

Q2-2021

# Quarterly Report

City of Dryden

Financials as at June 30th, 2021



# DRYDEN

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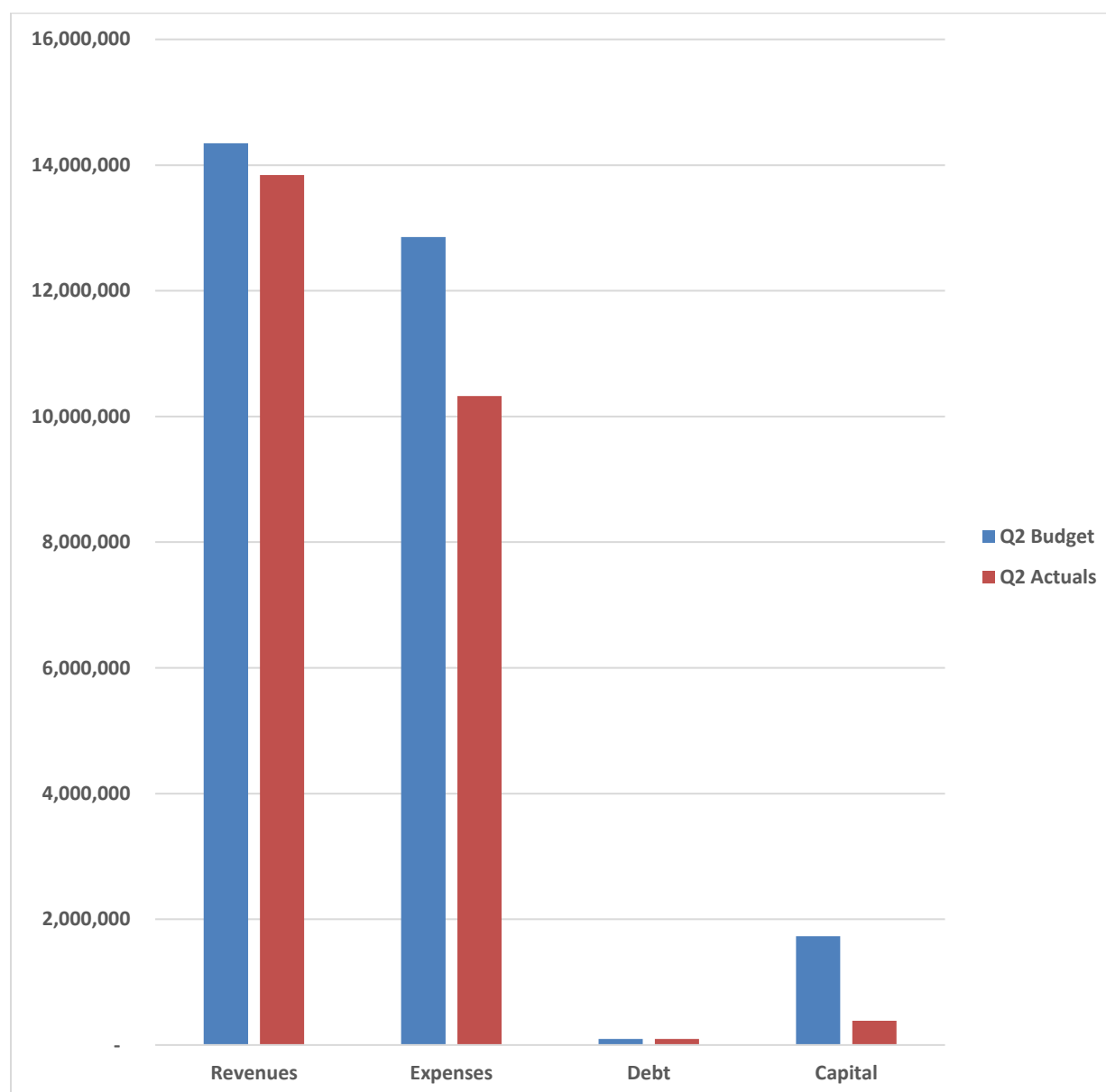
Steven Lansdell-Roll  
Corporation of the City of Dryden  
8/9/2021



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## Corporate Summary<sup>1</sup>



More detailed variance analysis is provided further along in this document.

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

○ - Financially immaterial

○ - Financially material (favourable)

○ - Financially material (unfavourable)

## Operating Results Summaries

### Revenues

	Budget	Actual	Variance
Operating Revenues	-14,345,494	-13,843,041	-502,453
Tax Levy	-7,046,379	-7,068,942	22,563
OMPF	-1,126,200	-1,126,200	0
Other Grant/Donations	-468,198	-695,763	227,565
Water Sales/Revenue	-1,164,426	-1,118,067	-46,359
Sewer Sales/Revenue	-1,142,922	-1,102,505	-40,417
Other User Fee Revenue	-924,948	-648,196	-276,752
Other Revenue	-2,087,035	-1,787,599	-299,436
Fines	-385,386	-295,769	-89,617

The total operating revenue budget for 2021 is ~\$28.1M, with a Q2 expectation of ~\$14.3M. Q2 actual revenues received are at ~\$13.8M, a \$502K negative variance.

Other Grant/Donations Revenue is ~\$228K positive as at Q2. This variance is primarily related to the additional COVID-19 Recovery Funding for Municipalities Program funding received in 2021. This variance also is associated with Grant funding for; the City's Age Friendly Action Plan (Inclusive Communities), Dryden Youth Centre Enhancements (Civil Remedies) and Senior's Health Programming (New Horizon for Seniors), the positive variance related to these grants will be fully offset by negative variances in expenditures.

Other User Fee Revenue is ~\$277K negative as at Q2. This variance is primarily related to the facility closures because of the COVID-19 pandemic. To date, the negative variance in Other User Fee Revenue associated with the COVID-19 pandemic have been offset by positive variances in expenditures.

Other Revenue is ~\$299K negative as at Q2. This variance is primarily due to land sale activity not occurring as planned. This negative variance associated with land sale activity is fully offset by a positive variance in expenses (Transfer to Reserves). In addition to land sale activity impacting this object line, the COVID-19 pandemic has negatively impacted Other Revenue such as the MAT revenue, Investment Interest and Lottery License. To date, the negative variance in Other Revenue associated with the COVID-19 pandemic have been offset by positive variances in expenditures.

*Expenses*

	Budget	Actual	Variance
Operating Expenses	12,951,168	10,421,027	2,530,141
Salary, Wages & Benefits	5,963,393	4,768,573	1,194,820
External Grants Paid	1,316,668	1,309,393	7,276
Debt Servicing	95,880	96,498	-618
Maintenance	295,176	314,748	-19,572
Materials & Other	1,336,258	773,724	562,534
Utilities	696,174	599,398	96,776
Capital Out of Taxation & User Fees	0	37	-37
Reserve Transfers	960,440	904,649	55,791
Contracted Services	1,695,229	1,165,068	530,161
Insurance	474,110	446,712	27,398
Travel/Training	117,840	42,229	75,611

The total operating expense budget for 2021 is ~\$28.1M, with a Q2 expectation of ~\$13M. Q2 actual expenses are at ~\$10.4M, resulting in a positive variance ~\$2.5M.

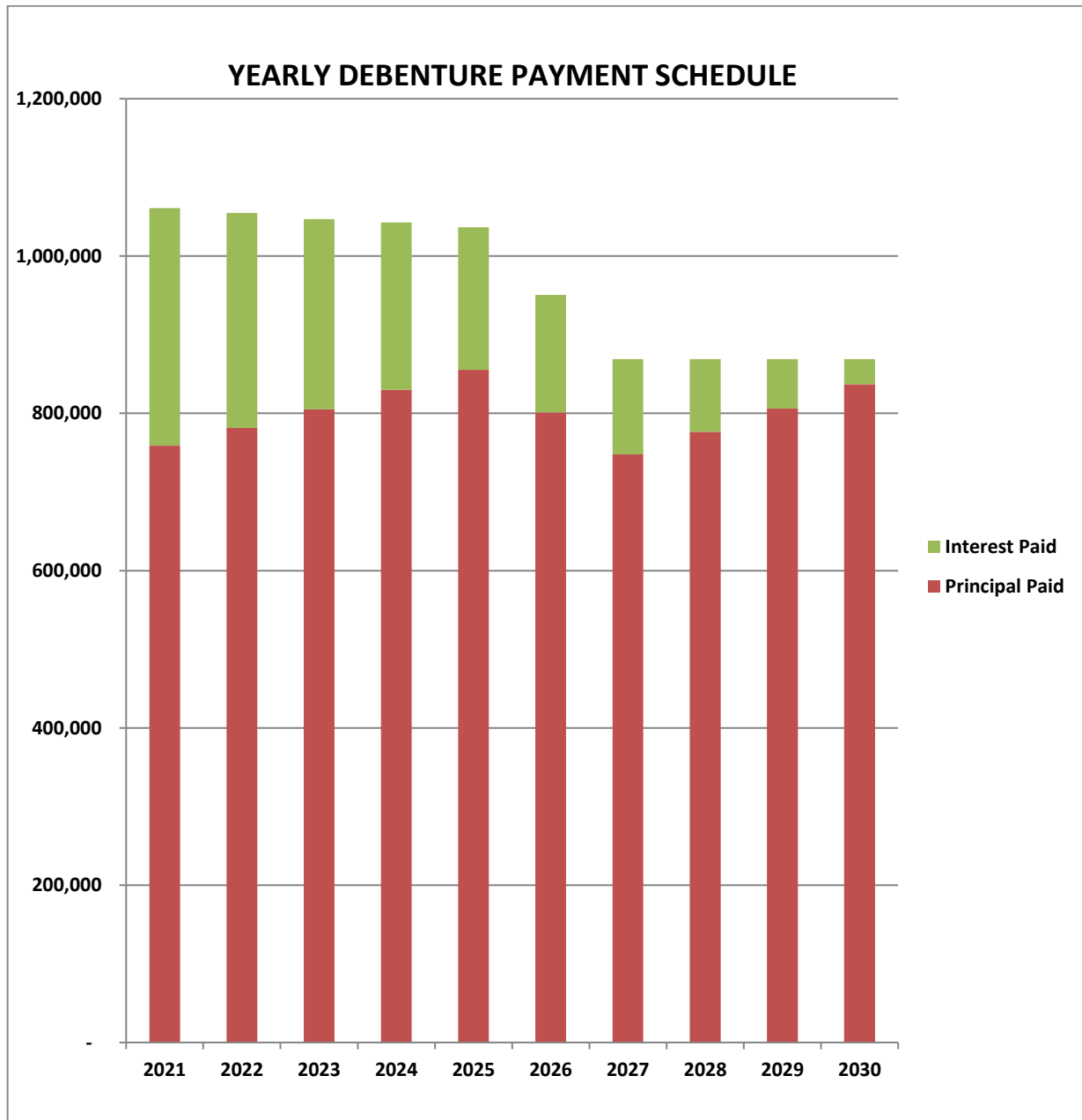
Salary, Wages & Benefit costs are ~\$1.2M lower than anticipated as at Q2. This variance is primarily related to vacant positions throughout the first half of 2021 and the facility closures associated with the COVID-19 pandemic. A portion of this variance is timing related, based on pay period cutoff dates and DPS Stat Bank payouts. It is anticipated that Salary, Wages & Benefits will be under budget at year end due to these vacancies and facility closures, which mitigate the negative revenue impact the pandemic has caused.

Materials & Other costs are ~\$563K lower than budgeted as at Q2. This variance primarily relates to timing of activities such as summer maintenance and rehab work (rural road surface, storm manhole, culvert, ditch, hydrant, etc.), coding of municipal property taxes, processing charitable tax rebates & tax grants in lieu, DPS special projects, Official Plan Review and POA revenue transfers to municipal partners.

Contracted Services costs are ~\$530K lower than budgeted as at Q2. This variance primarily relates to timing of summer maintenance and rehab activities (landfill environmental testing, storm manhole rehab, hot mix patching, sidewalk rehab, concrete curb rehab, line painting, sewer and storm CCTV inspections, etc.).

## Debt

As at December 31, 2020, the City's long-term debt stood at \$8M. Based on the terms of our debentures, outstanding debt servicing charges (principal and interest) total ~\$9.7M. In 2021, approximately \$1.1M (3.9%) of city revenue is budgeted to service debt. Current debt is scheduled to be paid off in full by the end of 2030.



## Capital Spending

All approved 2021 capital items are presented below.

Project	2021 Capital Budget	2021 Capital Spend	2021 Capital Variance
WTP HVAC	17,800	18,887	1,087
- OCIF Formula Funding	(17,800)	(18,887)	(1,087)
WTP & STP Windows 10 Upgrade/SCADA System	16,100	-	(16,100)
- Transfer from Sewer/Wastewater Reserve	(16,100)	-	16,100
DPS Transport Truck Replacement	10,000	15,667	5,667
- Transfer from Capital Reserve	(10,000)	(15,667)	(5,667)
Fleet Mechanical Street Sweeper - Capital Lease	73,430	42,833	(30,597)
Fleet Wheel Loader - Capital Lease	63,200	65,338	2,138
IT Network Infrastructure - Server Virtualization Equip.	14,600	14,471	(129)
DFS Pumper - Capital Lease	70,872	41,325	(29,547)
DFS SCBA Replacement - Capital Lease	65,040	37,931	(27,109)
Recreation Centre Mechanical Retrofit - ICIP Phase 1	1,081,400	11,438	(1,069,962)
- ICIP Grant Funding	(811,050)	(8,579)	802,472
- Transfer from Land Sale Reserve	(270,350)	(2,860)	267,491
Traffic Signal System Replacement	1,300,000	1,719	(1,298,281)
- Connecting Links Funding	(1,170,000)	(1,547)	1,168,453
- Transfer from Capital Reserve (Modernization)	(130,000)	(172)	129,828
City Hall Renovation & Front Counter Consolidation	369,200	21,287	(347,913)
- ICIP Grant Funding	(184,600)	(10,644)	173,957
- Transfer from Land Sale Reserve	(184,600)	(10,644)	173,957
Airport Sweeper	350,000	287,000	(63,000)
- ACAP Funding	(350,000)	(287,000)	63,000
Airport Wet Dry Material Spreader	100,000	-	(100,000)
- ACAP Funding	(100,000)	-	100,000
Airport Sand Shed	300,000	-	(300,000)
- ACAP Funding	(300,000)	-	300,000
Airport Regulator Replacement	40,000	-	(40,000)
- Transfer from Land Sale Reserve	(40,000)	-	40,000
Aaron Park Boat Launch Replacement	20,000	-	(20,000)
- Provincial Funding	(10,000)	-	10,000
- Aaron Park Reserve	(10,000)	-	10,000
IT Firewall Replacement	17,815	-	(17,815)
- Transfer from Capital Reserve (Modernization)	(17,815)	-	17,815
PW Barclay Landfill Closure	75,000	2,544	(72,456)
Airport Groundside Tenant Hanger Access Parking Lot	50,000	-	(50,000)
- Transfer from Land Sale Reserve	(50,000)	-	50,000

Airport Maintenance Shop Roof Replacement	36,000	-	(36,000)
- Transfer from Land Sale Reserve	(36,000)	-	36,000
PW Capital Sidewalk and Curb Replacement	100,000	3,311	(96,689)
- Federal Gas Tax Funding	(100,000)	(3,311)	96,689
Sanitary manhole Replacement	50,000	-	(50,000)
Water System Valve Install & Replacement	130,000	25,776	(104,224)
Victoria Street Dock Replacement	50,000	44,964	(5,036)
- Federal Gas Tax Funding	(50,000)	(44,964)	5,036
DFS Fire Bunker Gear	15,000	3,735	(11,265)
Library Books	8,000	1,645	(6,355)
Rec Centre Fitness Equipment	17,750	-	(17,750)
PW Streetlight Pole & Wiring Replacement	20,000	2,617	(17,383)
IT Desktop/Laptop/Printer Replacement	40,000	23,042	(16,958)
PW Surface Treated Roads Capital Rehab	160,000		(160,000)
- Federal Gas Tax Funding	(160,000)		160,000
IT Host Server/Cluster Replacement	114,000	-	(114,000)
- Transfer from Capital Reserve (Modernization)	(114,000)	-	114,000
IT 44" Scanner Replacement	9,030	9,084	54
- Transfer from Capital Reserve (Modernization)	(9,030)	(9,084)	(54)
Museum Vestibule	100,000	-	(100,000)
- Grant Funding	(50,000)	-	50,000
- Transfer from Museum Reserve	(30,000)	-	30,000
Swanson Creek Guiderail Replacement	55,000	-	(55,000)
- Federal Gas Tax Funding	(55,000)	-	55,000
Recreation Centre Air Handler #2 & #3 Replacement	40,000	-	(40,000)
- Federal Gas Tax Funding	(40,000)	-	40,000
Airport Maintenance Shop Heater Replacement	40,000	-	(40,000)
- Transfer from Capital Reserve (Modernization)	(40,000)	-	40,000
Cemetery Road & Parking Lot	32,000	31,678	(322)
City Hall Exterior Capital Maintenance	25,000	1,080	(23,920)
PW Garage Roof Repair	50,000	-	(50,000)
Fire Hall 2 Drainage & Pit	30,000	-	(30,000)
Fire Hall 2 Garage Doors	40,000	-	(40,000)
DFS Equipment Truck Replacement - Capital Lease	27,600	-	(27,600)
DFS Communication Equipment Replacement	52,000	-	(52,000)
- Transfer from Capital Reserve (Modernization)	(52,000)	-	52,000
PW Gas Powered Mower Replacement	24,000	-	(24,000)
Wheel Loader - Capital Lease	56,640	-	(56,640)
Wheel Loader Mount Snow Blower - Capital Lease	50,880	24,125	(26,755)
PW 3/4 Ton Truck (Water Distribution)	60,000	13,864	(46,136)
Parks Equipment Replacement	25,000	-	(25,000)
DFS Positive Pressure Fan	7,500	5,919	(1,581)
DPS Cruisers (2)	125,000	33,784	(91,216)



WTP Window Replacement	30,000	-	(30,000)
WTP Plumbing Vent Piping	12,000	-	(12,000)
WTP Roof Replacement	350,000	-	(350,000)
WTP Sludge Blowdown Valves	16,000	9,006	(6,994)
WTP Entrance Vestibule	32,000	-	(32,000)
Arena Sliding Door	25,000	-	(25,000)
- DREAM Donation	(12,500)	-	12,500
- Federal Gas Tax Funding	(12,500)	-	12,500
Pool Accessible Changeroom	30,000	-	(30,000)
- Enabling Accessibility Grant	(20,000)	-	20,000
- Federal Gas Tax Funding	(10,000)	-	10,000
Airport Terminal Building Refurbishment	100,000	-	(100,000)
- Federal Gas Tax Funding	(100,000)	-	100,000
Pedestrian Overpass Exterior Maintenance	50,000	4,004	(45,996)
Arena Brine Header Replacement	86,750	-	(86,750)
- Federal Gas Tax Funding	(86,750)	-	86,750
Hwy 17 Asphalt Rehab	250,000	-	(250,000)
- Federal Gas Tax Funding	(250,000)	-	250,000
Water Intake Line (Flat Rock Lift Station)	25,000	-	(25,000)
<b>Total</b>	<b>1,731,512</b>	<b>384,717</b>	<b>(1,346,795)</b>

The Capital program for 2021 calls for ~\$1.7M in City funding for Capital. Senior Management prioritized projects required in 2021 and Council approved that plan. If a project will not transpire in the current fiscal year, the funding will go towards the next priority (ensuring that the City funds committed on expended).

To date, the following projects will not take place in 2021:

1. Airport Wet Dry Material Spreader

- Our application was not successful and will be deferred to 2022
- This project was fully funded through ACAP funding, so no impact to the 2021 Capital Plan

To date, the following projects will have budget variances 2021:

1. DPS Cruiser Replacements

- Budget called for two new police cruisers
- "Surplus" 2020 FORD Police Interceptor SUV purchased, saving \$22,500
- With Council accepting the OPP Proposal, the new cruiser purchase will be cancelled
- Result will be \$85,000 of Capital Budget available for reallocation

Other than those projects noted above, it is anticipated at this time that all other projects will be completed and on budget in 2021.



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