

### **Attachment 3**

Supplemental Analysis

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Corporation of the City of New Westminster  
Statement of Financial Position Analysis  
Year Ended December 31, 2024

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**1. Cash and Cash Equivalents**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 117,841,427	\$ 112,938,725	\$ 4,902,702	4%

The \$4.9M increase in Cash and Cash Equivalents is due to \$74.8M cash generated from Operating activities, offset by \$50.6M used in capital acquisitions and \$18.1M in investments in mostly Guaranteed Income Certificates. Details of cash flow changes are found in the Statement of Cash Flows in the consolidated financial statements.

**2. Property Taxes Receivable**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 6,779,924	\$ 6,109,855	\$ 670,069	11%

The \$0.7M increase in Property Taxes Receivable is driven by \$0.8M year over year increase in current taxes receivable and \$0.5M increase in arrears taxes receivable. These increases are offset by \$0.6M reduction in Tax Sale Receivable due to the settlement of the 2023 annual tax sale.

**3. Other Accounts Receivable**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 33,781,258	\$ 29,752,994	\$ 4,028,264	14%

The net \$4.0M increase in Other Accounts Receivable is primarily driven by a \$4.6M increase in Development Cost Charges (DCC) receivable. Additionally, Utility Accounts Receivables increased by \$1.5M, due to delays in bill delivery and payment receipts caused by the Canada Post worker strike. This is offset by a \$2.0M decrease in Other Receivables, including the receipts of grant contributions and billable police services.

**4. Due from Other Governments**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 2,276,767	\$ 1,287,644	\$ 989,123	77%

The net increase of \$1.0M is due to a \$2.2M government grant accrual for the West End Sewer Separation and Green Infrastructure project, offset by \$1.2M receipts of prior year's grant during the year.

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Corporation of the City of New Westminster  
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**5. Investments**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 296,478,111	\$ 278,348,844	\$ 18,129,267	7%

The \$18.1M increase is attributed to a \$15.0M additional investment in Guaranteed Income Certificates and \$3.1M income distributions from MFA investments.

**6. Accounts Payable and Accrued Liabilities**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 32,994,021	\$ 42,007,372	\$ (9,013,351)	-21%

The net decrease of \$9.0M in Accounts Payable and Accrued Liabilities is mainly driven by a \$10.0M reduction in holdbacks related to TACC, Queensborough Substation, and the Sewer Separation Program, offset by a \$1.0M net increase in trade payables, payroll and accrued liabilities accounts.

**7. Asset Retirement Obligations (ARO)**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 12,740,175	\$ 12,399,913	\$ 340,262	N/A

The net increase \$0.3M ARO liabilities is due to a \$0.4M increase in estimated cost for future asset retirement, offset by \$0.1M settlement during the year.

**8. Due to Other Governments**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 12,222,967	\$ 11,606,493	\$ 616,474	5%

The \$0.6M increase is due to a \$1.5M rise in DCC payables to GVRD and TransLink, driven by larger developments in 2024 and an increase in permit issuance. This is offset by a \$0.5M decrease in School Levies payable to the Province and a \$0.4M reduction in the School Site Acquisition Charge, which was fully paid for, resulting in no year-end payable.

**9. Prepaid Taxes**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 13,065,918	\$ 12,314,362	\$ 751,556	6%

The increase is due to the year over year change in annual property tax rate.

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**10. Deferred Revenue and Deposits**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 47,486,021	\$ 35,786,577	\$ 11,699,444	33%

The \$11.7M increase in Deferred Revenue and Deposits is due to deferral of \$10.8M funding received from a third-party contributing to the Westminster Pier Park expansion project and deferral of \$2.1M building and plumbing Permits fees due to adoption of the new PS 3400 – Revenue accounting standard (details of this new standard can be found in Note 2(a) of the audited financial statements).

**11. Deferred Development Cost Charges (DCC's)**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 26,225,839	\$ 21,455,928	\$ 4,769,911	22%

The DCC program brought in \$6.3M in contributions and interest in 2024. These contributions were offset by \$0.9M in DCC capital expenses and \$0.6M in DCC debt principal repayment for the Waterfront Park Development.

**12. Employee Benefit Plans**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 13,612,896	\$ 12,545,275	\$ 1,067,621	9%

The Employee Benefit Plan liability is determined by an actuarial valuation performed for the City by an independent Actuarial Consultant. Every three years, a full actuarial valuation of Employee Benefit Plan liability is performed. The next full valuation will be conducted as of December 31, 2026 with results reflected in the 2027 year-end financial statements.

**13. Debt**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 158,211,877	\$ 166,859,642	\$ (8,647,765)	-5%

No new debt was issued during the year. LA Bylaw 6603 Issue 85 matured in December 2024. The \$8.6M reduction of debt comprised of \$7.5M debt principal repayments of all outstanding debt and \$1.1M actuarial gain in sinking funds.

**14. Tangible Capital Assets**

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 903,099,949	\$ 881,724,658	\$ 21,375,291	2%

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The \$21.4M net increase of tangible capital assets (TCA) is due to \$53.0M (includes \$1.9M contributed TCA) of new capital assets, offset by \$31.1M of amortization expenses and \$0.5M disposal/retirement of assets meeting/exceeding economic useful life. Major capital spending in 2024 includes the following projects:

- tæmæsewtx<sup>w</sup> Aquatic & Community Centre \$10.2M
- West-End Sewer Separation \$6.1M
- Advanced Metering Infrastructure \$5.8M
- Pavement Management \$2.9M
- West-End Watermains Replacement \$2.5M
- Royal Substation Improvements \$2.4M
- Massey Theatre Renovation \$2.2M

#### 15. Inventory of Supplies

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 4,318,046	\$ 3,967,762	\$ 350,284	9%

The \$0.4M increase in Inventory of Supplies is due to purchasing of higher unit cost cable rated for higher voltage in preparation for voltage conversion program replacing cable rated for lower voltage in the past.

#### 16. Prepaid Expenses

2024 Actual	2023 Actual	Y / Y variance	Y / Y % Change
\$ 4,859,158	\$ 3,749,444	\$ 1,109,714	30%

The \$1.1M increase in Prepaid Expenses is due to higher costs for prepaid IT software service subscriptions, cybersecurity support, additional insurance required for the Massey Theater construction work, and \$0.3M prepaid health and dental benefits.

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Corporation of the City of New Westminster  
Statement of Operations Analysis  
Year Ended December 31, 2024

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## OPERATING BUDGET SUMMARY

	2024 Budget	2024 Actuals	Budget Variance	Budget % Variance	2023 Actuals	Y / Y Variance
Revenue	310,730,330	319,852,155	9,121,825	2.9%	350,317,638	(30,465,483)
Expenses	272,790,071	269,881,593	(2,908,478)	-1.1%	244,548,419	25,333,174
Annual Surplus	37,940,259	49,970,562	12,030,303	31.7%	105,769,219	(55,798,657)

The Operating Budgets provide annual funds for essential City Services such as Utilities, Public Safety, Parks & Recreation, Library Services, and more. These budgets also propose Property Tax and Utility Rates to sustain Operating Expenditures and contribute to infrastructure renewal.

The City's operating revenue, including contributed Tangible Capital Assets (TCAs), is favorable to budget by \$9.1M due to:

- Higher than budgeted Other Revenue (\$8.7M): Mainly due to higher investment and bank interest income (\$11.8M), largely offset by lower building permit revenue (\$2.0M – deferred to 2025) due to change in accounting standards and deferral of carbon credits sale (\$3.0M) due to market uncertainties.
- Higher than budgeted Grants from Other Governments (\$4.0M): Primarily due to timing of grant contribution recognition for the childcare facility in the təməsewtxw Aquatic & Community Centre (\$3.0M), and police grants (\$0.6M) from the Province.
- Higher than budgeted Sales of Services revenue (\$2.1M): Mainly due to higher third-party charges recovered for Electrical, Sewer and Water services (\$1.0M), and greater than anticipated parkade, towing, and parking revenues (\$1.0M). The variance in third-party charges aligns with the higher than budgeted subcontract expenses, driven by a greater volume of services and work performed during the year.
- Higher than budgeted Utility Rates Revenue (\$1.6M): Higher electricity usage and related services charges(\$0.3M), higher than budgeted water consumption primarily from commercial users (\$0.4M), and higher sewer utility charges (\$0.6M), reflecting both commercial usage and growth in residential flat rate accounts; and
- City's revenue includes \$1.9M in value of tangible capital assets (TCA) that were contributed to the City as a result of various development projects. Contributions are recognized when the project is completed and when the rights and obligations are transferred to the City. Contributed assets are not budgeted due to the unpredictable nature of the contributions.

Offset by:

- Lower than budgeted Contribution Revenue (\$9.2M) – These are mostly capital project contributions. The lower than anticipated Contribution Revenue is due to slower than forecasted capital spending for the year. Capital contributions not realized this year will be recognized in future years when the corresponding capital projects are completed.

The City's operating expenses are lower than budget by \$2.9M due to:

- Lower than budgeted Contracted Services (\$3.2M) mainly due to slower than forecasted spending of a number of projects in the capital program; and
- Lower than budgeted Salaries and Benefits (\$2.0M) due to staff vacancies and delays in filling 2024 approved positions caused by timing of budget adoption.

Offset by:

- Higher than budgeted Utility Purchases and Levies (\$0.7M) due to higher than expected consumption, which aligns with higher than budgeted Utility Rates revenue.
- Higher than budgeted Supplies and Materials (\$0.3M) cost due to cost escalations in the current economic environment.
- Higher than budgeted interest and bank charges (\$0.3M) due to elevated interest rates paid on tax prepayment and higher bank fees driven by higher Sales of Services revenue.
- Higher than budgeted Amortization expenses (\$0.5M).
- Expenses include a non-cash capital loss (\$0.4M) due to disposing or retiring tangible capital assets that reached the end of economic useful life or no longer in productive use.

## ANALYSIS

The following analysis provides more details of the City's 2024 revenues and expenses. It shows the budget to actual figures for the period and provides 2023 figures for comparison. The larger budget variances are discussed in the report below.

### Revenues

#### Taxation Revenue

	2024 Budget	2024 Actuals	Budget Variance	Budget % Variance	2023 Actuals	Y / Y Variance
<b>Taxation</b>	114,237,981	114,278,915	40,934	0.0%	104,953,729	9,325,186

Taxation revenues include property taxation received from residents, businesses and industries in the City and payments in lieu of taxation received from other levels of government. Property taxes are recognized as revenue at the time of the levy. Payments in lieu of taxation are recognized as revenue when received.

Property taxes were levied in May and results are aligning with budget. The year-over-year change is primarily due to increase in property tax rates.

#### Utility Rates

	2024 Budget	2024 Actuals	Budget Variance	Budget % Variance	2023 Actuals	Y / Y Variance
<b>Electrical Utility</b>	62,048,648	62,419,744	371,096	0.6%	58,854,308	3,565,436
<b>Water Utility</b>	17,753,994	18,205,485	451,491	2.5%	16,884,444	1,321,041
<b>Sewer Utility</b>	30,100,000	30,653,578	553,578	1.8%	28,019,592	2,633,985
<b>Solid Waste Utility</b>	5,677,000	5,851,383	174,383	3.1%	5,094,551	756,832
<b>Total</b>	<b>115,579,642</b>	<b>117,130,189</b>	<b>1,550,547</b>	<b>1.3%</b>	<b>108,852,895</b>	<b>8,277,295</b>

Utility Rates revenue is \$1.6M higher than budget due to:

- Electrical Utility: Revenue is \$0.4M above budget comes from billing residential and commercial customers. The positive budget variance is driven by slightly higher than budgeted electrical demand and consumption, new account and reconnection charges, and EV charging revenue.
- Water Utility: Revenue is \$0.5M above budget due to higher Commercial User consumption (\$0.3M), which is consistent with the positive variance in Sewer Utility and higher than planned water purchase from Metro Vancouver.
- Sewer Utility: Revenue is \$0.6M higher than budgeted. A \$0.3M positive variance in Commercial User Charges aligns with higher Water Commercial User consumption. The remaining \$0.3M is due to an increase in the number and billing of Residential Flat Rate User accounts.
- Solid Waste Utility: Revenue is \$0.2M above budget due to higher organic collections.

### Sale of Services

	2024 Budget	2024 Actuals	Budget Variance	Budget % Variance	2023 Actuals	Y / Y Variance
Community Services	71,030	193,842	122,812	172.9%	192,527	1,315
Corporate Services	208,285	464,118	255,833	122.8%	328,835	135,283
Planning and Development	16,993	120,100	103,107	606.8%	129,481	(9,381)
Engineering Services	4,780,157	5,921,943	1,141,786	23.9%	5,701,863	220,081
Fire and Rescue	13,100	36,905	23,805	181.7%	70,028	(33,123)
Library	24,880	40,011	15,131	60.8%	37,714	2,297
Parks and Recreation	6,993,120	7,023,088	29,968	0.4%	4,508,335	2,514,753
Police	6,449,000	5,790,885	(658,115)	-10.2%	6,461,378	(670,493)
Utility Operations	591,176	1,685,091	1,093,915	185.0%	1,748,286	(63,195)
<b>Total</b>	<b>19,147,741</b>	<b>21,275,984</b>	<b>2,128,243</b>	<b>11.1%</b>	<b>19,178,447</b>	<b>2,097,537</b>

Sale of services revenue are from fees charged by departments offering cultural, recreation, library, towing, parking, cemetery and public safety services. This revenue category also includes third party recoveries for some police, recreation, engineering, and electrical services.

Major factors contributing to the \$2.1M positive variance are:

- Engineering Services: \$1.1M favorable budget variance due to an increase in parkade, towing, and parking revenues (\$1.0M).
- Utility Operations: \$1.1M favorable budget variance due to an increase in Electrical (\$0.2M), Sewer (\$0.7M) and Water (\$0.2M) third party work.
- Other minor favorable budget variances were offset by a \$0.7 million unfavorable variance in Police related to third-party cost recovery charges; however, this was fully offset by salary savings resulting from lower secondment salary expenses.



## Grants from Other Governments

	2024 Budget	2024 Actuals	Budget Variance	Budget % Variance	2023 Actuals	Y / Y Variance
<b>Community Services</b>	47,000	57,632	10,632	22.6%	182,955	(125,323)
<b>Corporate Services</b>	2,309,260	1,546,538	(762,722)	-33.0%	16,313,944	(14,767,405)
<b>Engineering Services</b>	858,303	1,035,044	176,741	20.6%	1,400,515	(365,472)
<b>Fire and Rescue</b>	215,000	0	(215,000)	-100.0%	19,091	(19,091)
<b>Funding for Capital</b>	2,024,334	5,255,419	3,231,085	159.6%	4,353,691	901,728
<b>Library</b>	159,742	160,076	334	0.2%	159,743	334
<b>Parks and Recreation</b>	4,000	14,254	10,254	256.3%	8,482	5,772
<b>Planning and Development</b>	0	975,351	975,351	0.0%	589,135	386,216
<b>Police</b>	1,752,000	2,369,783	617,783	35.3%	2,039,016	330,767
<b>Total</b>	<b>7,369,639</b>	<b>11,414,098</b>	<b>4,044,459</b>	<b>54.9%</b>	<b>25,066,571</b>	<b>(13,652,473)</b>

Grants from other governments include both conditional and unconditional funding from senior levels of government and agencies. These grants support capital project construction and city services, such as the municipal traffic fines grant for public safety, the major road network (MRN) grant for road maintenance, and the annual library grant.

The favorable budget variance of \$4.0M is due to higher than budgeted capital project grants (\$3.2M), such as the recognition of grant for the childcare facility in the tāmeseŵtxw Aquatic & Community Centre and the receipt of major road network (MRN) grants. Grant funding for capital projects is highly dependent on timing of project spending. Changing of project schedules could lead to a delay of receipt/recognition of the related grants.

The Police Department has a net favorable budget variance of \$0.6M, primarily due to higher than budgeted provincial grants, including special project funding received through the Provincial Tactical Enforcement Priority and Investigation and Targeted Enforcement programs.

The grant budget of \$2.3M for Corporate Services includes Senior Government funding for the Crises Response Pilot Project, and the Housing Accelerator Fund (HAF) grant for the Planning and Development Department. When combining the 2024 actuals for Corporate Services (\$1.5M) with Planning and Development Department (\$1.0M), the total 2024 actual is \$2.5M which is in line with the \$2.3M budget for both departments.

## Contribution Revenue

	2024 Budget	2024 Actuals	Budget Variance	Budget % Variance	2023 Actuals	Y / Y Variance
<b>Community Services</b>	10,030	3,201	(6,829)	-68.1%	58,019	(54,818)
<b>Corporate Services</b>	6,925,775	6,529,094	(396,681)	-5.7%	6,896,148	(367,054)
<b>Engineering Services</b>	25,758	97,514	71,756	278.6%	45,792	51,722
<b>Funding for Capital</b>	9,560,336	1,598,699	(7,961,637)	-83.3%	3,914,176	(2,315,477)
<b>Library</b>	57,500	38,309	(19,191)	-33.4%	0	38,309
<b>Parks and Recreation</b>	1,800	0	(1,800)	-100.0%	470	(470)
<b>Planning and Development</b>	700	0	(700)	-100.0%	50,000	(50,000)
<b>Utility Operations</b>	7,647,098	6,722,084	(925,014)	-12.1%	5,929,840	792,244
<b>Total</b>	<b>24,228,997</b>	<b>14,988,901</b>	<b>(9,240,096)</b>	<b>-38.1%</b>	<b>16,894,445</b>	<b>(1,905,543)</b>

Contributions include gaming revenues, Development Cost Charges (DCCs), and funding for capital projects, as well as funding for operating programs such as animal services, the library, special projects, the youth center, and the museum. Capital contributions vary year over year and are recorded as projects progress.

The \$9.2M unfavorable variance in contributions is primarily due to an \$8.8M shortfall in the General Fund capital program (\$7.9M) and Utility capital program (\$0.9M), caused by the timing differences between the capital budgeting, capital spending, and revenue recognition for a number of multi-year capital projects funded by grants or DCCs, such as the Sixth Street Great Street project, West End Sewer and Watermain Separation project, Westminster Pier Park Expansion project, and Active Transportation Network Plan Implementation. The shortfall is anticipated to be collected in future years as the multi-year capital program progresses and the capital outlays are realized.

Differences between capital budgeting and capital spending will continue to cause variances, as budgets must be established and approved before entering the market to issue requests for proposals and award contracts or purchase orders. Additionally, procurement efforts are challenged by staffing shortages within the City. However, these variances should improve with the earlier adoption of the 2025 budget, allowing for better alignment between budgeting and spending.

## Contributed Tangible Capital Assets

	2024 Budget	2024 Actuals	Budget Variance	Budget % Variance	2023 Actuals	Y / Y Variance
<b>Engineering Services</b>	0	1,263,100	1,263,100	0.0%	390,880	872,220
<b>Utility Operations</b>	0	586,950	586,950	0.0%	354,575	232,375
<b>Total</b>	<b>-</b>	<b>1,850,050</b>	<b>1,850,050</b>	<b>0.0%</b>	<b>745,455</b>	<b>1,104,595</b>

Tangible capital assets (TCA) were contributed to the City as a result of various development projects, which includes new transportation and road infrastructure (\$1.3M), new sewer infrastructure (\$0.5M) and new water infrastructure (\$0.1M). Contributions are recognized when the project is completed and when the rights and obligations are transferred to the City. Contributed assets are not budgeted due to the unpredictable nature of the contributions.

## Other Revenue

	2024 Budget	2024 Actuals	Budget Variance	Budget % Variance	2023 Actuals	Y / Y Variance
Community Services	4,849,327	4,914,147	64,820	1.3%	4,680,581	233,567
Corporate Services	13,629,436	23,032,118	9,402,682	69.0%	55,856,058	(32,823,941)
Engineering Services	3,360,075	3,931,101	571,026	17.0%	3,379,800	551,301
Fire and Rescue	39,431	136,562	97,131	246.3%	53,347	83,215
Library	0	615	615	0.0%	233	383
Parks and Recreation	93,900	203,367	109,467	116.6%	13,938	189,429
Planning and Development	6,804,991	4,967,100	(1,837,891)	-27.0%	9,230,186	(4,263,086)
Police	22,500	47,659	25,159	111.8%	23,959	23,700
Utility Operations	1,366,670	1,681,348	314,678	23.0%	1,387,994	293,354
<b>Total</b>	<b>30,166,330</b>	<b>38,914,018</b>	<b>8,747,688</b>	<b>29.0%</b>	<b>74,626,096</b>	<b>(35,712,079)</b>

Revenues in this category include permits, business licenses, animal licenses, parking charges, investment revenue, filming, penalties and interest charges, rental income, fines, conference center revenues, low carbon fuel credits sale, gain on tangible capital asset disposals, and other miscellaneous fees and charges.

The \$8.7M favorable budget variance are primarily from the following areas:

- Community Services: On budget. This is the result of a \$0.3M favorable variance primarily driven by the continued recovery of the filming industry. This is partially offset by a \$0.2M unfavorable variance related to lower than anticipated audio visual equipment rentals and equipment and furnishing rentals. These shortfalls are partially offset by higher than expected revenue from Conference Centre bookings, catering services, and room rentals within Theatre & Arts Services.
- Corporate Services: \$9.4M higher than planned, due to higher investment and bank interest income (\$11.8M) from increased interest rates and active treasury management. This is partially offset by deferral of carbon credits sale (\$3.0M) due to market uncertainties.
- Engineering Services: \$0.6M higher than planned, due to favorable parking permits and fines (\$0.5M) and favorable ticket sales from Q to Q Ferry (\$0.1M).
- Planning and Development: \$1.8M lower than planned, due to the restatement of \$2.1M building and plumbing permit revenue to deferred revenue as a result of adopting the new accounting standard PS 3400 Revenue.
- Utility Operations: \$0.3M higher than planned due to an increase in MMBC Rebate from recycling.

The year-over-year variance is primarily due to the prior year's recognition of \$25.0M in insurance proceeds from the Westminster Pier Park fire settlement, \$8.5M from BC Low Carbon Fuel credit sales, and a net decrease of \$3.9M in planning and building permit revenues from major developments in 2023, along with the effects of a new accounting standard PS 3400 Revenue.

## Expenses

The following table shows the **Operating Expenses by Account Category**

	2024 Budget	2024 Actuals	Budget Variance	Budget % Variance	2023 Actuals	Y / Y Variance
Salaries, Benefits and Training	126,764,943	124,789,216	(1,975,727)	-1.6%	113,963,569	10,825,647
Contracted Services	16,758,688	19,065,701	2,307,013	13.8%	15,768,737	3,296,964
Supplies and Materials	13,668,139	14,284,070	615,931	4.5%	12,399,639	1,884,431
Interest and Bank Charges	6,944,009	7,237,519	293,510	4.2%	7,118,321	119,197
Cost of Sales	1,720,862	2,007,916	287,054	16.7%	2,064,910	(56,995)
Grants	1,137,550	972,063	(165,487)	-14.5%	976,840	(4,777)
Insurance and Claims	4,935,583	4,932,302	(3,281)	-0.1%	4,203,766	728,536
Utility Purchases and Levies	59,095,956	59,805,992	710,036	1.2%	55,191,315	4,614,678
Amortization	30,571,000	31,052,147	481,147	1.6%	26,084,925	4,967,221
Loss on Disposals	0	415,319	415,319	0.0%	1,373,613	(958,294)
TCA Adjustments	11,193,341	5,319,349	(5,873,992)	-52.5%	5,402,784	(83,435)
<b>Total</b>	<b>272,790,071</b>	<b>269,881,593</b>	<b>(2,908,478)</b>	<b>-1.1%</b>	<b>244,548,419</b>	<b>25,333,174</b>

Overall operating expenses are \$2.9M lower than planned. Significant budget variances are explained by category below.

## Salaries, Benefits and Training

This table shows the Salaries & Benefits Expenses by Department\*.

	2024 Budget	2024 Actuals	Budget Variance	Budget % Variance	2023 Actuals	Y / Y Variance
Community Services	5,602,171	5,553,398	(48,773)	-0.9%	5,206,591	346,808
Corporate Services	15,821,742	15,074,095	(747,647)	-4.7%	13,346,153	1,727,942
Engineering Services	17,522,734	16,985,640	(537,094)	-3.1%	16,076,134	909,506
Fire and Rescue	18,127,937	17,543,606	(584,331)	-3.2%	17,300,353	243,253
Library	3,597,725	3,488,934	(108,791)	-3.0%	3,063,102	425,832
Parks and Recreation	18,353,429	19,421,824	1,068,395	5.8%	15,728,406	3,693,418
Planning and Development	8,014,421	6,934,378	(1,080,043)	-13.5%	5,862,565	1,071,813
Police	33,469,900	32,808,816	(661,084)	-2.0%	31,173,835	1,634,980
Electrical Utility	5,227,254	3,907,060	(1,320,194)	-25.3%	3,323,157	583,903
Water Utility	941,063	576,256	(364,808)	-38.8%	593,695	(17,440)
Sewer Utility	1,417,427	1,175,440	(241,987)	-17.1%	1,030,932	144,507
Solid Waste Utility	1,311,488	1,319,771	8,283	0.6%	1,258,646	61,125
Vacancy budget	(2,642,348)	0	2,642,348	-100.0%	0	-
<b>Total</b>	<b>126,764,943</b>	<b>124,789,216</b>	<b>(1,975,727)</b>	<b>-1.6%</b>	<b>113,963,569</b>	<b>10,825,647</b>

\* The following outlines the divisions reported under Community Services and Corporate Services:  
Community Services - Economic Development, Community Partnerships, Corporate Communications, Public Engagement, Cultural Services, Art & Theatre, Museums and Heritage, Conference Services;

Corporate Services – Administration, Legislative Services, Legal Services, Finance, Information Technology and Human Resources.

The overall salaries and benefits is \$2.0M lower than planned, including a \$2.6M budgeted vacancy to recognize savings from unfilled vacancies in the annual budget. The vacancy budget is budgeted based on projected salaries and benefits, and is shown separately due to the uncertainty of where vacancies may occur during the year.

Vacancy budget savings from vacant positions was met, partially due to the timing of recruitments and the annual budget approval in March 2024. Additionally, ongoing challenges in filling vacant positions and retaining staff continue.

**Contracted Services**, excluding TCA adjustments which is shown at the end of this section, is \$2.3M higher due to the following notable variances:

- Higher than planned subcontract expenses in Water and Sewer Utilities (\$0.9M), due to billable third party services and significant unforeseeable emergency events response, investigation and remediation
- Classification of Building Safer Communities Fund spending (\$0.5M) due to activities being delivered through external service providers rather than supplies and materials as originally budgeted
- Increasing legal and records management costs (\$0.5M)
- Rental and maintenance costs for downtown livability (\$0.3M)
- Higher than budgeted expenses in Police Department (\$0.7M) due to the development of a new command room, which was funded by provincial grant funding

Offset by:

- Lower consultants and studies expense (\$0.3M)
- Lower Strategic Priority Initiatives expense (\$0.2M)

**Supplies and Materials**, excluding TCA adjustments which is shown at the end of this section, is \$0.6M higher due to the following notable variances:

- Increased facilities maintenance costs (\$0.5M) for both scheduled and unscheduled services, primarily for HVAC, elevators, pest control, security and alarm systems, driven by aging buildings and property assets
- Higher fleet maintenance (\$0.2M) due to cost escalation
- Higher material charges for cable replacements and maintenance works (\$0.6M) by Electrical Utility

Offset by:

- Classification of Building Safer Communities Fund spending (\$0.5M) due to activities being delivered through external service providers rather than supplies and materials as originally budgeted

**Interest and Bank Charges** is \$0.3M higher due to elevated interest rates paid on tax prepayments, and higher bank fees as transaction volumes are higher than anticipated from increased Sales of Services.

**Cost of Sales** is \$0.3M higher than planned, due to Anvil Centre catering expenses (\$0.2M), which align with increased Other Revenue. Additionally, audio/visual rentals at Anvil Conference Centre show a \$0.1M unfavorable variance due to two major client booking cancellations. This is offset by reduced show promotions and subcontractor costs in Anvil Centre Theatre.

**Grants** is under budget by \$0.2M due to the timing of awarding city grants.

**Insurance and Claims** is on budget as an increase in property and liability insurance premiums is offset by vehicle premium rebates.

**Utility Purchases and Levies** is \$0.7M higher due to a \$0.5M increase in commercial water consumption and a \$0.2M rise in residential and commercial electricity demand.

**Tangible Capital Asset (TCA) Adjustments** is \$5.9M lower than budget. This variance is not a cost savings but is due to the deferral of capital program spending. TCA adjustments are a year-end process to reallocate some expenditures incurred in the capital plan to operating expenses when the nature of the transactions does not meet the accounting standards for tangible capital assets. The departments of which TCA adjustments relate to are Engineering Services (\$1.9M), Parks and Recreation (\$1.4M), Utilities (\$0.9M), Planning and Development (\$0.6M), Community Services (\$0.4M), Corporate Services (\$0.1M), and Fire (\$0.1M).

The following table shows the **Expenses by Department** which is a different view of the same information above that has already been explained.

	2024 Budget	2024 Actuals	Budget Variance	Budget % Variance	2023 Actuals	Y / Y Variance
Community Services	11,580,201	11,894,123	313,922	2.7%	11,434,915	459,208
Corporate Services	33,182,575	31,929,253	(1,253,322)	-3.8%	28,558,015	3,371,239
Engineering Services	37,021,652	36,452,258	(569,394)	-1.5%	34,631,922	1,820,336
Fire and Rescue	20,293,907	19,598,375	(695,532)	-3.4%	19,135,714	462,661
Library	5,254,507	4,742,790	(511,717)	-9.7%	4,364,484	378,306
Parks and Recreation	29,238,137	31,283,843	2,045,706	7.0%	24,898,217	6,385,626
Planning and Development	13,998,394	8,886,791	(5,111,603)	-36.5%	7,718,819	1,167,972
Police	40,763,993	40,768,449	4,456	0.0%	37,957,634	2,810,815
Electrical Utility	49,246,953	48,914,864	(332,089)	-0.7%	44,229,722	4,685,141
Water Utility	10,874,888	11,126,958	252,070	2.3%	10,004,023	1,122,935
Sewer Utility	19,168,341	19,525,725	357,384	1.9%	17,293,360	2,232,365
Solid Waste Utility	4,808,871	4,758,164	(50,707)	-1.1%	4,321,594	436,570
Vacancy budget	(2,642,348)	0	2,642,348	-100.0%	0	0
<b>Total</b>	<b>272,790,071</b>	<b>269,881,593</b>	<b>(2,908,478)</b>	<b>-1.1%</b>	<b>244,548,419</b>	<b>25,333,174</b>

Notable departmental variances include:

- Community Services: \$0.3M higher than budgeted due to the reclassification of TCA expenses (\$0.4M), higher cost of sales for event-related expenses such as catering and audio/visual rentals (\$0.2M). These are offset by lower spending on computer system maintenance (\$0.1M) and timing in awarding city grants (\$0.2M).

- Corporate Services: \$1.3M lower than budgeted due to savings in salaries and benefits mostly resulting from the timing of budget adoption and timing of approved positions being filled (\$0.7M), and the reclassification of TCA expenses (\$0.6M).
- Engineering Services: \$0.6M lower than planned due to lower than budgeted amortization expense (\$0.6M), savings in salaries and benefits mostly resulting from the timing of the budget adoption and timing of approved positions being filled (\$0.5M), and the reclassification of TCA expenses (\$0.4M). These are offset by increases in contracted services (\$0.4M) and maintenance expenses due to aging buildings and properties (\$0.6M).
- Fire and Rescue: \$0.7M lower than planned mainly due to \$0.6M in salary and benefits savings from staff retirements.
- Library Services: \$0.5M lower than planned due to savings in salaries and benefits mostly resulting from the timing of the budget adoption and timing of approved positions being filled (\$0.1M) and reallocation of operating expenses to capital assets related to library collection purchases (\$0.3M).
- Parks and Recreation: \$2.0M higher than planned, including \$0.8M for staff onboarding and training to support TACC's opening, \$0.2M from the reclassification of TCA expenses, and \$0.6M due to higher than budgeted amortization. Additionally, a one-time \$0.1M capital loss was recorded for the Centennial Community Centre disposal.
- Planning and Development: \$5.1M lower than planned due to a \$4.4M reclassification of TCA expenses and \$1.0M in salary and benefits savings mostly due to timing of budget adoption and hiring timeline. These savings are offset by \$0.3M in rental and maintenance costs related to downtown livability.
- Police: Total expenses are on budget. A \$0.7M increase in contracted services is due to the development of a new command room, which was funded by provincial grant funding. In addition, the \$0.7M savings in salaries and benefits is due to a reduction in secondments and vacancies.
- Electrical Utility: \$0.3M lower than planned. The major favorable variances were due to the reclassification of TCA expenses (\$0.9M) and savings in salaries and benefits (\$1.3M). These are partially offset by higher amortization expenses (\$0.8M), increased costs for supplies and materials (\$0.5M), utility purchases (\$0.2M), and a one-time capital loss (\$0.3M) from disposal of assets.
- Water Utility: \$0.3M higher than planned, driven by a \$0.5M increase in water purchases and a \$0.4M rise in contracted services for billable third party services and unforeseen emergency investigations and remediation. These costs are partially offset by \$0.4M in savings from salaries and benefits mostly associated with the timing of budget adoption and hiring timeline, along with \$0.1M in lower than budgeted amortization expenses.
- Sewer Utility: \$0.4M higher than planned due to the reclassification of TCA expenses (\$0.4M) and rise in contracted services for billable third party services and unforeseen emergency investigations and remediation (\$0.5M). These are offset by lower than planned amortization (\$0.2M), savings in salaries and benefits (\$0.2M), and savings in material supplies (\$0.1M).
- Solid Waste Utilities: Spending is on track with the budget.

## CAPITAL BUDGET SUMMARY

The original 2024 Capital Budget was \$151.9M. As of Q3 2024, Council approved an additional \$19.9M in budget adjustments—mainly a \$17.2M carryforward from the 2023 Capital Budget—bringing the total approved 2024 Capital Budget to \$171.9M. The table below compares the \$171.9M revised approved 2024 Capital Budget with 2024 Actuals:

	2024 Budget	2024 Actuals
<b>General Fund Capital Summary</b>		
Land	729,000	17,248
Buildings	30,996,281	13,313,672
Vehicles/Equipment	13,351,446	4,379,117
Other Projects	9,487,763	2,005,039
Park Improvements	9,097,042	2,090,732
Engineering Structures	35,122,561	7,515,085
<b>Total General Fund Capital</b>	<b>98,784,093</b>	<b>29,320,893</b>
<b>Electrical Capital Summary</b>		
Land	4,000,000	2,420,273
Vehicles/Equipment	1,975,733	564,746
Other Projects	2,125,000	288,996
Electrical Distribution System	30,907,031	9,335,981
BridgeNet Infrastructure	175,980	545,586
<b>Total Electrical Fund Capital</b>	<b>39,183,744</b>	<b>13,155,582</b>
<b>Water Capital Summary</b>		
Vehicles/Equipment	382,647	321,809
Other Projects	525,505	138,266
Water Infrastructure	11,498,248	2,962,537
<b>Total Water Fund</b>	<b>12,406,400</b>	<b>3,422,612</b>
<b>Sewer Capital Summary</b>		
Vehicles/Equipment	142,292	88,264
Other Projects	251,464	127,681
Sewer Infrastructure	19,821,466	9,338,327
<b>Total Sewer Fund</b>	<b>20,215,222</b>	<b>9,554,272</b>
<b>Solid Waste Capital Summary</b>		
Vehicles/Equipment	1,261,219	337,957
<b>Total Solid Waste Fund</b>	<b>1,261,219</b>	<b>337,957</b>
<b>Total Consolidated Capital</b>	<b>171,850,678</b>	<b>55,791,316</b>

Major projects spending in 2024 includes:

- tēmәsewtx<sup>w</sup> Aquatic & Community Centre (\$10.2M)
- West End Sewer Separation Programs (\$6.1M)
- Advanced Metering Infrastructure (\$5.8M)



- Pavement management Programs (\$2.9M)
- Watermain Replacement Program (\$2.5M)
- Royal Substation Improvements (\$2.4M)
- Massey Theatre Renovation (\$2.2M)

### General Fund Capital

The \$0.7M budget for **Land** in the general fund was for land acquisition to accommodate a proposed greenway connection along the Fraser River.

The \$31.0M budget for buildings in the general fund is used to maintain **Civic and Park Buildings**. Overall, capital expenses equaled \$13.3M which is \$17.7M below budget. Building projects consist of a few large projects and many relatively small projects. Large projects are comprised of tənəsewtx<sup>w</sup> Aquatic and Community Centre (TACC) (\$14.9M), Massey Theatre (\$10.6M), and EV infrastructure at Civic Buildings (\$0.8M). Of the large projects, the continuation of work for Massey Theatre (\$12.7M) in 2024 accounts for the majority of the budget variance. TACC facility construction is complete, with the remaining requested to fund offsite work and long-term bike parking structure. Unspent funds from 2024 are carried forward to 2025.

The **Vehicle and Equipment** budget in the general fund is for vehicles, machinery and equipment maintained by either the Engineering Fleet division or the Information Technology division. The \$13.3M budget is comprised of \$5.5M for equipment and \$7.8M for vehicles. Expenses are \$1.8M for equipment and \$2.6M for vehicles, which are under budget by \$3.7M and \$5.2M respectively. Most of the unspent funds are still needed to complete various vehicle/equipment projects due to procurement process delays and prolonged lead times and will be carried forward to 2025.

The **Other Projects** budget of \$9.5M in the general fund includes funding for Affordable Housing (\$4.0M), Environment, Parks and Sustainability (\$2.7M), Corporate Efficiencies and Strategies (\$0.8M), and Transportation Studies (\$0.8M). Capital expenses equaled \$2.0M which is \$7.5M below budget. The majority of the variance is due to ongoing efforts for Affordable Housing (\$3.9M), Environment, Parks and Sustainability (\$1.9M), and Transportation Studies (\$0.6M), with the remainder from smaller projects. Unspent funds from 2024 are carried forward to 2025.

The \$9.0M budget in the general fund for **Park Improvements** is comprised of \$6.0M park development, \$1.7M parks infrastructure & furnishings, \$0.6M playgrounds, \$0.5M outdoor pools, and \$0.1M athletic fields. Park improvements expenses equal \$2.0M which is \$7.0M below budget, mainly due to the continuation of the WPP West Expansion project in 2025 (\$3.2M) and artificial turf replacement (\$1.1M). Unspent funds from 2024 are carried forward to 2025.

There is \$35.1M in the general fund capital budget for **Engineering Structures**. These funds are used to build and maintain the City's transportation infrastructure, which includes managed roads, cycling and greenways, railway improvements, walking, major repairs and

rehabilitation, livable neighborhoods, great streets, and transit. Large projects are comprised of Pavement Management (\$4.5M), TACC offsite works (\$4.2M), Sixth Street Great Street (\$2M), Active Transportation Network Plan (\$2.7M), Crosstown Greenway (\$2.4M), street lighting improvements (\$2.4M), and McInnes Street overpass improvements (\$2.2M). Capital expenses equal \$7.5M with unspent funds are carried forward to 2025 and beyond as the multi-year capital projects progress beyond the engagement and design phases and into the construction phase, where the majority of capital expenditures will occur.

### Utility Funds Capital

The **Electric Utility** capital budget of \$39.2M provides funding for the Advanced Meter Infrastructure (AMI) program (\$13.8M), work on the Sapperton District Energy System (\$7.2M), Royal Substation Land purchase (\$4.0M), new electrical service connections (\$3.4M), vehicle replacement projects (\$1.9M), and the new Queensborough Substation (\$1.7M). Total Electric Utility spending was \$13.2M, which was \$26.0M below budget. The variance is mostly related to the AMI program and work on the Sapperton District Energy System. Electrical meter replacements was \$8.2M under budget. Mass deployment of meters is underway, and approximately 32% of AMI meters have been installed as of December 2024. Deployment will continue into next year. Once the new system is functioning as a whole, advanced meters will support a broad range of functionalities, including enhanced safety features to help safeguard homes and communities, and improved visibility into energy usage to empower customers with more informed decision-making. The deferral of works on Sapperton District Energy System contributed to \$7.0M of the variance. Other projects are anticipated to continue with the unspent funds carried forward to 2025.

The **Water Utility** capital budget of \$12.4M primarily provides for the major replacement and additions to the Utility's infrastructure to replace aging watermain (\$10.8M). The Water Utility spent \$3.4M, which is \$9.0M below budget. The variance is mostly related to the timing of expenditures in the multi-year West End watermain replacement program, which is \$6.8M under budget as archeological permitting for the site has impacted the project schedule. Projects are anticipated to continue with the underspent funds carried forward to 2025 and later.

The **Sewer Utility** capital budget of \$20.2M provides for the rehabilitation of existing sewers, sewermain trench restoration, and sewer separation. The larger projects are the sewer separation (\$9.6M), sewer rehabilitation programs (\$3.5M), sanitary pump station upgrades (\$2.2M), and flood management (\$1.2M). Sewer Utility spending is \$9.5M, which is \$10.7M under budget. The variance relates to sewer separation works in the West-End (\$3.5M), rehabilitation (\$2.0M), sewer pump upgrades (\$1.3M), and flood management (\$1.0M). These projects are multi-year programs where the unspent funds are anticipated to be spent as the projects continue in 2025 and beyond.

The **Solid Waste Utility** capital budget of \$1.3M is primarily the procurement of vehicles (\$1.1M), Garbage/Recycle/Yard carts (\$0.2M), and Streetscape Receptacles. The Solid Waste utility spent \$0.3M, which is \$0.9M under budget due to the deferral of the purchase of vehicles.