

Q3-2024

Quarterly Report

City of Dryden

Financials as at September 30th, 2024



DRYDEN

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Steven Lansdell-Roll
Corporation of the City of Dryden
11/12/2024



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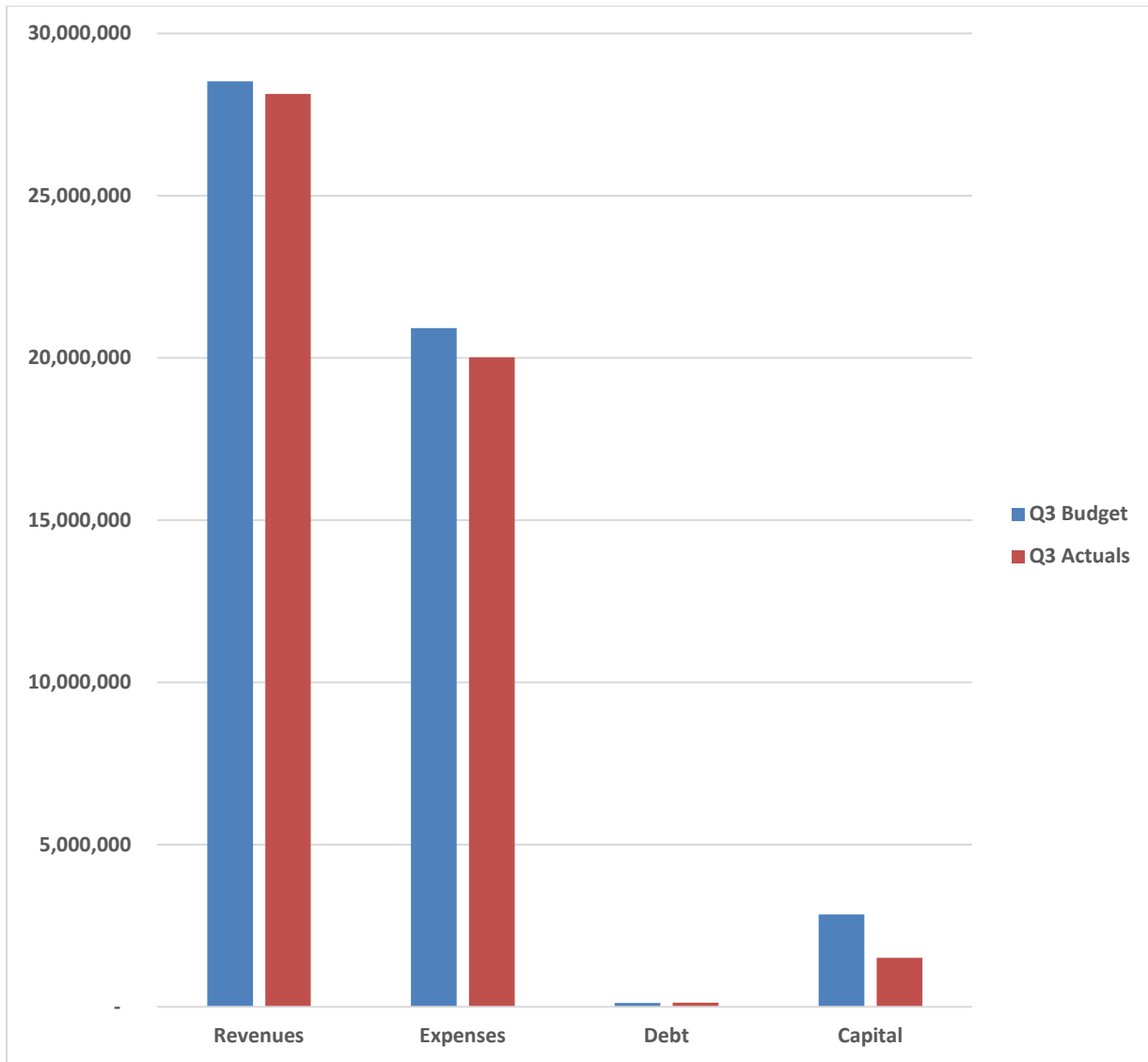
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Corporate Summary¹



A more detailed analysis is provided further along in this document.

- ○ **Revenues**: lower than budget
- ○ **Expenses**: lower than budget
- ○ **Debt**: on budget
- ○ **Capital spending**: lower than budget

○ - Financially immaterial
○ - Financially material (favourable)
○ - Financially material (unfavourable)

Operating Results Summaries

Revenues

	Budget	Actual	Variance
Operating Revenues	-28,521,593	-28,136,548	-385,045
Tax Levy	-16,191,447	-16,135,145	-56,302
OMPF	-1,696,725	-1,696,725	0
Grant/Donations	-990,125	-1,421,111	430,986
Water Sales/Revenue	-2,016,576	-1,829,107	-187,469
Sewer Sales/Revenue	-2,007,000	-1,816,706	-190,294
Other User Fee Revenue	-2,506,842	-2,417,269	-89,573
Other Revenue	-2,420,184	-1,987,053	-433,131
Fines	-692,694	-833,432	140,738
Transfer from Reserves	0	0	0

The total operating revenue budget for 2024 is ~\$33.13M, with a Q3 expectation of ~\$28.52M. Q3 actual revenues received are at ~\$28.14M, resulting in a \$380K negative variance.

Grants/Donations are \$431K higher than budgeted as at Q3. This variance relates to unbudgeted OPP grants (Mobile Crisis Response Team, Community Safety & Policing, Reduce Impaired Driving Everywhere, and Bail Compliance & Warrant Apprehension). This variance will be offset by a negative variance in Material & Other expenses, as the expenditures associated with these OPP grants are unbudgeted as well.

Water Sales/Revenue are \$187K lower than budgeted as at Q3. This variance relates to timing, as the YTD actuals only represents 8 months of billing activity.

Sewer Sales/Revenue are \$190K lower than budgeted as at Q3. This variance relates to timing, as the YTD actuals only represents 8 months of billing activity.

Other Revenue is \$433K lower than budgeted as at Q3. This variance relates to the timing of the 2025 Dryden Fibre value add payment (\$500K payment to be received in December 2025).

Fines are \$141K higher than budgeted as at Q3. This variance relates to POA's continued efforts to address the COVID backlog and the increased enforcement activities we have seen with the OPP.

Expenses

	Budget	Actual	Variance
Operating Expenses	21,036,207	20,150,609	885,598
Salary, Wages & Benefits	7,807,746	6,919,197	888,549
External Grants Paid	2,092,809	2,132,779	-39,970
Debt Servicing	115,232	130,860	-15,628
Maintenance	436,987	494,728	-57,741
Materials & Other	2,208,708	2,602,784	-394,076
Utilities	1,191,355	1,046,575	144,780
Capital Out of Taxation & User Fees	0	0	0
Transfer to Reserves	0	0	0
Contracted Services	6,412,660	6,080,477	332,183
Insurance	659,840	640,594	19,246
Travel/Training	110,870	102,616	8,254

The total operating expense budget for 2024 is ~\$33.13M, with a Q3 expectation of ~\$21.04M. Q3 actual expenses are at ~\$20.15M, resulting in a positive variance of ~\$890K.

Salary, Wages & Benefit costs are ~\$889K lower than anticipated as at Q3. This variance relates to vacant positions throughout 2024. It is anticipated that Salary, Wages & Benefits will be under budget at year end due to these vacancies.

Materials & Other costs are ~\$394K higher than budgeted, primarily due to OPP Policing Grants (Mobile Crisis Response Team, Community Safety & Policing, Reduce Impaired Driving Everywhere, and Bail Compliance & Warrant Apprehension) that are flowing through the Municipality. The OPP Policing Grant expenses will be fully offset by positive variances in revenue (Grants/Donations).

Utilities are ~\$145K lower than budgeted as at Q3. This variance is due to timing of Utility bills (Hydro bills/costs are only reflecting January to August 2024 and Gas bills/costs are only reflecting January to July 2024). All 2024 utility expenses will be either paid or accrued at year-end.

Contracted Services costs are ~\$332K lower than budgeted as at Q3. This variance relates to the timing of contracted services activities (OPP Policing contract, Sidewalk Rehab, Concrete Curb Rehab, Landfill Environmental testing, etc.).

Operating Forecast

	2024 Budget	2024 Forecast	2024 Variance
Tax Levy	(16,191,447)	(16,191,447)	-
Transfer from Reserves	(83,867)	-	(83,867)
OMPF	(2,262,300)	(2,262,300)	-
Other Grant/Donations	(1,319,029)	(1,321,779)	2,750
Water Sales/Revenue	(2,688,776)	(2,688,776)	-
Sewer Sales/Revenue	(2,676,010)	(2,676,010)	-
Other User Fee Revenue	(3,125,280)	(2,895,280)	(230,000)
Other Revenue	(3,859,123)	(4,158,038)	298,915
Fines	(923,600)	(923,600)	-
Operating Revenues	(33,129,432)	(33,117,230)	(12,202)
Salary, Wages & Benefits	10,273,688	9,865,828	407,860
External Grants Paid	3,206,880	3,219,750	(12,870)
Maintenance	566,850	591,535	(24,685)
Materials & Other	2,894,587	2,987,727	(93,140)
Utilities	1,588,410	1,588,410	-
Capital Out of Taxation & User Fees	2,812,418	2,397,418	415,000
Transfers to Reserves	1,592,171	1,731,171	(139,000)
Contracted Services	8,344,210	8,538,310	(194,100)
Insurance	659,840	659,840	-
Travel/Training	147,650	147,650	-
Operating Expenses	32,086,704	31,727,639	359,065
Debt Servicing	1,042,728	1,042,728	-
(Surplus)/Deficit	-	(346,863)	346,863

At the end of Q3, it is forecast that the City’s overall operations will be under budget for 2024. The forecast Surplus at year-end is estimated at ~\$347K, with revenues (excluding OPP Grant activity) estimated to be within ~0.04% of budgeted levels and expenses (excluding OPP Grant activity) estimated to be within ~1.12% of budgeted levels.

Other User Fee revenue will be lower than expected due to Golf Course membership and green fee revenue coming in lower than anticipated.

Other Revenue will be higher than expected due to additional lease/agreement revenues, utilization of NWMO Community Well-Being funding (Sandy Beach Golf Club Clubhouse Engineering, Design, & Construction), higher MAT revenues, & additional Emergency Preparedness revenues.

Salary, Wages and Benefits expenses will be lower than expected due to vacancies.

Capital Out of Taxation & User Fees will be lower than expected due to the deferral of various capital projects into 2025 and some capital project costs being lower than anticipated.

Transfers to Reserves will be higher than expected due to some Water/Sewer capital project costs being lower than anticipated, with those saved dollars being allocated to reserves (to ensure Water and Wastewater operations balance to zero at year end).

Contracted Services will be higher than expected due to anticipated higher legal expenses and the Sandy Beach Golf Club Clubhouse Engineering, Design, & Construction (contract with Boreal Architecture Studio Inc).

Capital Spending

The Capital program for 2024 calls for ~\$2.8M in City funding for Capital. Senior Management prioritized projects required in 2024, and Council approved that plan.

Table 1 below provides an overall summary for the City’s funding for Capital out of Taxation.

Table 1

2024 Capital Spend (Q3)	2024 Capital Forecast	2024 Capital Budget	2024 Capital Variance
1,507,550	2,429,031	2,843,664	414,634

The details for all approved 2024 capital items are in Table 2 below.

The following projects will not take place in 2024 and will be deferred to 2025:

1. Arena Brine Pump #2 Replacement
 - Needs to be done during ice out.
 - This project will be completed in 2025 (planned for May 2025).
 - This project is part of the NOHFC approved project, but the deferral saves ~\$11K of funding for Capital out of Taxation.

2. Arena Heating Upgrades
 - Project scope being reviewed.
 - This project will be completed in 2025.
 - This project is part of the NOHFC approved project, but the deferral saves ~\$7K of funding for Capital out of Taxation.

3. Pool Main Pump Replacement
 - The Pool needs to be closed to complete this project.
 - This project will be completed in 2025 during the Pool maintenance shutdown.
 - This project is part of the NOHFC approved project, but the deferral saves ~\$4K of funding for Capital out of Taxation.

4. Library/Former DMTS Building Roof
 - NOHFC application was approved in August 2024, but not in time to have the project completed in 2024
 - This project will be completed in 2025.
 - This project is funded through NOHFC funds and Reserves, so no impact on the funding for Capital Out of Taxation.

5. City Hall/Library HVAC

- NOHFC application was approved in August 2024, but not in time to have the project completed in 2024
- This project will be completed in 2025.
- This project is funded through NOHFC funds and Reserves, so no impact on the funding for Capital Out of Taxation.

6. Museum HVAC Replacement

- This project was deferred so that it could be included in the Tender package for the City Hall/Library HVAC project.
- This project will be completed in 2025.
- Deferring this project saves \$19K of funding for Capital out of Taxation.

7. Golf Course Infrastructure

- This project and associated NOHFC funding application have been delayed while the golf course facility needs and requirements are assessed.
- Once a final project(s) is defined, NOHFC funding will be revisited.

Table 2

Project	2024 Capital Q3 Spend	2024 Capital Forecast	2024 Capital Budget	2024 Capital YE Variance
DFS Pumper - Capital Lease	53,132	70,848	70,872	24
DFS SCBA Replacement - Capital Lease	48,768	65,028	65,040	12
Fleet Wheel Loader - Capital Lease	76,273	76,273	75,410	(863)
Fleet Loader Mount Snow Blower - Capital Lease	19,987	19,987	19,910	(77)
DFS Equipment Truck Replacement - Capital Lease	17,919	23,891	26,532	2,641
Tandem Dump Truck - Capital Lease	41,812	55,749	48,204	(7,545)
Recreation Centre Mechanical Retrofit - ICIP Phase 2	386,016	460,016	1,234,630	774,614
- ICIP Grant Funding	-	-	(925,973)	(925,973)
- NWMO NTI Funding	(312,016)	(312,016)	(308,658)	3,359
- OCIF	-	(74,000)	-	74,000
- CCBF (Federal Gas Tax)	(74,000)	(74,000)	-	74,000
Recreation Centre Mechanical Retrofit - ICIP Phase 3	812,749	1,046,635	1,038,600	(8,035)
- ICIP Grant Funding	-	-	(778,950)	(778,950)
- NWMO NTI Funding	(264,774)	(264,774)	(259,650)	5,124
- DREAM Donation	(308,000)	(308,000)	-	308,000
- OCIF		(177,861)	-	177,861
- CCBF (Federal Gas Tax)	(239,975)	(296,000)	-	296,000
Trails Upgrade	49,357	393,040	393,040	-
- NOHFC	(37,018)	(294,780)	(294,780)	-
- Transfer from Waterfront Dev. Reserve Fund	(12,339)	(98,260)	(98,260)	-
Dryden Fire Hall 2 Renovations	9,101	37,900	37,900	-
- NOHFC	(6,826)	(28,425)	(28,425)	-
- NWMO NTI Funding	(2,275)	(9,475)	(9,475)	-
Hwy. 17 - Cecil Ave. to West Limit	3,092,809	3,188,845	3,188,845	-
- Connecting Link	(2,783,528)	(2,869,961)	(2,869,961)	-
- CCBF (Federal Gas Tax)	(309,281)	(318,885)	(318,885)	-

Airport Terminal Floor Epoxy Finish	-	36,375	35,031	(1,344)
- NOHFC	-	(27,281)	(26,273)	1,008
Airport Maintenance Shop Overhead Door Replacement	-	17,219	22,688	5,469
- NOHFC	-	(12,914)	(17,016)	(4,102)
Airport Terminal Backflow Prevention Installation	-	31,603	31,603	-
- NOHFC	-	(23,702)	(23,702)	-
Airport Terminal Washroom Update	135,590	145,194	165,318	20,124
- Enabling Accessibility Grant	(65,800)	(65,800)	(65,800)	-
- NOHFC	(69,790)	(79,394)	(96,385)	(16,991)
Van Horne Landing Dock Repairs	131,335	145,327	195,700	50,373
- NOHFC	(98,501)	(108,995)	(146,775)	(37,780)
- NWMO NTI Funding	(32,834)	(36,332)	(48,925)	(12,593)
Fire Hall 1 Rooftop Heating & Cooling Unit Replacement	104,036	104,036	105,000	964
- NOHFC	(78,027)	(78,027)	(78,750)	(723)
- NWMO NTI Funding	(26,009)	(26,009)	(26,250)	(241)
Arena Dehumidifier	56,387	56,387	-	(56,387)
- NOHFC	(42,290)	(42,290)	-	42,290
Arena Brine Pump #2 Replacement	-	-	44,186	44,186
- NOHFC	-	-	(33,140)	(33,140)
Arena Heating Upgrades	-	-	28,042	28,042
- NOHFC	-	-	(21,032)	(21,032)
Pool Solar Panel Replacement (7 Panels)	-	26,572	26,572	-
- NOHFC	-	(19,929)	(19,929)	-
Arena Duct Heater	7,562	7,562	7,562	-
- NOHFC	(5,672)	(5,672)	(5,672)	-
Arena Rink 2 Flooring	-	144,900	144,900	-
- NOHFC	-	(108,675)	(108,675)	-
Arena 2 Exit Canopy	-	37,600	37,600	-

- NOHFC	-	(28,200)	(28,200)	-
Arena Slab & Door	-	30,093	30,093	-
- NOHFC	-	(22,570)	(22,570)	-
Pool Main Pump Replacement	-	-	15,400	15,400
- NOHFC	-	-	(11,550)	(11,550)
Arena Sprinkler Line Replacement/Relocation/Reconfiguration	-	24,000	24,000	-
- NOHFC	-	(18,000)	(18,000)	-
Grader	82,907	82,907	82,907	-
Zamboni Replacement	-	104,824	98,500	(6,324)
PW Capital Sidewalk and Curb Replacement	225	200,000	200,000	-
- OCIF	(225)	(200,000)	(200,000)	-
DFS Fire Bunker Gear	21,425	21,425	22,000	575
Library Books	22,853	26,000	26,000	-
Rec Centre Fitness Equipment	3,862	17,000	17,000	-
PW Streetlight Pole & Wiring Replacement	9,214	40,000	40,000	-
IT Desktop/Laptop/Printer Replacement	25,150	40,000	40,000	-
- Transfer from Tax Supported Reserve Fund	(25,150)	(40,000)	(40,000)	-
City Hall Generator	5,807	60,954	61,000	46
- Transfer from Tax Supported Reserve Fund	(5,807)	(60,954)	(61,000)	(46)
IT UPS Replacement Firewall	4,959	4,959	5,500	541
- Transfer from Tax Supported Reserve Fund	(4,959)	(4,959)	(5,500)	(541)
IT Backup Appliance	21,225	21,225	25,000	3,775
- Transfer from Tax Supported Reserve Fund	(21,225)	(21,225)	(25,000)	(3,775)
PW Surface Treated Roads Capital Rehab	230,992	230,992	237,600	6,608
- OCIF	(230,992)	(230,992)	(237,600)	(6,608)
Museum HVAC Replacement	-	-	19,000	19,000
Mary Ave. - Second St. to Wice Ave. (Asphalt & Curb)	796,951	796,951	850,000	53,049
- OCIF	(796,951)	(796,951)	(850,000)	(53,049)

Hot Mix Patching - Extended Meters (Capital)	246,273	400,000	400,000	-
- NORDS	(179,455)	(179,455)	(179,455)	-
- CCBF (Federal Gas Tax)	(66,818)	(220,545)	(220,545)	-
Airport Maintenance Shop Roof	-	35,000	35,000	-
DFS Hall 1 Fire Hydrant	931	37,180	37,180	-
- NWMO Community Well-Being Funding	(931)	(37,180)	(37,180)	-
Storm Sewer Replacement	10,012	200,000	200,000	-
- OCIF	(10,012)	(200,000)	(200,000)	-
Fleet 1 Ton w/ Flat Deck Replacement	55,332	55,332	52,500	(2,832)
Fleet 1/2 Ton Replacement	55,332	55,332	52,500	(2,832)
Fleet Service Truck Replacement	-	125,126	30,240	(94,886)
Fleet Facilities Cargo Van Replacement	44,378	44,378	42,500	(1,878)
Fleet Tandem Chassis/Hook-Lift/Sander/Refuse	-	5,450	65,400	59,950
Library/Former DMTS Building Roof	-	-	159,000	159,000
- NOHFC	-	-	(85,000)	(85,000)
- Transfer from Land Sale Reserve Fund	-	-	(39,750)	(39,750)
City Hall/Library HVAC	-	-	190,000	190,000
- NOHFC	-	-	(48,153)	(48,153)
- Transfer from Land Sale Reserve Fund	-	-	(47,500)	(47,500)
Airport Terminal Floor Cleaning Machine	7,995	7,995	11,000	3,005
City Hall Parking Lot Asphalt	100,834	100,834	100,850	16
Cemetery Road & Parking Lot work	70,818	70,818	70,000	(818)
Golf Course Infrastructure	-	-	666,600	666,600
- NOHFC	-	-	(499,950)	(499,950)
Hwy. 594 - Easterly from Gordon Rd.	15,450	1,341,120	1,341,120	-
- Connecting Link	(13,905)	(1,207,008)	(1,207,008)	-
- CCBF (Federal Gas Tax)	(1,545)	(134,112)	(134,112)	-
Flat Rock Disconnect Switches & Misc. Electrical Equip.	34,382	34,382	35,000	618

- Transfer from Waterworks Reserve Fund	(34,382)	(34,382)	(35,000)	(618)
Sandy Beach Mews Watermain Looping	-	210,500	210,500	-
- Transfer from Emergency Capital Reserve	-	(210,500)	(210,500)	-
Sanitary Manhole Benching, Lining, & Repair	98,707	98,707	100,000	1,293
WWTP - Air Diffusers	152,570	152,570	210,000	57,430
WWTP - Heat Pumps	83,707	150,000	150,000	-
Water Distribution System - Valve Install & Replace	110,956	150,000	150,000	-
Water Distribution System - Myrtle Ave. Water-Main Upsize	224,466	423,370	500,000	76,630
WTP - Air Compressor	-	30,000	30,000	-
WTP - VT Pumps	71,207	200,000	200,000	-
WTP - Change Rooms	17,109	17,109	22,000	4,891
Lift Station Condition Assessments	11,014	100,000	100,000	-
- Transfer from Waterworks Reserve Fund	(11,014)	(100,000)	(100,000)	-
Total	1,507,550	2,429,031	2,843,664	414,634

Reserve & Reserve Fund Year-End Projection

Reserves and Reserve Funds 2024 Forecast (est. year-end balances)

Reserves	Opening Balance	2024 Est. Additions	2024 Est. Draws	Interest Earned	Est. YE Balance	Notes
Election	23,882				23,882	
Museum	74,060				74,060	
Aaron Park	-	6,804			6,804	1
Emergency Capital	296,182	166,046	(210,500)		251,728	2, 3
General Operating	328,944	166,046	(213,940)		281,050	4, 5
Total	723,068	338,896	(424,440)	-	637,524	

Reserve Fund	Opening Balance	2024 Est. Additions	2024 Est. Draws	Interest Earned*	Est. YE Balance	Notes
Legacy	4,026				4,026	
Provincial Gas Tax	208,615				208,615	
DFS Equipment	49,918	35,000			84,918	6
Land Sales	642,834				642,834	
Canada Community Building Fund	-				-	
Tax Supported Capital	466,252	582,092	(127,138)		921,206	7, 8, 9, 10, 11, 12
Waterfront Dev.	542,710	264,600	(98,260)		709,050	13, 14
Sewer/Wastewater	39,979	40,605			80,584	15
Waterworks	825,765	77,432	(134,382)		768,815	16, 17, 18
Airport	-	213,940			213,940	19
Community Well-Being	99,106	150,000	(149,000)		100,106	20, 21
Total	2,879,205	1,363,669	(508,780)	-	3,734,094	

- 1 - \$6,804 budgeted allocation from Park revenues
- 2 - \$166,046 2023 operating surplus allocation
- 3 - \$210,500 draw for the Sandy Beach Mews Watermain Loop Capital Project
- 4 - \$166,046 2023 operating surplus allocation
- 5 - \$213,940 Transfer balance of RATI funds into Airport Reserve Fund
- 6 - \$35,000 budgeted allocation based on anticipated Fire Marque revenue
- 7 - \$332,092 2023 operating surplus allocation
- 8 - \$250,000 allocation related to Domtar Tax Agreement Value Add \$s
- 9 - \$40,000 draw for the IT Desktop, Laptop, Printer Replacement 2024 Capital Project (Modernization \$s)
- 10 - \$60,954 draw for the City Hall Generator 2024 Capital Project (Modernization \$s)
- 11 - \$4,959 draw for the IT UPS Replacement Firewall 2024 Capital Project (Modernization \$s)
- 12 - \$21,225 draw for the IT Backup Appliance 2024 Capital Project (Modernization \$s)
- 13 - \$264,600 est. MAT revenue allocation

- 14 - \$98,260 draw for the Trails Upgrade Capital Project
 - 15 - \$40,605 budgeted allocation
 - 16 - \$77,432 budgeted allocation
 - 17 - \$34,382 draw for the Flat Rock Disconnect Switches & Misc. Electrical Equip. Capital Project
 - 18 - \$100,000 draw for the Lift Station Condition Assessment
 - 19 - \$213,940 Transfer balance of RATI funds from General Operating Reserve
 - 20 - \$150,000 2024 allocation as per NWMO Learn More Agreement
 - 21 - \$149,000 draw for the Golf Club Clubhouse Engineering Design and Construction report
- *Allocations will be made at year-end

Reserve Fund Targets

As per the City's Reserves and Reserve Funds Policy, there are four established targeted funding levels.

1. Total Discretionary Reserve Funds (excluding Waterworks and Sanitary/Wastewater) target of 50% of Property Tax Revenue.
 - For 2024, the target equates to ~\$8.1M
 - For 2024, the actual YE Est. Total Discretionary Reserve Funds total is \$2.7M, a \$5.4M shortfall from target.
2. Waterworks Reserve Fund target of 100% of Waterworks Own Source Revenue.
 - For 2024, the target equates to \$2.7M
 - For 2024, the actual YE Est. Waterworks Reserve Fund total is \$.8M, a \$1.9M shortfall from target.
3. Sanitary/Wastewater Reserve Fund target of 50% of Sanitary/Wastewater Own Source Revenue.
 - For 2024, the target equates to \$1.3M
 - For 2024, the actual YE Est. Sanitary/Wastewater Reserve Fund total is \$.1M, a \$1.2M shortfall from target.
4. General Operating Reserve target of 2 Months Payroll Expenditures
 - For 2024, the target equates to \$1.7M
 - For 2024, the actual YE General Operating Reserve total is \$0.3M, a \$1.4M shortfall from target.



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