work completed on the Sewer Separation project in 2023.

A shortfall to Budget on commercial sewer receipts accounts for the balance of the unfavourable variance.

On expenditures, vacancies and an employee on unpaid leave create a favourable personnel variance of \$0.1M.

#### Payroll

Vacancies and an employee on unpaid leave create a favourable personnel variance of \$0.1M. The Sewer Utility has 12 FTEs budgeted, including 0.5 FTE for a SCADA software technician shared with the Water Utility that was filled in March. The role was largely vacant in Q1. A further 0.5 FTE enhancement for an engineering technologist was approved for the 2023 Budget, which is also shared with the Water Utility. This position is targeted to be filled in Q3. The Sewer Utility also has a vacant Sub-foreman and an individual on medical leave. The latter 2 positions will not be filled on 2023. It is also expected that there will be a vacancy created toward the end of year due to retirement.

### **2023 Service Enhancement:**

A 0.5 FTE enhancement for an engineering technologist was approved for the 2023 Budget that is also shared with the Water Utility. This position is targeted to be filled in Q3.

### **2023 Annual Forecast Budget vs Actual**

The Utility expects have a shortfall to Budget of \$3.9M as archeological delays will delay grant revenue recognition and it is not anticipated that the utility will recover the shortfall to Budget on commercial revenues.

### **Planning Ahead**

The sewer utility has developed its inaugural asset management plan in 2023. The finding from the plan indicates the current replacement value of the sewer and drainage assets is considerably higher than previously contemplated. While it's expected that guidance from Metro Vancouver on Sewer levies will be within a reasonable range of last year's projections, the sewer utility is reviewing whether the rates need to be incrementally increased between 1.3%-1.7% to 8.3%-8.7% per annum to cover the updated revaluation reserve requirements.. The City will remain diligent in anticipating and reviewing any potential rate and cost methodology changes from Metro Vancouver and their appropriateness for the City of New Westminster. A potential change in the methodology used by Metro Vancouver can significantly impact future rates and is thus being watched closely.

Staff are working with HR to prioritize and find efficient and innovative means to address outstanding recruitments. In addition, third-party consultants, contractors and auxiliary staff are engaged to supplement services as needed.

## Council Report – Q2 Report

### Solid Waste Utility

BU and Accounts	2023 Annual Budget	Q2 Budget YTD Jun 30	Q2 Actual YTD Jun 30	YTD Bud Var \$	2023 Annual Budget	2023 Annual Forecast	2023 Annual Bud vs Forecast Var \$	2023 Enhancement
<b>100 Revenue</b>								
Total 150 Utility Rates	(5,005,000)	(4,720,000)	(4,773,253)	53,253	(5,005,000)	(5,058,252)	53,252	
Total 300 Other Revenue	(779,000)	(373,920)	(428,241)	54,321	(779,000)	(833,320)	54,320	
Total 100 Revenue	(5,784,000)	(5,093,920)	(5,201,494)	107,574	(5,784,000)	(5,891,572)	107,572	
<b>200 Expenses</b>								
Total 400 Salaries/Benefits/Traini	1,230,542	614,900	556,845	58,055	1,230,542	1,131,309	99,233	
Total 450 Contracted Services	114,284	48,036	6,921	41,115	114,284	114,860	(576)	
Total 500 Supplies and Materials	134,247	64,384	20,742	43,642	134,247	134,247	0	
Total 725 Amortization	400,000	196,000	199,998	(3,998)	400,000	403,998	(3,998)	
Total 750 Utility Purchases and Le	2,458,768	1,166,424	831,971	334,453	2,458,768	2,458,768	0	
Total 775 Capital Loss								
Total 200 Expenses	4,337,841	2,089,744	1,616,477	473,267	4,337,841	4,243,182	94,659	
Total Solid Waste Fund	(1,446,159)	(3,004,176)	(3,585,017)	580,841	(1,446,159)	(1,648,390)	202,231	

### As At June 30, 2023 Budget vs Actual to Date

#### General

The Solid Waste Utility is \$0.5M favourable to budget due to:

- \$0.1M in favourable residential revenue including savings on the budgeted timing of discount claims
- \$0.3M in favourable expense timing in the first half of the year on tipping fee expense that will reverse in the second half of the year
- \$0.1M of staff vacancies and expense timing on administrative expenses

#### Payroll

The Solid Waste Utility has a Budget of 12 FTEs. There are 2 current labourer vacancies.

### 2023 Service Enhancement:

None in 2023

### 2023 Annual Forecast Budget vs Actual

Favourable timing variances in Discounts, Tipping Fees, and expenses are expected to catch-up and balance out to Budget by the end of the year. The utility expects to end the year with a slightly favourable variance due to vacancies and higher than Budgeted revenue in Residential.



## **Planning Ahead**

Guidance on higher than general CPI year-over-year Tipping Fees increases from Metro Vancouver is expected, escalating personnel costs, increased service levels, and fleet electrification, create significant cost challenges to a Solid Waste Utility already with lower than targeted Reserve balances. Going forward, the Utility will need to review its long-term planning strategies, including its asset management requirements to to better align the services provided.

The strategies and actions around Downtown livability will continue to present challenges to our staff with respect to the removal and disposal of discarded materials, including human waste and drug-related waste.

## Council Report – Q2 Report

### Water Utility

BU and Accounts	2023 Annual Budget	Q2 Budget YTD Jun 30	Q2 Actual YTD Jun 30	YTD Bud Var \$	2023 Annual Budget	2023 Annual Forecast	2023 Annual Bud vs Forecast Var \$	2023 Enhancement
<b>100 Revenue</b>								
Total 150 Utility Rates	(17,261,000)	(11,675,860)	(11,467,118)	(208,742)	(17,261,000)	(17,052,256)	(208,744)	
Total 200 Sale of Services	(99,000)	(47,598)	(15,053)	(32,545)	(99,000)	(70,079)	(28,921)	
Total 250 Grants from Other Governments								
Total 325 Contributed TCA								
Total 350 Contribution Revenue	(885,000)				(885,000)	(250,000)	-635,000	
<b>Total 100 Revenue</b>	<b>(18,245,000)</b>	<b>(11,723,458)</b>	<b>(11,482,171)</b>	<b>(241,287)</b>	<b>(18,245,000)</b>	<b>(17,372,335)</b>	<b>(872,665)</b>	
<b>200 Expenses</b>								
Total 400 Salaries/Benefits/Training	858,019	428,217	294,227	133,990	858,019	673,928	184,091	52,374
Total 450 Contracted Services	109,245	45,981	74,536	(28,555)	109,245	137,799	(28,554)	28,200
Total 500 Supplies and Materials	179,137	75,268	69,004	6,264	179,137	184,605	(5,468)	40,000
Total 725 Amortization	1,132,000	554,680	565,998	(11,318)	1,132,000	1,143,318	(11,318)	
Total 750 Utility Purchases and Levies	7,466,596	3,125,983	3,110,067	15,916	7,466,596	7,450,680	15,916	
<b>Total 200 Expenses</b>	<b>9,744,997</b>	<b>4,230,129</b>	<b>4,113,832</b>	<b>116,297</b>	<b>9,744,997</b>	<b>9,590,330</b>	<b>154,667</b>	<b>120,574</b>
<b>Total Water Fund</b>	<b>(8,500,003)</b>	<b>(7,493,329)</b>	<b>(7,368,339)</b>	<b>(124,990)</b>	<b>(8,500,003)</b>	<b>(7,782,005)</b>	<b>(717,998)</b>	<b>120,574</b>

### As At June 30, 2023 Budget vs Actual to Date

#### General

Overall, the Water Utility is unfavorable to Budget by \$0.1M in Q1 because commercial water revenues are below Budgeted targets by \$0.2M. We will monitor the commercial consumption actuals in the forthcoming quarters and rebaseline the forecast as required. We anticipate that the actuals will not meet the budgeted levels with water restrictions and other conservation measures in place for the summer.

Salaries and benefits offset shortfalls in commercial revenue as staff vacancies create a favourable personnel variance of \$0.1M.

#### Payroll

Vacancies and an employee on unpaid leave create a favorable personnel variance of \$0.1M. The Water Utility has 8 FTEs budgeted, including 0.5 FTE for a SCADA software technician shared with the Sewer Utility that was filled in March. The role was largely vacant in Q1. A further 0.5 FTE enhancement for an engineering technologist was approved for the 2023 Budget, which is also shared with the Sewer Utility. This position is targeted to be filled in Q3. The Water Utility also has a vacant labourer.

#### 2023 Service Enhancement:

A 0.5 FTE enhancement for an engineering technologist was approved for the 2023 Budget that is also shared with the Sewer Utility. This position is targeted to be filled in Q3.

### **2023 Annual Forecast Budget vs Actual**

The Utility expects to be unfavorable to budget by \$0.7M as it is not expected that the utility will make up the commercial water revenue shortfall of \$0.2M and DCC contributions to capital will fall short of budgeted expectations by \$0.6M. This is expected to be offset by \$0.2M of favourable variance due to the staff vacancy.

### **Planning Ahead**

Guidance from Metro Vancouver on Water levies are within reasonable range of last year's projections. It is expected that the water utility rate increases will remain at the 7% per annum level established in the previous year. The City will remain diligent in anticipating and reviewing any potential rate and cost methodology changes from Metro Vancouver and their appropriateness for the City of New Westminster. A potential change in the methodology used by Metro Vancouver, can significant impact future rates and is thus being watched closely.

Staff are working with HR to prioritize and find efficient and innovative means to address outstanding recruitments. In addition, third-party consultants, contractors and auxiliary staff are engaged to supplement services as needed.

We anticipate cost escalations to continue to be a concern due to inflationary increases for basic materials and supplies.