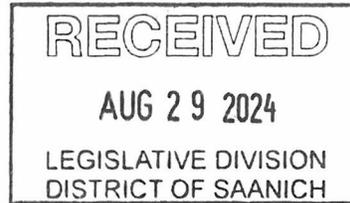


3. **1ST TRIMESTER RESULTS REPORT**

Memo of the Finance and Governance Standing Committee dated August 29, 2024.

To recommend that Council receive the report for information.



Memo

To: Angila Bains, Director of Legislative and Protective Services/Corporate Officer

From: Tara Judge, Executive Administrative Assistant to the CAO

Date: August 29, 2024

Subject: 1st TRIMESTER RESULTS REPORT (JANUARY 1 TO APRIL 30, 2024)

At the August 12, 2024, Finance and Governance Standing Committee meeting, members reviewed the 1st Trimester Results Report (January 1 to April 30, 2024) and resolved:

“That the Finance and Governance Standing Committee receive the 1st Trimester Report from the Director of Finance for information and that the report be referred to Council for its consideration.”

A copy of the draft minutes and accompanying report are attached for information.


Tara Judge
Executive Administrative Assistant to the CAO

Atta.

DRAFT MINUTES
FINANCE AND GOVERNANCE STANDING COMMITTEE

Held at Saanich Municipal Hall, Committee Room # 2

770 Vernon Avenue

August 12, 2024, at 10:00 a.m.

Present: Councillor Susan Brice (Chair); Councillor Teale Phelps Bondaroff;
Councillor Karen Harper; Mayor Dean Murdock

Staff: Brent Reems, Chief Administrative Officer (arrived at 10:11 a.m.; left at 11:40 a.m.);
Paul Arslan, Director of Finance; Suzanne Samborski, Director of Parks, Recreation
and Community Services (left at 10:31 a.m.); Jennifer Lockhart, Senior Manger
Financial Services; Tiana Solares, Senior Manager of Recreation (left at 10:31 a.m.);
Nathalie Dechaine, Manager of Community Development/Business Systems (left at
10:31 a.m.); Nicole Hughes, Property Tax Specialist (joined at 11:12 a.m.); and
Tara Judge, Executive Assistant to the CAO

Regrets: Councillor Nathalie Chambers

1st TRIMESTER RESULTS REPORT (JANUARY 1 TO APRIL 30, 2024)

A report from the Director of Finance with the 1st Trimester Results for 2024 was reviewed (January 1 to April 20, 2024).

Investments are performing better than estimated. Bank of Canada is reducing their rates as anticipated, so the amount budgeted for investment income was purposefully conservative.

Recreation is doing well, and building permit income could be close to budget by year end. Understand that building starts across the region are down, but with interest rates falling it is hoped that building applications will increase. In terms of expenses, more departments are close to their budgets as staffing levels have improved.

Capital projects continue, with the list of projects greater than \$1M identified within the report. Procurement has had 14% of competitive processes result in one bidder submitting. This could occur for two reasons. One is that the market does not exist for certain items (for example water pump station parts and related equipment are specialized with limited vendors providing them). Saanich also uses cooperative purchasing via Sourcwell for items such as the street sweeper giving the comfort that a competitive process used.

MOVED by Councillor Phelps Bondaroff and Seconded by Councillor Harper: "That the Finance and Governance Standing Committee receive the 1st Trimester Report from the Director of Finance for information and that the report be referred to Council for its consideration."

CARRIED



District of Saanich

1st Trimester Results Report

January 1, 2024 to April 30, 2024

Results reporting is prepared on a trimester basis by the District of Saanich as a means of providing the community, council, and the organization with regular information on the strategic and financial performance of the municipality.

The Trimester Results Report provides information on:

1. Operational Results
2. Capital Program Results
3. Investment Analysis
 - Diversity
 - Liquidity
 - Return
4. Procurement Results
 - % of procurement processes with more than one bidder
 - Procurement
5. Building Permit Statistics

Operational Results

District of Saanich - 2024 1st Trimester Performance Report Operating Budget Results - January 1 to April 30

(Represents 1/3 or 33% of the year)

Overall results for the period are positive, with most revenues reaching budgeted targets and recreation revenues and investments exceeding budget due to higher participation in recreation programs and on-going higher interest rates on investments. Expenditures are in line with expectations, however, some departments such as Police Protection and Planning are experiencing higher expenditure due to constant demand for their services while operational departments such as Engineering and Parks & Recreation are experiencing lower expenditure due to seasonal demand for their services.

Revenues:	2023 Actual	2024 Actual	Annual Budget 2024	2024 Budget Remaining	% Revenue Collected	
Property Taxation	-	-	(175,553,000)	(175,553,000)	0%	1
Utility Tax and Other	(62,300)	(58,200)	(1,789,500)	(1,731,300)	3%	1
Water Utility Revenue	(7,017,800)	(7,317,700)	(28,291,200)	(20,973,500)	26%	2
Sewer Utility Revenue	(9,527,900)	(9,937,400)	(30,570,500)	(20,633,100)	33%	
Solid Waste Revenue	(2,705,800)	(2,944,400)	(8,968,200)	(6,023,800)	33%	
Business License & Inspection Revenues	(2,092,200)	(1,273,700)	(3,775,100)	(2,501,400)	34%	
Recreation Revenues	(5,328,100)	(5,779,200)	(14,940,600)	(9,161,400)	39%	3
Grants In Lieu	-	-	(3,451,700)	(3,451,700)	0%	1
Provincial Grants	-	-	(1,380,000)	(1,380,000)	0%	1
Interest and Penalties	(2,136,400)	(2,425,800)	(6,437,400)	(4,011,600)	38%	
Surplus Appropriations	-	-	(500,000)	(500,000)	0%	4
Other Revenues	(12,300)	(10,700)	(358,000)	(347,300)	3%	
COVID-19 Restart Grant	-	-	(149,300)	(149,300)	0%	4
Total Revenue	(28,882,800)	(29,747,100)	(276,164,500)	(246,417,400)	11%	

Explanatory notes for variances over 5%

REVENUES:

- Property Taxation / Utility Tax / Grants In Lieu / Provincial Grants (0%-3% collected)* – All taxation and grants from various government *entities* are recorded or received in the second trimester.
- Water Utility Revenue (26% collected)* - Revenue percentage in line with last year's actual. Revenues increase during the summer months.
- Recreation Revenues (39% collected)* - Higher revenues is realized in first trimester which is then offset with reduced revenues in second trimester when shutdowns occur for facility maintenance.
- Surplus Appropriations / COVID-19 Restart Grant (0% applied)* - As and when needed to offset revenue reductions or COVID expenditure.

	2023 Actual	2024 Actual	Annual Budget 2024	2024 Budget Remaining	% Expenditure Spent	
Expenditures:						
Administration	650,900	705,800	2,072,600	1,366,800	34%	
Finance	1,485,700	1,808,900	5,847,100	4,038,200	31%	
Corporate Revenues/Expenses	(357,500)	(313,900)	96,000	409,900	-327%	1
Fiscal Services	3,932,900	3,936,700	9,789,300	5,852,600	40%	2
Corporate Services	1,227,300	1,847,500	5,310,500	3,463,000	35%	
Information Technology	1,683,900	2,811,400	7,997,800	5,186,400	35%	
Legislative & Protective Services	2,801,500	3,240,100	7,892,300	4,652,200	41%	3
Police Protection	14,277,800	17,442,800	47,113,700	29,670,900	37%	
Fire Protection	7,540,300	8,186,500	23,963,700	15,777,200	34%	
Emergency Program	134,900	125,400	495,400	370,000	25%	4
Planning	1,286,100	1,595,300	4,146,500	2,551,200	38%	
Engineering	4,422,900	4,911,600	17,387,000	12,475,400	28%	
Parks	3,195,000	3,658,700	12,248,800	8,590,100	30%	
Recreation and Community Services	7,831,600	8,847,300	29,778,200	20,930,900	30%	
Library, Grants & Economic Development	2,922,200	3,272,000	8,568,500	5,296,500	38%	
Solid Waste Utility Expenditure	2,521,200	2,865,100	10,104,800	7,239,700	28%	
Water Utility Expenditure	4,209,200	4,201,400	19,025,200	14,823,800	22%	5
Sewer Utility Expenditure	1,987,800	2,171,400	23,512,700	21,341,300	9%	6
Capital Program (tax and fee funded only)	1,236,100	2,074,500	40,814,400	38,739,900	5%	7
Total Expenditures	62,989,800	73,388,500	276,164,500	202,776,000	27%	
Revenues minus Expenditures	34,107,000	43,641,400	0	(43,641,400)		

Explanatory notes for variances over 5%

EXPENSES:

- Corporate Revenues/Expenses (-327% spent)* - Recoveries from water, sewer and solid waste utilities in line, however, no contingency spending.
- Fiscal Services (40% spent)* - Debt payments in line with last year and occur in April and October.
- Legislative & Protective Services (41% spent)* - Expenditure in line with last year; Insurance premiums are paid in 1st trimester.
- Emergency Program (25% spent)* - Expenditure on track impacted by a \$48K grant received from Ministry of Emergency Management and Climate Readiness.
- Water Utility Expenditure (22% spent)* - Operating costs in line with last year. Some maintenance programs are lagging due to staff shortages.
- Sewer Utility Expenditure (9% spent)* - Operating costs in line with last year. Payment to CRD constitutes 69% of budget and occurs in August.
- Capital Program (5% spent)* - Transfer of funds for capital infrastructure funding occurs in second trimester after budget approval.

Capital Program Results

District of Saanich - 2024 1st Trimester Performance Report Capital Program Results up to April 30, 2024

Projects budgeted over \$1,000,000

Capital Project	Fund	Duration	Original 2024 Budget	Budget Transfers *	Revised 2024 Budget	Actual	Percent Spent	Schedule Status	Budget Status	
Arena Rd, 340 Ker - Dysart Rd	Sewer		1,037,000		1,037,000		0%			2
Sherwood Rd, Arbutus Rd to MacDonald Dr E, and	Water		1,068,000		1,068,000		0%			2
Burnside Rd W. - Road Improv	Transportation		1,090,540		1,090,540	1,088,863	100%			
Madock Ave(Wascana - Harriet)	Sewer		1,105,000		1,105,000		0%			2
Cedar Hill, Garnet-Mortimer Ph1	Water		1,114,000		1,114,000	35,107	3%			
Leasehold Improvements & New Office Space Ou	Facilities		1,125,000		1,125,000		0%			
Saanich Rd Blanshard-Short)	Sewer		1,177,000		1,177,000		0%			
Bridges and Structures	Parks		1,207,170		1,207,170	84,591	7%			
SOC EV Chargers	Facilities		1,225,000		1,225,000	2,783	0%			
Natural Areas	Parks		1,230,890		1,230,890		0%			
Adelaide Ave, 2823 - Cowper	Drainage		1,261,000		1,261,000	824,421	65%			
Richmond - Newton to Adanac Construction	Transportation		1,350,000		1,350,000		0%			2
Water - Detailed Design	Water		1,491,414		1,491,414	362,229	24%			
Sanitary Sewer-Detailed Design	Sewer		1,546,500		1,546,500	438,334	28%			
Storm Drain - Detailed Design	Drainage		1,608,990		1,608,990	420,584	26%			
Wilkinson Rd(Greenlea-Quick's)	Transportation		1,611,000		1,611,000	56,018	3%			2
Lift Station Capital Works	Sewer		1,617,610		1,617,610	75,208	5%			
2875 Colquitz - Gorge Rd	Drainage		1,629,000		1,629,000	795,525	49%			
Vanalman:636-648,SRW-Ridgewood	Sewer		1,650,000		1,650,000	1,482,306	90%			
Rutledge Park Playground Repl	Parks		1,715,890		1,715,890	1,192,468	69%			
Vanalman/Colquitz Creek Culvrt	Drainage		1,856,600		1,856,600	1,856,595	100%			
Cycling Infrastructure Program	Transportation		1,914,970		1,914,970	666,271	35%			
Pavement Renewal Program	Transportation		1,949,890		1,949,890	900,410	46%			2
ShortTerm Soln-Adv Active Tran	Transportation		2,019,350		2,019,350	1,232,929	61%			
MannAve, Vanalman Ave&Parkridge	Water		2,026,500		2,026,500	1,920,817	95%			
Tattersall (Quadra - Salsbury)	Various		2,028,000		2,028,000	345,482	17%			
Pat Bay Hwy Wtrmain Lining	Water		2,058,000		2,058,000	99,416	5%			3
Small Water Meter Replacement	Water		2,105,208		2,105,208	200,636	10%			
Pump Station & PRV Replacement	Water		2,173,000		2,173,000	430,675	20%			
Bridge Repairs	Transportation		2,194,261		2,194,261	83,354	4%			
Storm Drainage Model Dvlpmnt	Drainage		2,458,150		2,458,150	668,528	27%			
PKOLS/Mt Doug Tower Rplc	IT		2,400,000		2,400,000		0%			
Albina-Gorge Utility Upgrades	Sewer		3,421,000		3,421,000	10,265	0%			3
Pearkes - RTU Replacement	Facilities		4,186,700		4,186,700	249,301	6%			
Cordova Bay Rd	Various		4,957,000		4,957,000	132,059	3%			2
SCP - Mechanical Upgrades	Facilities		5,125,430		5,125,430	707,880	14%			1
Green and Inclusive CHRC	Facilities		5,134,350		5,134,350	277,019	5%			
Public Works Yard	Facilities		6,803,700		6,803,700	1,155,113	17%			3
W.Saa/Prospect Lk/Sparton Int	Transportation		7,303,890		7,303,890	7,203,404	99%			
Sinclair Rd Improvement	Various		10,127,170		10,127,170	486,251	5%			
Sidewalk Installation Program	Transportation		10,488,760		10,488,760	3,517,546	34%			
Gorge Drainage Improvements	Various		14,518,130		14,518,130	11,186,737	77%			
Fire Hall#2 - Project Planning	Facilities		20,961,070		20,961,070	4,467,050	21%			1
SSIP - Shelbourne St Development	Various		44,586,693		44,586,693	20,640,035	46%			

1 Costs projected to be higher than budgeted and may require additional funding

2 Project start date was delayed due to internal and contracted resources

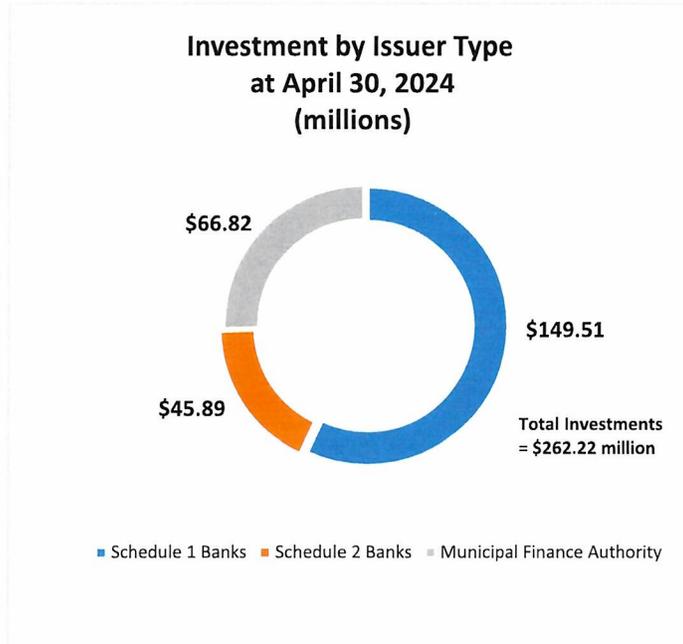
3 Project cost escalation, longer lead time on material delivery or change in scope of the project

* Budget transfers are usually done from program budgets such as sidewalks, cycling or paving to individual projects once the scope of the work is determined

	On target
	Caution
	Delayed

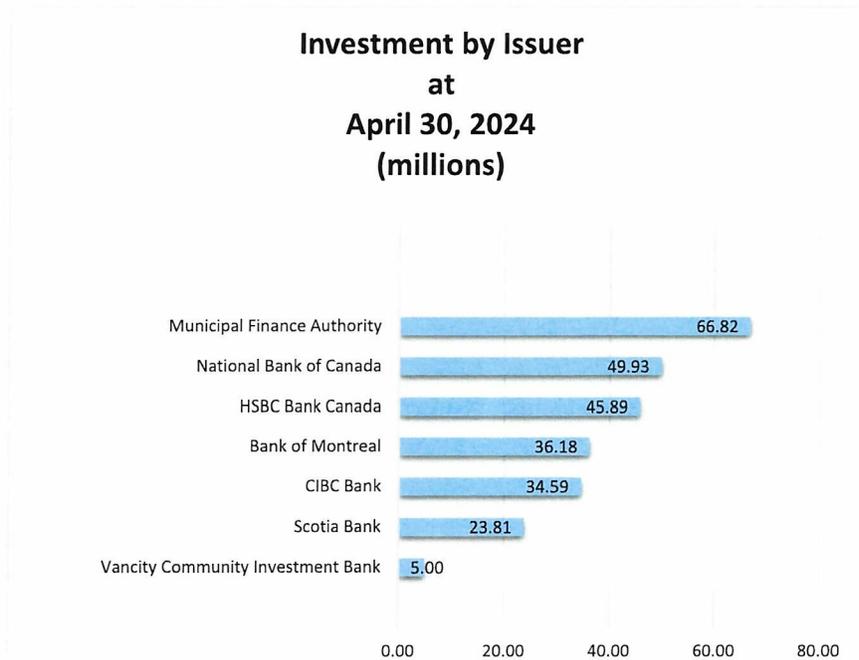
Investment Analysis

The District of Saanich invests public funds in a prudent manner in accordance with the Council Investment Policy. The investment portfolio is currently valued at \$262.22 million. Most of these funds are either held for specific capital programs or are invested until needed to pay current operating expenses.



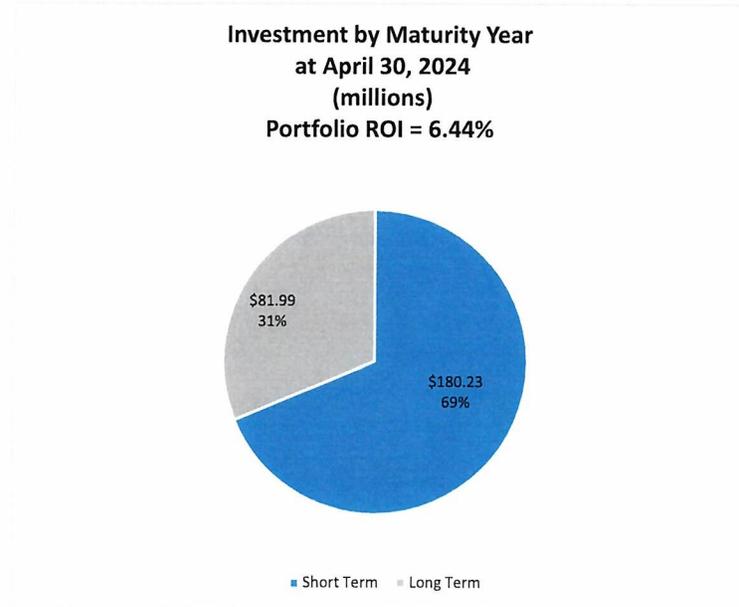
Diversification

In order to reduce overall portfolio risk, Saanich diversifies its investment holdings across a range of security types and financial institutions.



Liquidity

Saanich ensures that the investment portfolio remains sufficiently liquid in order to meet all reasonably anticipated operating and capital cash flow requirements. The majority of the MFA Pooled Funds are held for longer terms as they include various capital reserve funds.



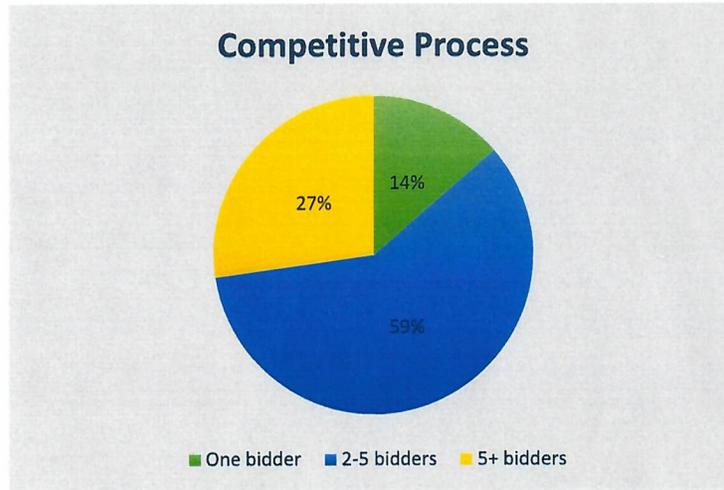
Return on Investment

Saanich's investment portfolio earned 6.44% (4.11% in 2023) while maintaining the investment security established in the Investment Policy. The market investment rates for 2024 are starting to decline. The Bank of Canada lowered its interest rates on June 6 and on July 24, 2024 with a resulting end rate of 4.50%. Interest earned on high interest savings accounts will be affected first with this rate change, however, GIC maturing in 2025 will continue to have rates varying from 5.27% to 5.90%. The financial market is expecting further interest rate cuts from the Bank of Canada for the remainder of this year and into the next year. These expectations will drive the investment rates lower in the foreseeable future.

Procurement Results

Competitive Process

86% of procurement processes in this trimester had more than one bidder.



Procurement

Value \$200,000+				
Procurement Description	Value	Years	Supplier	# Bids
Sinclair Road Updates	\$14,301,024.00	One Time	Don Mann Excavating Ltd.	5
Electrical Services Program - Class B	\$2,250,000.00	3	Houle Electric, Mega Power, Island Technical, Sureport Group, Kerr Controls, Thomis Electric	6
CHRC Mechanical Upgrades	\$1,731,525.10	One Time	MGM Mechanical Ltd	3
Pearkes - Mechanical Upgrades - Heat Recovery	\$1,358,500.00	One Time	MGM Mechanical Ltd	3
Microsoft 365 Integration Services IT	\$898,560.00	2	Affinity, Dave Steeves & Associates, Randstad Interim Inc	13
PKOLS (Mount Douglas) Communication Tower Replacement	\$734,506.99	One Time	TEP Engineering Canada ULC	3
Supply of Pool & Water Treatment Chemicals Joint Tender	\$510,000.00	5	ClearTech Industries, Brenntag Canada	3
Renovation, Remediation, and Carpentry Services Program	\$500,000.00	4	Brenric Construction Ltd, Downs Construction DKI-Pro Pacific, Kaercher Projects & Construction, Canpro Constructions Ltd	7
Sr. Project Manager Services IT	\$465,192.00	2	Randstad Interim Inc.	16
Street Sweeper	\$460,910.00	One Time	Vimar Equipment	CP
Supply and Delivery of Water Meters	\$342,000.00	5	KTI Limited	4
Enterprise Architect IT	\$300,000.00	2	Affinity Staffing Inc.	8
Upfitting Truck Body	\$228,283.52	One Time	Profire Emergency Equipment	2
Pumps and Equipment	\$210,743.46	One Time	Troy Electric Sales & Services	1
Police Vehicles - 4x4 Chevrolet Tahoe Police Package	\$206,399.00	One Time	Jenner Chevrolet Buick GMC	3

Value \$75,000 to \$200,000				
Procurement Description	Value	Years	Supplier	# Bids
Police Vehicles - Utility - Ford Explorer	\$184,335.00	One Time	Suburban Motors	2
Engineered Wood Fibre For Playgrounds	\$171,000.00	3	Denbow Transportation Ltd.	4
Plastic Posts	\$170,000.00	5	Redwood Plastics & Rubber	2
Industrial Road & Field Paint	\$132,384.00	3	Cloverdale Paints	6
Planning & Development Consultant - SOC Redevelopment	\$102,575.00	One Time	City Spaces	3
OFA Level 1 Training	\$95,200.00	4	Alert First- Aid Inc	3
Wildland Fire Truck	\$87,746.00	One Time	Profire Emergency Equipment	1

In addition, there were 48 procurement processes with value less than \$75,000 totalling \$1,232,638.

Building Permit Statistics

Year to Date	No. of Permits			Dwelling Units			Construction Value (millions)		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Permit Type									
SFD/Duplex	32	29	19	42	46	27	19.1	21.7	17.6
Apartments	1	4	-	76	298	-	10.6	53.5	-
Townhouses	-	6	-	-	37	-	-	13.0	-
Commercial	26	46	22	-	-	-	5.8	52.2	8.0
Gov't/Inst.	10	8	5	-	-	-	3.1	2.1	46.1
Miscellaneous*	106	120	75	10	10	14	10.7	10.1	9.3
Totals	175	213	121	128	391	41	\$ 49.3	\$ 152.6	\$ 81.0

* Miscellaneous = renovations, additions, accessory buildings, pools, secondary suites, decks, etc.

