



# TOWN OF SIDNEY

## REPORT TO COUNCIL

**TO:** Mayor & Council

**FROM:** Andrew Hicik, Director of Corporate Services  
Troy Restell, Manager of Finance

**DATE:** October 19, 2021      **FILE NO.:** 1700-20 - Quarterly Financial Reports

**SUBJECT:** BUDGET VARIANCE REPORT – 3<sup>RD</sup> QUARTER OF 2021

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### **PURPOSE:**

To update Council on the financial results for the first 3 quarters of the 2021 fiscal year.

### **DISCUSSION:**

Attached is a copy of the Budget Variance Report, covering approximately the first 3 quarters of 2021. As per Council Policy FN-008, this is the second of three regular financial reports to be brought forward to Council. The final or year-end report is presented following each year's audit, along with the financial statements.

Year to date results for both revenues and expenses are presented up to the date of this report, rather than just to the 9-month mark, in order to present the most up to date information on financial results. The Operating results are presented on a net basis; that is, revenues and expenses have been combined and presented as a single amount. A one-sided or misleading view of financial results can result when revenues and expenses are presented separately, whereas results presented on a net basis are more complete. The Capital results are presented on an expenditure basis (i.e. actual expenditures vs budget).

More detailed comments follow below, with note numbers corresponding to the attached report. Actual and budget amounts represented as negative numbers are net revenues, while positive amounts are net expenses. In the Variance column, a positive number indicates that there is budget remaining. A negative number indicates that the budget has been exceeded, or in the case of net revenues, that revenue remains to be realized.

As not all revenues and expenditures follow a regular monthly pattern throughout the year, caution should be taken in interpreting the "% of Budget" column, which has been provided as a rough indicator of results to date. About 78% of Personnel costs should have been realized to the date of this report, and many other types of expenses are presented up to Oct 18<sup>th</sup>; this has an impact on certain cost centres, and may cause the anticipated 75% in this 3<sup>rd</sup> Quarter report to be exceeded.

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## General Operating Fund

1. General Revenue is at 103% of budget, due to property taxes, grants-in-lieu, the Provincial Small Community Protection and Traffic Fine Revenue Sharing transfers, and the Federal Gas Tax funding all having been received to-date; these amounts represent the majority of this budget. Although all Municipal Property Taxes are recognized as revenue when the tax notices are generated, the actual collection of property tax dollars is currently at 99%, which aligns with historical trends.

As part of the Federal Government's measures to assist Local Governments with potential cash flow issues due to COVID, this year's Gas Tax Funding allocation, like 2020, was received as a single payment in June. This means the Town has received its full allocation for the year in one payment of \$571,588, rather than the usual 50% payments in June and November. In addition, and most responsible for the positive results of General Revenue, was a one-time top up of the Gas Tax funds resulting in an additional \$546,656 payment to the Town that essentially doubled the amount expected. The Government of Canada has renamed the program to "Canada Community-Building Fund", which will recognize that the fund is no longer associated with gas tax revenues.

Also of note, investment revenues are at 78% of budget and on track to meet budgeted expectations.

2. Council is at 68% of budget mostly due to savings from the unspent conference budget.
3. Driver Services is a cost recovery centre that is budgeted to realize annual net revenues, as opposed to net expenses. As of the date of this report, ICBC insurance and driver licencing revenues have been paid to the end of September, and stand at 74% of budget, while expenses, predominantly comprised of wages, are closer to 76%. It is expected that annual results will be close to budget.
4. The Town's liability insurance policy for 2021, totaling 70% of the Common Services total budget, has been paid in full. As such, this distorts the net results at the 9-month mark; other expenses overall are tracking budget, and annual results are expected to meet budget.
5. Most of the annual software maintenance, support and licencing agreements are paid early in the year; overall results for the year should be near budget.
6. *Other* is a net revenue function that is mostly comprised of an internal cost recovery allocation, where administrative costs are recovered from the Garbage, Water and Sewer utilities. This function also includes the Town Hall budgets for building and grounds maintenance and repairs; these expenses are currently tracking below budget and are responsible for the favourable net revenue results at the 3<sup>rd</sup> quarter mark.
7. The Elections budget represents an annual transfer to reserves to even out election costs over the 4-year term. The transfer for the year has been completed.

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8. RCMP contract costs to date represent the first three quarters of the year. Currently, we are projecting some annual savings in RCMP contract costs due to temporary vacancies and absences; but a portion of these savings will be set aside for contractual salary increases, which should be finalized by year end.
  9. This function is comprised of Peninsula Emergency Measures Operations (PEMO) and the Town's emergency management planning. The budget includes \$27,500 to be invoiced near year-end for the Town's annual contribution to PEMO, and \$23,000 for emergency planning.
  10. Building Inspection and Bylaw Enforcement includes several activities, including Building Inspection, Animal Control, Business Licencing and Parking Enforcement. These functions tend to break even, or generate a small net revenue. Most revenues and expenses are tracking budget, with a few notable exceptions that are responsible for the large net revenue position at the 9-month mark. Building Permit fees are \$309,000 greater than budget, and this is due to several large developments underway in the downtown core and the permit revenue associated with them; this function will most likely see a surplus for the year, even after the deferral of "unearned" Building Permit fees at year-end. Although Council has waived business licence fees for 2021, COVID Restart Funds are being used to replace these revenues, and the full budgeted amount is reflected in the Business Licencing Function. Also of note, dog licence revenues, which are collected in the first half of the year, have contributed to the net revenue position.
  11. Overall, the Roads function is achieving budget at 75%. However, within the Roads function is the snow clearing budget which is at 93% of budget due to wintery conditions earlier in the year. Barring another major snow event late in the year, the overall Roads budget is expected to come in close to budget at year end.
  12. The Bus Shelter function is on track to receive all anticipated annual advertising rental revenues from the Pattison Sign Group, while minor repairs and maintenance have been performed for the year to date. Mostly responsible for the unexpected large net revenue position at the 9-month mark is the payment of missed advertising revenue from prior years.
  13. Parking lot permit revenue is at 108% of budget to the end of September. Revenues for this net revenue function are performing as expected at 74%, while repairs and maintenance performed to-date are tracking below budget. Full year results are expected to be better than budget.
  14. Most revenues in this function are normally collected early in the year, including the recovery of Crown licence fees from Port Sidney, and annual rent due from Washington State Ferries (WSF). This year, Council has forgiven the annual rent payment from the Anacortes Ferry Terminal lease due to the closure of the water borders with the U.S.; this is responsible for net revenues being at only 35% of budget. Nevertheless, this will be offset by the transfer to the Ferry Reserve not being made, as stated in Note #22.

15. The Storm Drains function is under budget, as work in this function is predominantly performed in the fall months. Repairs to the system are needed when problems occur, such as roots in the system, collapsed pipe, relocation of catch basins, or adding extra drains in areas where drainage patterns have been altered over time.
16. This function maintains the Town's fire hydrants, and expenses are largely realized in the spring months, when inspections of each Town hydrant occur. The remaining activities of checking drainage and operation are performed in the fall months; this is now mostly complete. The current results should be maintained to the end of the year.
17. "Other" mainly includes Third Party expenses, which are Town costs associated with third party events, and infrastructure works related to particular developments or activities, both of which are recoverable. The year-to-date variance represents a timing difference between the timing of the expenses and the associated recoveries. By year end, there will be full recovery for most items, and a net balance of close to zero.
18. Environmental Health includes both waste collection and environmental programs. The Solid Waste Disposal activity includes the expenses incurred by the Town for garbage collection, and the offsetting revenues collected through the garbage levy billed on the quarterly Utility Statement. All revenues are on track, while the September billings from the Town's garbage collector have not been received, but it is expected that full year results will be close to budgeted expectations.

The Environmental Programs component is made up of the Climate Action Coordinator term position, and the CleanBC Better Homes rebate program. Due to the timing of the hiring of the Climate Action Coordinator, most of the Environmental Programs budget is earmarked for the second half of the year. There has been very little uptake on the rebate program, with only \$3,900 of the \$50,000 budget having been paid out to date.

19. Much of the Parks budget is seasonal, with the bulk of expenses occurring during the spring and summer months; this is responsible for the 3<sup>rd</sup> quarter results being at 85%. Some activities within the function are slightly under budget, while others are slightly over budget; but overall expenses are tracking trends, and no variance is expected at year end. Some savings are expected through the cancellation of some community events for the year due to COVID. These savings will help to offset some additional grounds maintenance costs.
20. The Library function represents rent paid by the Vancouver Island Regional Library to occupy the Town's library building, less expenses to maintain the building and grounds. This is a net revenue budget, where revenues are budgeted to exceed expenses; 50% of the net proceeds are shared with North Saanich under a cost sharing agreement. Although net revenues are higher than expected at this point, it is expected that the final results will be close to budget when the final year end payment is made to North Saanich.
21. The Senior's Centre and Museums functions are both above the expected 75% of budget, but this is a factor of having paid strata fees and contractual obligations for

both functions to the end of October. The year end results for the Senior's Centre is expected to be on budget, while the Museum will be slightly over budget due to a one time strata assessment to repair the elevator.

22. This function is made up primarily of annual transfers to internal reserves, which have been completed. Transfers of note include \$1,192,800 to the infrastructure replacement reserve, and \$385,000 to the vehicle, computer and equipment replacement reserves. Remaining in this function is the year-end budgeted transfer of up to \$248,950 to fund capital projects from taxation revenue, as well as a budgeted \$80,000 transfer of interest earned to reserves at year end, less \$500,000 of funding from prior year surplus. It is unknown at this point how much of the prior year surplus funding will be required at year end to balance the budget, if any. Also in this function, the budgeted reserve transfer of approximately \$175,000 to the Ferry Reserve will not occur, as Council has forgiven the annual rent payment for the Anacortes Ferry Terminal due to the closure of the water borders (Note #14).
23. The long term debt servicing payments are complete for 2021, while some equipment financing payments are still remaining.
24. The Fiscal Services 'Other' budget of \$98,000 is mostly comprised of a \$75,000 contingency budget which is largely unspent, with the remaining budget made up of interest paid by the Town on various deposits and credit card fees.
25. This function delivers local grants to the community and funding for the Visitor Information Centre and other economic development initiatives. Distribution of grants-in-aid, and the grant funding to the Shaw Centre for the Salish Sea and Mary Winspear Centre are complete.

### Water and Sewer Utilities

26. Annual Water parcel taxes of \$461,250 were collected on the property tax notice, in the first half of the year, and are partly responsible for revenues-to-date appearing higher than expected. As part of the Town's new water rate structure, implemented with the first quarter billing, variable and fixed user charges have been separated as two different charges. The fixed user charge, representing the fixed operating costs of the Utility, is following budgeted expectations, while the variable user charge, representing the actual use of water, is exceeding budget due to the extremely hot and dry Spring/Summer.
27. Water Administration mostly represents the cost of purchasing bulk water from the CRD. As mentioned above, the use of water exceeded expectations, and therefore resulted in the cost of purchasing water for the first 9 months of the year being greater than anticipated. These costs are recovered through the variable user charge.
28. Water Operations are currently at 62% of budget due to a deferral of some annual maintenance to later in the year.

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29. Connections and New Meters appears to be well ahead of budgeted expectations due to the revenue collected for new service connections and water meters exceeding expenses by \$143,000 during the first 3 quarters of the year in Water, and \$18,000 in Sewer; this represents a timing difference between collecting the upfront fees and incurring the actual expenses. At year end, there will be a full allocation of expenses for most new service connections and meters, and a net balance of close to zero for these recoverable services should result.
30. Annual transfers to internal Water and Sewer reserves for asset renewal are complete. Budgeted transfers to fund capital projects (up to \$5,500 for Water and \$30,000 for Sewer) are done at year-end.
31. The Water Utility currently indicates a surplus of just over \$312,000, but this due to the timing difference of revenues and expenses as indicated in the notes above. The new water rate structure seems to be working well in terms of ensuring that both fixed and variable costs of operating the utility are covered, and recurring deficits are avoided.
32. Like the Water Utility, annual Sewer parcel taxes of \$563,940 were collected in the first half of the year on the property tax notice, making revenues-to-date appear high. Sewer User Fees collected are at 80% of budget, which is the result of the Spring/Summer heat wave, and the associated spike in water usage. Full year results will likely be better than expected, resulting in less use of budgeted surplus.

A pending review of the Sewer Utility rate structure will provide vital information in future rate setting. At this time, this review is not expected to be completed in 2021, as staff wish to gain at least a full year of experience with the Water rate changes prior to completing the Sewer review.

33. Sewer Operations are currently at 95% of budget, as the full \$1.65 million payment to the CRD for the Town's share of the Saanich Peninsula Wastewater Treatment Plant is included in year-to-date results.
34. The Sewer Utility indicates a deficit of just over \$349,000, which is largely due to the timing of various revenues and expenses, as discussed above. A deficit of \$200,000 has been budgeted to ensure user rates remain unchanged, and this is possible due to a healthy accumulated Sewer surplus. It is expected that results will be slightly better than budgeted in the Sewer Utility at year-end.

### Capital Expenditures

As of the date of this report, several capital projects have been completed, and many others are underway; still others will be carried forward for completion in 2022. Significant expenditures over the last quarter of the year are still likely, as the projects underway are completed. Much of the emphasis in the first 3 quarters of the year has been on the completion of several projects carried forward from 2020, as well as designing and starting various infrastructure replacement projects. Comments on certain specific capital projects follow below. More complete information will be available in the year-end Financial Results report.

New for this year is the reorganization of Capital projects into a more meaningful and useful format. The long list of projects has been organized into four classes: two subsets of recurring/annual projects, Infrastructure Plan projects, and one-time projects.

#### Recurring Projects – Reserve Funded

The projects in this section are ones that recur annually or regularly, and are typically funded from replacement or other reserves. Funding of these reserves is through regular, annual contributions, and unused funding remains in the reserve for future use.

35. The Computer Replacement Plan is an annual program to replace existing computer and related equipment. This replacement reserve is funded from annual contributions to ensure that a consistent amount is allocated to equipment renewal every year, avoiding the need for lump sum allocations when the replacement of major network components is required.

Major replacements for 2021 include the VoIP telephone system, and a number of multi-function devices; staff are evaluating cost effective alternatives, and will likely push these replacements to next year. As well, procurement of other equipment has been hindered by current issues with the global supply chain, thus pushing forward the replacement of most computer equipment in this year's budget. The unused funding remains in reserves for future use.

36. This budget represents planned expenditures for replacement of three Parks vehicles at the end of their useful lives; funded through regular annual contributions to the Vehicle & Equipment Replacement Plan.

37. This budget represents planned expenditures for replacement of Town Sewer vehicles. The entire 2021 budget is for replacement of a hydro excavator; a contract for this purchase has been awarded, and delivery is expected near the end of the year.

38. The land immediately south of the Mary Winspear Centre is the location of the Town's new CSB; an easement is required across MPS lands to provide access to the site. Payments of \$80,000 per year, over a 5-year period (ending 2022), were negotiated as compensation. The final payment will be made next year.

39. This is a multi-year project to replace outdated and failing water meters. The technology to be used, and whether it will be contracted out, still needs to be determined; any unused funds will remain in reserve for future phases of this project. The previous decision by Council regarding the metering of multi-family buildings to include one central meter will be factored into future plans.

#### Recurring Projects – Current Revenue Funded

The projects in this section represent annual budgets for the renewal of equipment and office furniture, or to fund long-standing, annual programs. Funding for these projects is from current revenues, supplemented by unused funds carried forward from previous years. If the project does not proceed or is partially funded, the budgeted funding may be carried forward by way of non-statutory reserves for future years.

40. This ongoing annual program is to replace Fire Department equipment, including hoses and hose appliances, firefighter turnout gear and other specified equipment. The equipment being replaced has reached the end of its useful life; the majority of expenditures occur closer to year end. The 2021 budget includes a one-time supplement for the urgent replacement of fire hose.
41. It is expected that the most of this budget will be spent for Tree Appreciation Day on Oct 16<sup>th</sup> and tree planting of Buddleia Place berm happening in the fall.
42. This 5-year capital plan is to improve confined space entry hatches at the Town's 10 pump stations, to comply with Worksafe regulations. It is now expected that less work than anticipated will be completed this year, and carried forward to future years of the plan, with funding remaining in reserves.

#### Infrastructure Replacement Plan Projects

All Infrastructure Plan projects have been listed together. It should be noted that most of the funding for these projects is from the Infrastructure Reserve; however, certain components of the projects may be funded from other sources, as the Reserve is intended for replacement of existing assets only. Any savings on individual projects may be used to fund overages on other Infrastructure projects.

43. Completion of 2020 project to install new curb and sidewalk on the north side of Ocean Avenue, from Fifth to First. The project is now complete and under budget.
44. To provide better all-weather access to the bus stops on Bowerbank Road, this project involved extending the sidewalk on the west side of Bowerbank from Vallis Place north to the bus stop, from Malaview Avenue south to the bus stop, and from Piercy Avenue to Calvin. The existing curb segment on the west side of Bowerbank from Piercy was also replaced. All that remains is landscaping restoration to be completed later this year.
45. Replacement of 100 meters of sidewalk along Bevan Avenue and Seventh Street, and paving of Seventh from Beacon to Bevan. Although not all costs have been received for completed work, only minor work is remaining and the project is expected to come in under budget.
46. These paving projects have been delayed to 2022 for various reasons, including the need for further engagement, scope changes, or delays in a connected project.
47. This project is now complete, with additional costs forthcoming.
48. With the design phase completed in 2020, this budget amount reflects the construction costs to replace the storm main pipe on Allbay Road. A large component of this project is complete, with costs not yet received; the outfall component will be carried forward to next year, along with the corresponding funding.
49. This project consists of replacing long sections of storm main and sanitary sewer main on James White Blvd., from Seventh Street to Swiftsure Place. These projects will not proceed in 2021, as the Town was not successful in its grant applications for two

other projects, which may have freed up funding for the James White project. Additional analysis will be done prior to the 2022 budget, and these projects may be reprioritized or phased due to lack of funding, as well as the need to examine alternatives to upsizing all of these mains.

The surface portion of this project includes the design of future Sidewalk, Curb & Gutter and road works in the same geographic area, with construction previously slated for 2022.

50. This budget represents the design phase of the replacement of Storm and Sanitary Sewer main on Amelia Avenue, from Melissa Street to Grove Crescent; construction will happen at an undetermined date in the future.
51. The trenchless replacement of Storm and Sanitary Sewer in the Ardwell area is now complete. Some final invoices are still to come, but the project will be well under budget.
52. Replacement of water main pipe on Amelia Avenue, Bowerbank Road to Pleasant St. Expenses to date reflect design costs; construction of this project will now occur in 2022.
53. This project to replace the storm main pipe in Melville Park is now complete. The restoration of the lawn will be completed in the fall. The project will be finished under budget.
54. Design work is in progress, and will determine the best option to replace the existing watermain along Lochside Drive; construction to follow in 2022. This new watermain would be hardened to withstand seismic activity, and be an emergency water source to the east side of Sidney. In addition to the emergency planning aspect, the existing watermain on Lochside has a history of breaks and requires replacement.
55. These projects will be delayed until 2022 for various reasons, including the timing of certain associated developments, a requirement to redesign the project, or simple lack of resources to complete the work this year.

### One-Time Projects

This portion of the Capital program reporting is dedicated to one-time projects, including those that may be spread over more than one year. Funding for these projects is from various sources.

56. The RCMP building is over 20 years old, and the heating system and roof were both in need of replacement. The roof component was completed in 2020, while the heating component was completed this year; the Town's share of the cost is \$52,108.
57. This project involves the reconfiguration and fencing of the parking lot behind Town Hall to create a secure parking area for the RCMP. Although originally budgeted for \$80,000, the budget was increased to \$108,000; the Town's budgeted share of the project will be \$51,771. The project is expected to be completed in the last quarter.

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58. As identified in a recent security audit of the RCMP facility, modifications are required to the cells and the interview room to meet current RCMP standards. In addition, a secure access card system will be installed to improve internal security.
  59. The Fire Department's air cylinders for the Self-Contained Breathing Apparatus (SCBA) must be replaced in 2021, as they are at the end of their life cycle. It was determined that replacing the entire units is more cost effective and provides safer, less maintenance-intensive equipment for department use. The procurement of this equipment is now complete, with short term debt funding from the Municipal Finance Authority.
  60. This project involves repairs to the Town Hall main electrical service. An electrical inspection undertaken in 2020 identified many deficient areas that would be hazardous if left unrepaired. Design work is in progress, tendering will occur later this year or early 2022, with the physical work in 2022.
  61. These projects represent ongoing improvements to and automation of Town processes related to inspections, licencing and billing. Some are expected to be completed this year; however, staffing disruptions will require portions to be carried forward.
  62. The Town's agreement with Washington State Ferries (WSF) requires that the Town undertake all capital works relating to the ferry terminal facilities. Upgrades to the U.S. and Canada Customs buildings are expected to occur over the next several years. Design work on replacement of the US Customs building is ongoing, according to specifications outlined in a cross-border preclearance agreement between the countries. Physical construction is highly unlikely to proceed until we have additional clarity around the impacts of COVID-19 on international travel.
  63. The metal beams and piles supporting the Fishing Pier were inspected in 2014 and found to be lacking the original protective coating in places. With the exposure to waves and salt water, corrosion is a concern. A more detailed analysis and project plan was undertaken late last year, and completed in early 2021, with five different life cycle options identified. In May, Council selected the option featuring substructure rehabilitation and deck steel maintenance, as part of a longer-term maintenance plan. The consultant has completed the inspection and design component of the project, with the works to commence in 2022 due to permitting requirements.
  64. Installation of a public washroom near the waterfront; a grant application was submitted for this project, but was not successful. Project design is nearly complete, but additional analysis is underway to determine if 'Changing Places' in the washroom are suitable at this location; completion in 2022.
  65. This project involves replacement of the Fourth Street public washrooms, which are at the end of their useful life, and prone to backups during significant community events (i.e. Parades, summer markets, car shows). The tender for this project closes Oct 22<sup>nd</sup> with completion now in 2022.

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66. The structure for the Downtown Bike Storage project has been ordered and installation is expected to be completed in late 2021.
67. Concept & detailed designs for bike lanes on Resthaven Drive from McDonald Park Road to Beacon Avenue; this will include community engagement, with construction to follow. This project will be delayed until after completion of the upcoming Active Transportation Plan.
68. Phase 1 of this Gas Tax funded project was completed in 2019, and involved resurfacing and rebuilding portions on the West Sidney highway bike trail; the project outcome will ensure a safe bike path that will strengthen connections to/from the existing residential areas on the west side of Sidney. Council recently considered a report to confirm that the Town's grant application for this project was unsuccessful, and additional phasing will be required. This project is underway, with the lighting component to be carried forward to 2022. A third and final phase will be brought forward with an upcoming budget.
69. Relocation of overhead utility wiring to underground, in conjunction with three specific development projects in the vicinity of Third Street and Sidney Avenue. The developers and BC Hydro are paying for the majority of this project, which is now complete.
70. Improvements to Eighth Street include a new sidewalk, fencing and boulevard trees on the west side of Eighth Street in front of the Works Yard, and a crosswalk between Iroquois Park and Eighth Street. The project is now mostly complete, with fencing and tree planting to be completed later in the year.
71. Some of Sidney's curb ramps, specifically along Beacon, are uneven and are not laid out to allow people with visual impairments to know they are approaching an intersection. This project involves improvements to the curb returns and let downs to improve accessibility on Beacon Avenue, at Third, Fourth and Fifth Streets. Design is now complete and work is expected start later this year.
72. This final component of the KELSET (Reay Creek) dam replacement project is now complete and slightly over budget. The Reay Creek Dam construction was a challenging project due to its accelerated schedule, environmentally sensitive location, and limited work area. Due to the schedule constraints, the project proceeded on a time and materials unit rate contract. This type of contract does have risks because any unforeseen circumstance or delay can result in additional cost.

In 2020, the project encountered challenges with unforeseen ground conditions, and required a redesign of the fishway to limit impact to adjacent properties. This resulted in additional costs to both design and construct the dam, as well as additional construction monitoring by the consultants. There was a storm event which resulted in a schedule delay, additional water management, and fish salvage. The project proceeded past DFO's recommended in-water works date, and therefore additional fish monitoring was required. These items, plus more, lead to unexpected cost overages.

In 2021, there were additional unforeseen costs. A summary of this work is below:

- Upon inspection of the dam, it was determined that the slope of the upstream face of the dam required additional rock to make it safer for people walking along the dam access road. Rock was added.
- At a certain water level, the dam hydraulics generated a loud helicopter sound (potentially nappe vibrations) which impacted nearby residents. KWL designed a simple solution to break this unforeseen effect by welding a steel bracket across the top of the spillway.
- After review of the site by the Town's safety officer, it was determined that the sluiceway control required a custom design to ensure worker safety during operations. This increased the manufacture and installation costs of this hand wheel.
- After the dam was complete, staff received reports of debris building up in the fishway. To prevent this, a debris boom was added in front of the fishway.
- The handrails and access path that were installed on the private property side of the dam required modification / improvement to allow staff to access the fishway in the absence of a formal access easement over the private property.

73. This project is nearly complete at the time of this report, with only the lighting component of the project remaining. It involved raising the grade at the Tulista Park sidewalk to prevent winter flooding, to widen it to 3 metres to better allow for multiple users, and to replace some of the trees with more suitable species for the location.

74. The contract for this work was recently awarded. Completion is expected prior to the 2022 boating season.

75. Completed under budget, this project involved resurfacing the playground at Resthaven Park with engineered wood chips.

76. The drainage improvements required to complete this project will be undertaken in 2022.

77. The Peninsula Soccer Association's grant application for a turf field at Blue Heron Park was not successful. The application required up to \$322,500 in funding from the municipal partners; this budget amount represented the Town's funding commitment. The Association has not yet approached the Town regarding alternatives.

78. Staff have continued working with the CRD on options for this project, and have concluded that entering into a contract with CRD for the upgrade and maintenance of the SCADA system makes more sense than the Town going with its own system. Some upgrades, at Town cost, may be undertaken from this budget, but the ongoing maintenance contract will be a future year budget item. The timing of this future contract is to be determined by the CRD.

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**FINANCIAL IMPLICATIONS:**

While a few capital projects have been completed, and year-to-date expenditures are mostly in line with budget, there are still many projects, particularly infrastructure projects, which are in progress or will commence in the last quarter of the year. Several projects are likely to be deferred to next year.

There are no areas of major concern at this time. Currently, it is anticipated that the \$500,000 in Surplus funding that was used to balance the budget – and minimize the tax increase – may only be partially drawn upon.

**RECOMMENDATION:**

That this report be received for information.

Respectfully submitted:

I concur:

I concur:

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Troy Restell  
Manager of Finance

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Andrew Hicik  
Director of Corp. Svcs.

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Randy Humble  
Chief Administrative Officer

	2021 YTD Actual	2021 Budget	YTD Variance	% of Budget	
<b>GENERAL OPERATING</b>					
<b>GENERAL REVENUE</b>					
Taxation, Interest & Gov't Transfers	\$ (14,873,340)	\$ (14,437,200)	\$ 436,140	103%	1
	<b>(14,873,340)</b>	<b>(14,437,200)</b>	<b>436,140</b>	<b>103%</b>	
<b>LEGISLATIVE SERVICES</b>					
Council	147,758	218,486	70,728	68%	2
Committees	4,000	5,000	1,000	80%	
	<b>151,758</b>	<b>223,486</b>	<b>71,728</b>	<b>68%</b>	
<b>GENERAL ADMINISTRATION</b>					
Administrative Services	485,911	659,736	173,825	74%	
Financial Management	529,586	712,305	182,719	74%	
Driver Services	(66,960)	(97,800)	(30,840)	68%	3
Common Services	144,959	173,308	28,349	84%	4
Computer Services	439,661	548,350	108,689	80%	5
Other	(159,534)	(186,003)	(26,469)	86%	6
	<b>1,373,622</b>	<b>1,809,896</b>	<b>436,274</b>	<b>76%</b>	
<b>ELECTIONS</b>					
Elections & Referendum	6,203	6,000	(203)	103%	7
	<b>6,203</b>	<b>6,000</b>	<b>(203)</b>	<b>103%</b>	
<b>PROTECTIVE SERVICES</b>					
Police Protection	1,530,453	2,631,105	1,100,652	58%	8
Court House	22,455	31,666	9,211	71%	
Fire Protection	1,156,242	1,539,611	383,369	75%	
Emergency Measures	21,924	50,500	28,576	43%	9
Building Inspection & Bylaw Enforcement	(361,514)	(14,050)	347,464	2573%	10
	<b>2,369,559</b>	<b>4,238,832</b>	<b>1,869,273</b>	<b>56%</b>	
<b>TRANSPORTATION</b>					
Common Services	832,729	1,172,991	340,262	71%	
Roads	621,459	829,069	207,610	75%	11
Bus Shelters	(10,678)	181	10,859	-5899%	12
Parking Lots	(26,334)	(24,271)	2,063	108%	13
Dock & Port Facilities	(82,807)	(239,517)	(156,710)	35%	14
Storm Drains	136,141	228,533	92,392	60%	15
Hydrants	39,751	42,440	2,689	94%	16
Other	196,300	-	(196,300)	0%	17
	<b>1,706,561</b>	<b>2,009,426</b>	<b>302,865</b>	<b>85%</b>	
<b>ENVIRONMENTAL HEALTH</b>					
Solid Waste & Environmental Programs	154,281	298,935	144,654	52%	18
	<b>154,281</b>	<b>298,935</b>	<b>144,654</b>	<b>52%</b>	
<b>DEVELOPMENT SERVICES</b>					
Municipal Planning	448,854	565,382	116,528	79%	
	<b>448,854</b>	<b>565,382</b>	<b>116,528</b>	<b>79%</b>	
<b>RECREATION &amp; CULTURE</b>					
Parks	1,160,563	1,362,867	202,304	85%	19
Library	(31,605)	(33,984)	(2,379)	93%	20
Senior's Centre	95,041	119,324	24,283	80%	21
Museums	133,844	157,267	23,423	85%	21
	<b>1,357,844</b>	<b>1,605,474</b>	<b>247,630</b>	<b>85%</b>	

	2021 YTD Actual	2021 Budget	YTD Variance	% of Budget	
<b>GENERAL OPERATING</b>					
<b>FISCAL SERVICES</b>					
Internal Transfers to Reserves & Other Accounts	2,842,928	2,300,390	(542,538)	124%	<b>22</b>
Debt Servicing	484,012	499,907	15,895	97%	<b>23</b>
Other	34,952	98,000	63,048	36%	<b>24</b>
Community Support	703,343	781,472	78,129	90%	<b>25</b>
	<b>4,065,235</b>	<b>3,679,769</b>	<b>(385,466)</b>	<b>110%</b>	
<b>General (Surplus) / Deficit</b>	<b>\$ (3,239,423)</b>	<b>\$ -</b>	<b>\$ 3,239,423</b>		
<b>WATER OPERATING</b>					
General Revenue	\$ (2,014,766)	\$ (2,263,096)	\$ (248,330)	89%	<b>26</b>
Administration	1,388,107	1,700,802	312,695	82%	<b>27</b>
Operations	159,657	258,694	99,037	62%	<b>28</b>
Connections & New Meters	(143,128)	-	143,128		<b>29</b>
Transfers to Reserves & Other	298,100	303,600	5,500	98%	<b>30</b>
<b>Water (Surplus) / Deficit</b>	<b>\$ (312,030)</b>	<b>\$ -</b>	<b>\$ 312,030</b>		<b>31</b>
<b>SEWER OPERATING</b>					
General Revenue	\$ (2,010,958)	\$ (2,574,725)	\$ (563,767)	78%	<b>32</b>
Administration	143,102	206,806	63,704	69%	
Operations	1,919,385	2,022,119	102,734	95%	<b>33</b>
Connections	(18,301)	-	18,301		
Transfers to Reserves & Other	315,800	345,800	30,000	91%	<b>30</b>
<b>Sewer (Surplus) / Deficit</b>	<b>\$ 349,028</b>	<b>\$ -</b>	<b>\$ (349,028)</b>		<b>34</b>
<b>Total Operating (Surplus) / Deficit</b>	<b>\$ (3,202,425)</b>	<b>\$ -</b>	<b>\$ 3,202,425</b>		

	2021 YTD Actual	2021 Budget	YTD Variance	% of Budget	Note #
<b><u>Recurring Projects - Reserve Funded</u></b>					
Computer Replacement Plan	\$ 5,803	\$ 210,000	204,197	3%	35
Transportation Vehicle Replacement	3,644	10,000	6,356	36%	
Parks Vehicle Replacement	123,243	195,000	71,757	63%	36
Sewer Vehicle Replacement	-	475,000	475,000	0%	37
CSB Access Easement	80,000	80,000	0	100%	38
Green Tech Projects	-	10,000	10,000	0%	
Sculpture Walk Purchases	32,429	30,000	(2,429)	108%	
Meter Replacement Program	39,763	179,000	139,237	22%	39
	<u>\$ 284,883</u>	<u>\$ 1,189,000</u>	<u>904,117</u>	<u>24%</u>	
<b><u>Recurring Projects - Current Revenue Funded</u></b>					
Town Hall Furnishings	\$ 1,259	\$ 5,000	3,741	25%	
Public Works Furnishings	1,059	3,000	1,941	35%	
RCMP Furnishings	-	10,000	10,000	0%	
Computer Equipment	1,514	5,000	3,486	30%	
Fire Equipment	22,563	39,750	17,187	57%	40
Engineering Equipment	1,096	4,500	3,404	24%	
Transportation Equipment	-	10,000	10,000	0%	
Parks Equipment	8,488	10,000	1,512	85%	
Water Equipment	4,666	10,000	5,334	47%	
Sewer Equipment	-	10,000	10,000	0%	
Bus Stop Improvements	-	5,000	5,000	0%	
Hydro Box Revitalization	-	5,000	5,000	0%	
Downtown Garbage Containers	-	5,000	5,000	0%	
Underground Wiring	-	20,000	20,000	0%	
Downtown Decorative Street Lighting	-	30,000	30,000	0%	
Street Light LED Upgrades	-	20,000	20,000	0%	
Annual Tree Planting Program	209	20,000	19,791	1%	41
Hydrant Upgrade	7,438	10,000	2,562	74%	
Spare Sewer Pump	-	20,000	20,000	0%	
Sewer Pump Station Access Hatches	10,554	50,000	39,446	21%	42
	<u>\$ 58,847</u>	<u>\$ 292,250</u>	<u>233,403</u>	<u>20%</u>	
<b><u>Infrastructure Replacement Plan Projects</u></b>					
James White Blvd - Design	\$ 4,737	\$ 8,000	3,263	59%	
Ocean Ave - Sidewalk & Curb	20,090	40,000	19,910	50%	43
Bowerbank Rd - Sidewalk & curb	34,531	38,300	3,769	90%	44
Bevan Ave - Sidewalk	69,739	211,400	141,661	33%	45
Ardwell Ave - Sidewalk, curbs, road paving	-	111,400	111,400	0%	46
Henry Ave - Road Paving	-	167,500	167,500	0%	46
Piercy Ave - Road paving	-	91,700	91,700	0%	46
Town Hall - Parking Lot Paving	-	50,000	50,000	0%	46
Fifth St - Road Paving	22,962	72,700	49,738	32%	47
Allbay Rd - Storm Drain	130,901	442,100	311,199	30%	48

	<b>2021</b>	<b>2021</b>	<b>YTD</b>	<b>% of</b>	
	<b>YTD Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Budget</b>	<b>Note #</b>
<b><u>Infrastructure Replacement Plan Projects</u></b>					
James White Blvd - Storm Drain	4,737	995,900	991,163	0%	<b>49</b>
James White Blvd - Sewermain	4,737	721,900	717,163	1%	<b>49</b>
Amelia Ave - Storm Drain	2,631	10,000	7,369	26%	<b>50</b>
Amelia Ave - Sewermain	2,631	10,000	7,369	26%	<b>50</b>
Ardwell Ave - Storm Drain	285,412	485,000	199,588	59%	<b>51</b>
Ardwell Ave - Sewermain	199,223	367,000	167,777	54%	<b>51</b>
Amelia Ave - Watermain	22,055	244,500	222,445	9%	<b>52</b>
Melville Park - Storm Drain	47,622	178,200	130,578	27%	<b>53</b>
Swiftsure Pl - Watermain	6,045	9,400	3,355	64%	
Lochside Drive - Watermain	-	50,000	50,000	0%	<b>54</b>
Fire Lane #3 - Watermain	-	129,200	129,200	0%	<b>55</b>
Henry Ave (7th to West) - Watermain	-	57,800	57,800	0%	<b>55</b>
Henry Ave (4th to 3rd) - Watermain	-	74,800	74,800	0%	<b>55</b>
Harbour Sewer Pump Station	-	63,600	63,600	0%	
Rothsay Sewer Pump Station	-	61,800	61,800	0%	
Resthaven Drive - Sewermain	31,087	40,000	8,913	78%	
	<b>\$ 889,139</b>	<b>\$ 4,732,200</b>	<b>3,843,061</b>	<b>19%</b>	
<b><u>One Time Projects</u></b>					
RCMP Heating System	\$ 108,653	\$ 110,000	1,347	99%	<b>56</b>
RCMP Secure Parking	-	108,000	108,000	0%	<b>57</b>
RCMP Cell/Interview Room Renovations	-	30,000	30,000	0%	<b>58</b>
RCMP Internal Door Security	-	30,000	30,000	0%	<b>58</b>
Fire Dep Mobile Inspections	3,622	10,000	6,378	36%	
SCBA Air Cylinder Replacement	266,029	274,000	7,971	97%	<b>59</b>
Fitness Room Equipment Replacement	4,431	5,000	569	89%	
Town Hall Staff Bicycle	-	1,200	1,200	0%	
Town Hall Electrical Service	16,973	120,000	103,028	14%	<b>60</b>
Tempest - eInspections	-	10,500	10,500	0%	<b>61</b>
Tempest - Utility Account Change	6,004	6,520	516	92%	<b>61</b>
Tempest - Licensing eApply	18,776	28,250	9,474	66%	<b>61</b>
Ferry Terminal Bldg Improvements	65	197,700	197,635	0%	<b>62</b>
Fishing Pier Maintenance	12,966	350,000	337,034	4%	<b>63</b>
Survey Equipment - Engineering	16,077	15,000	(1,077)	107%	
Waterfront Public Washroom	2,146	300,000	297,854	1%	<b>64</b>
4th Street Washroom Replacement	-	100,000	100,000	0%	<b>65</b>
Downtown Bike Storage	9,663	35,000	25,337	28%	<b>66</b>
Temporary Bike Parking	3,271	5,000	1,729	65%	
Resthaven Bike Lanes	-	80,000	80,000	0%	<b>67</b>
Bike Path West of Hwy	14,849	549,000	534,151	3%	<b>68</b>
Third & Sidney Underground Wiring	61,317	100,000	38,683	61%	<b>69</b>
Lochside Drive - New Sidewalk	-	37,100	37,100	0%	
Eight St - Sidewalk Extension	111,254	350,000	238,746	32%	<b>70</b>

	<b>2021</b>	<b>2021</b>	<b>YTD</b>	<b>% of</b>	
	<b>YTD Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Budget</b>	<b>Note #</b>
<b><u>One Time Projects</u></b>					
Eastview & Bevan - Sidewalk repairs & tree replacement	-	50,000	50,000	0%	
Orchard Ave - New Sidewalk	-	10,900	10,900	0%	
Visitor Centre Curb Repair	7,433	10,000	2,567	74%	
Beacon Ave Curb Returns	-	45,000	45,000	0%	<b>71</b>
PW Compound Extension/Fencing	31,644	33,900	2,256	93%	
Fifth Street Medians	-	16,500	16,500	0%	
Tourist Info Centre Roof	156	25,000	24,844	1%	
Pubic Works Admin Bldg Design	-	25,000	25,000	0%	
Speed Reader Signs	-	25,000	25,000	0%	
DCC Bylaw	-	10,000	10,000	0%	
KELSET (Reay) Creek Dam	37,958	25,000	(12,958)	152%	<b>72</b>
Seaport Park Bricklock	8,814	25,000	16,186	35%	
Tulista Park Sidewalk Improvements	156,518	200,000	43,482	78%	<b>73</b>
Skatepark Seating	4,567	15,000	10,433	30%	
Rotary Park Chain Link Fence	29,028	40,000	10,972	73%	
Tulista Boat Launch Float Replacement	-	110,000	110,000	0%	<b>74</b>
Brethour Park Design	-	30,000	30,000	0%	
Resthaven Playground Resurface	13,356	15,000	1,644	89%	<b>75</b>
Tree Guards	20,865	25,000	4,135	83%	
Picnic Table Rose Grdn	3,286	7,500	4,214	44%	
Melville Park Path Resurface	-	20,000	20,000	0%	
Rathdown Park Playground Redevelopment	3,153	40,000	36,847	8%	<b>76</b>
Rotary Park Irrigation Replace	-	60,000	60,000	0%	
Blue Heron Park Turf	-	107,500	107,500	0%	<b>77</b>
Senior Centre Kitchen Equipment	-	30,000	30,000	0%	
Pump Stations Condition Assessment	5,443	20,000	14,557	27%	
SCADA System	-	60,000	60,000	0%	<b>78</b>
	\$ 978,317	\$ 3,933,570	2,955,253	\$ 16	
<b>TOTAL CAPITAL</b>	<b>\$ 2,211,185</b>	<b>\$ 10,147,020</b>	<b>7,935,835</b>	<b>22%</b>	