



October 31, 2022 Unaudited Financial Results and Forecast General Fund and Utility Fund

Finance Committee – Nov 21, 2022



SAINT JOHN

General and Utility Fund Year End Forecast

- Purpose of presentation is to provide high level overview of estimated year end financial forecasts for General Fund and Utility Fund Operating Budgets
- Commissioners from all service areas are here tonight to answer any questions from members of the Finance Committee
- Recommendations for transfers in and out of reserves will be part of the Reserve report included in tonight's agenda



General Fund Year End Forecast

The City of Saint John
2022 General Fund Operating Budget
October 2022



	2022 Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YE Forecast \$	YE Variance \$
Revenues						
Property Taxes	129,423,226	107,852,689	109,912,534	2,059,845	131,483,071	2,059,845
PILT Adjustment	15	15	15	-	15	-
Equalization & Unconditional Grant	17,837,497	14,864,580	13,674,202	(1,190,378)	16,647,119	(1,190,378)
Transfer from Operating Reserves	2,367,056	-	-	-	1,750,000	(617,056)
Own Source Revenues	15,094,064	12,926,971	13,439,159	512,188	17,095,282	2,001,218
Total Revenues	164,721,858	135,644,255	137,025,910	1,381,655	166,975,487	2,253,629
Expenditures						
Wages & Benefits	88,420,261	71,185,120	69,285,518	1,899,602	86,778,360	1,641,901
Goods & Services	53,769,017	45,065,456	45,006,875	58,581	57,128,265	(3,359,248)
Other Charges	22,532,580	15,074,472	15,095,254	(20,782)	23,064,080	(531,500)
Total Expenditures	164,721,858	131,325,048	129,387,647	1,937,401	166,970,705	(2,248,847)
Surplus (Deficit)	-	4,319,207	7,638,263	3,319,056	4,782	4,782

General Fund Revenue

The City of Saint John
2022 General Fund Operating Budget
October 2022



	2022 Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YE Forecast \$	YE Variance \$
Revenues						
Property Taxes	129,423,226	107,852,689	109,912,534	2,059,845	131,483,071	2,059,845
PILT Adjustment	15	15	15	-	15	-
Equalization & Unconditional Grant	17,837,497	14,864,580	13,674,202	(1,190,378)	16,647,119	(1,190,378)
Transfer from Operating Reserves	2,367,056	-	-	-	1,750,000	(617,056)
Growth & Community Services	3,597,649	2,981,822	3,582,245	600,423	4,485,520	887,871
Public Works & Transportation Services	4,807,845	3,985,280	4,790,589	805,309	6,851,158	2,043,313
Public Safety Services	2,105,169	1,971,352	1,913,825	(57,527)	2,067,091	(38,078)
Utilities & Infrastructure Services	333,039	266,063	214,870	(51,193)	254,000	(79,039)
Strategic Services	3,965,362	3,484,964	2,897,978	(586,986)	3,328,513	(636,849)
Corporate Services	285,000	237,490	39,652	(197,838)	109,000	(176,000)
Total Revenues	164,721,858	135,644,255	137,025,910	1,381,655	166,975,487	2,253,629

General Fund Revenue

Year End Variance Analysis

Year End Projections – \$2,253,629 Positive Variance

- Property Taxes and Unconditional Grant - \$869,467 overall positive variance due to the net property tax related to LNG.
- Transfer from Operating Reserves – **(\$617,056)** – recommending only transferring \$1,750,000 in order to balance the budget and not create unnecessary surplus.
- Growth and Community Services - \$887,871 positive variance – majority of variance relates to increase in Building Permit Accommodation Levy revenue.
- Public Works & Transportation Services - \$2,043,313 positive variance – majority of surplus relates to increase in Meter Violations, Traffic By-law fines and various Parking Lot revenue as well as additional \$1,381,000 in funding under DTI's municipally designated highway program.
- Strategic Services – **(\$636,849)** negative variance is due to the additional tax from LNG budgeted under strategic services.
- Corporate Services – **(\$176,000)** negative variance due to less land sales in Industrial Parks than anticipated.



Growth and Community Services

	October 2022 Operating Budget	October 2022 Operating Results	Year to Date Variance
Wages and Benefits	\$4,246,960	\$4,015,634	\$231,326
Goods and Services	\$9,754,650	\$9,801,525	(\$46,875)
Total	\$14,001,610	\$13,817,159	\$184,451
	Year End Operating Budget	Year End Operating Results Projected	Year End Variance
Wages and Benefits	\$5,099,241	\$4,870,049	\$229,192
Goods and Services	\$11,192,079	\$12,083,477	(\$891,398)
Total	\$16,291,320	\$16,953,526	(\$662,206)

Growth and Community Services

Year End Variance Analysis

Year End Projections - **(\$662,206)** Negative Variance

- Wages and Benefits – under budget by \$229,192 due to various vacancies throughout the year.
- Goods and Services variance of **(\$891,398)** mainly due to Accommodation Levy expense which is anticipated to be \$665,013 more than budgeted, however is offset by additional levy revenues.
- Market Square anticipated to be overbudget due to cost associated with new roof.
- CGAC variance is due to additional COVID funding approved in 2022, offset for expenditures is included in transfer from operating reserve revenues.
- Unconditioned grants is over budget due to funding committed for Memorial Cup, offset for expenditure is included in transfer from operating reserve revenues.



Public Works & Transportation Services

	October 2022 Operating Budget	October 2022 Operating Results	Year to Date Variance
Wages and Benefits	\$12,788,536	\$12,620,812	\$167,724
Goods and Services	\$19,275,467	\$19,624,271	(\$348,804)
Total	\$32,064,003	\$32,245,083	(\$181,080)
	Year End Operating Budget	Year End Operating Results Projected	Year End Variance
Wages and Benefits	\$15,514,644	\$15,529,903	(\$15,259)
Goods and Services	\$23,930,558	\$25,946,667	(\$2,016,109)
Total	\$39,445,202	\$41,476,570	(\$2,031,368)

Public Works and Transportation Services

Year End Variance Analysis

Year End Projections - **(\$2,031,368)** Negative Variance

➤ Wages and Benefits – **(\$15,259)** Negative Variance

➤ Increased overtime due to winter season.

➤ Goods and Services – **(\$2,016,109)** Negative Variance

➤ Increases in cost in fuel and road salt use during first quarter of year due to weather.

➤ Additional cost for municipally designated highway program approved by DTI, funding from the over expenditure included in revenue.

➤ Solid Waste Management anticipated to be overbudget due to the roll out of the new solid waste program.



Public Safety Services

	October 2022 Operating Budget	October 2022 Operating Results	Year to Date Variance
Wages and Benefits	\$36,551,276	\$35,631,072	\$920,204
Goods and Services	\$8,402,007	\$8,843,851	(\$441,844)
Total	\$44,953,283	\$44,474,923	\$478,360
	Year End Operating Budget	Year End Operating Results Projected	Year End Variance
Wages and Benefits	\$46,230,825	\$45,600,348	\$630,477
Goods and Services	\$9,973,818	\$10,368,584	(\$394,766)
Total	\$56,204,643	\$55,298,346	\$235,711

Public Safety Services

Fire & Emo Services – Year End Variance Analysis

Year End Projections – \$90,240 Positive Variance

- Wages and benefits slightly underbudget due to retirements and timing around hiring.
- Negative variance of \$100,000 in professional fees due to Fire Service Review, offset of this unbudgeted expenditure in revenue.

Saint John Police/PSCC - Year End Variance Analysis

Year End Projections – \$164,671 Positive Variance

- Wages and benefits to be slightly underbudget due to various vacancies.
- Goods and Services – variance overages in fuel, insurance, legal fees.

Street Lighting – Year End Variance Analysis

Year End Projections - (\$19,200) Negative Variance

- Expenses are slightly higher than anticipated.



Utilities and Infrastructure Services

	October 2022 Operating Budget	October 2022 Operating Results	Year to Date Variance
Wages and Benefits	\$2,805,793	\$2,900,733	(\$94,940)
Goods and Services	\$2,758,851	\$2,734,456	\$24,395
Total	\$5,564,644	\$5,635,189	(\$70,545)
	Year End Operating Budget	Year End Operating Results Projected	Year End Variance
Wages and Benefits	\$3,392,655	\$3,371,072	\$21,583
Goods and Services	\$3,230,746	\$3,663,028	(\$432,282)
Total	\$6,623,401	\$7,034,100	(\$410,699)

Utilities and Infrastructure Services

Year End Variance Analysis

Year End Projections – **(\$410,699)** Negative Variance

- Wages and Benefits – \$21,583 Positive Variance
 - Largely due to incorrect budget for Stormwater Urban and Stockroom.
- Goods and Services – **(\$432,282)** Negative Variance
 - Carpenter shop is over budget due to increase cost in supplies and less internal billings than budgeted.
 - Facilities management is overbudget due to engineering service (\$100K), this overage will be offset by funding included in revenues and building maintenance much higher than budgeted.



Strategic Services

	October 2022 Operating Budget	October 2022 Operating Results	Year to Date Variance
Wages and Benefits	\$3,166,013	\$2,887,567	\$278,446
Goods and Services	\$3,198,803	\$2,794,298	\$404,505
Total	\$6,364,816	\$5,681,865	\$682,951
	Year End Operating Budget	Year End Operating Results Projected	Year End Variance
Wages and Benefits	\$3,831,341	\$3,512,182	\$319,159
Goods and Services	\$3,454,825	\$3,494,733	(\$39,908)
Total	\$7,286,166	\$7,006,915	\$279,251

Strategic Services

Year End Variance Analysis

Year End Projections – \$279,251 Positive Variance

➤ Wages and Benefits - \$319,159 Positive Variance

➤ Due to various vacancies in IT and Finance.

➤ Goods and Services – **(\$39,908)** Negative Variance

➤ Minor variance relates to information technology, liability insurance and assessment charges.

➤ Variances were offset with savings within other departments.



Corporate Services

	October2022 Operating Budget	October2022 Operating Results	Year to Date Variance
Wages and Benefits	\$4,222,069	\$4,034,418	\$187,651
Goods and Services	\$1,675,678	\$1,208,474	\$467,204
Total	\$5,897,747	\$5,242,892	\$654,855
	Year End Operating Budget	Year End Operating Results Projected	Year End Variance
Wages and Benefits	\$5,105,822	\$4,889,806	\$216,016
Goods and Services	\$1,986,991	\$1,571,776	\$415,215
Total	\$7,092,813	\$6,461,582	\$631,231

Corporate Services

Year End Variance Analysis

Year End Projections - \$631,231 Positive Variance

- Wages and Benefits - \$216,016 Positive Variance
 - Various vacancies across the service areas.
- Goods and Services - \$415,215 Positive Variance
 - City Manager's Office – budgeted items for special projects not utilized.
 - Industrial Parks – overbudget due to approval for Strategic Plan and various other improvements, funding included in transfer from reserves to offset expenditures.
 - Most of the service areas have small year to date surpluses due to timing of when items will be received, or services undertaken.



Other Charges

	October 2022 Operating Budget	October 2022 Operating Results	Year to Date Variance
Goods and Services	\$22,478,945	\$22,290,535	\$188,410

	Year End Operating Budget	Year End Operating Results Projected	Year End Variance
Goods and Services	\$31,778,313	\$32,069,080	(\$290,767)



Saint John Water

Saint John Water 2022 Water & Sewerage Operating Budget October 2022



	2022 Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YE Forecast \$	YE Variance \$
Revenues						
Flat Rate Accounts	22,250,000	22,250,000	22,130,132	(119,868)	22,127,103	(122,897)
Meter Rate Accounts	14,670,000	9,779,996	10,298,323	518,327	15,436,010	766,010
Industrial Raw Water Accounts	6,347,859	4,231,908	3,934,299	(297,609)	6,000,000	(347,859)
Fire Protection Levy	2,500,000	2,083,330	2,083,330	-	2,500,000	-
Storm Sewer Levy	925,000	770,830	770,830	-	925,000	-
Other Revenues	937,216	730,990	916,639	185,649	1,198,600	261,384
Previous Year's Surplus	437,400	364,500	364,500	-	437,400	-
Total Revenues	48,067,475	40,211,554	40,498,053	286,499	48,624,113	556,638
Expenditures						
Drinking Water Service	22,028,110	16,856,820	15,967,153	889,667	21,564,658	463,452
Wastewater Service	18,804,990	14,652,947	14,478,669	174,278	19,093,474	(288,484)
Infrastructure Management	717,900	595,058	558,226	36,832	707,863	10,037
Industrial Water Service	6,516,475	3,420,665	3,433,162	(12,497)	7,105,688	(589,213)
Total Expenditures	48,067,475	35,525,490	34,437,210	1,088,280	48,471,683	(404,208)
Surplus (Deficit)	-	4,686,064	6,060,843	1,374,779	152,430	152,430

Saint John Water Revenue

Saint John Water

2022 Water & Sewerage Operating Budget

October 2022



	2022 Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YE Forecast \$	YE Variance \$
Revenues						
Flat Rate Accounts	22,250,000	22,250,000	22,130,132	(119,868)	22,127,103	(122,897)
Meter Rate Accounts	14,670,000	9,779,996	10,298,323	518,327	15,436,010	766,010
Industrial Raw Water Accounts	6,347,859	4,231,908	3,934,299	(297,609)	6,000,000	(347,859)
Fire Protection Levy	2,500,000	2,083,330	2,083,330	-	2,500,000	-
Storm Sewer Levy	925,000	770,830	770,830	-	925,000	-
Other Revenues	937,216	730,990	916,639	185,649	1,198,600	261,384
Previous Year's Surplus	437,400	364,500	364,500	-	437,400	-
Total Revenues	48,067,475	40,211,554	40,498,053	286,499	48,624,113	556,638

Saint John Water Revenue

Revenue Year End Variance Analysis

Year End Projections – \$556,638 Positive Variance

- Meter billings have continued to increase as COVID recovery continues and anticipate favorable revenues for balance of 2022.
- Increase in meter rate revenue partly offset by reduction from flat rate and industrial rate revenue.
- Any shortfall in Industrial Water Revenue has no impact on Potable Ratepayers
- Other revenues are projected to be \$261,384 over budgeted amount.
 - Combination of interest, property transfers, recovery from general fund.



Saint John Water Expenditure

Saint John Water
2022 Water & Sewerage Operating Budget
October 2022



	2022 Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YE Forecast \$	YE Variance \$
Expenditures						
Drinking Water Service	22,028,110	16,856,820	15,967,153	889,667	21,564,658	463,452
Wastewater Service	18,804,990	14,652,947	14,478,669	174,278	19,093,474	(288,484)
Infrastructure Management	717,900	595,058	558,226	36,832	707,863	10,037
Industrial Water Service	6,516,475	3,420,665	3,433,162	(12,497)	7,105,688	(589,213)
Total Expenditures	48,067,475	35,525,490	34,437,210	1,088,280	48,471,683	(404,208)

Saint John Water Expenditures

	October 2022 Operating Budget	October 2022 Operating Results	Year to Date Variance
Wages and Benefits	\$7,730,798	\$7,499,161	\$231,637
Goods and Services	\$27,794,692	\$26,938,049	\$856,643
Total	\$35,525,490	\$34,437,210	\$1,088,280
	Year End Operating Budget	Year End Operating Results Projected	Year End Variance
Wages and Benefits	\$9,348,900	\$9,283,553	\$65,347
Goods and Services	\$38,718,575	\$39,188,130	(\$469,555)
Total	\$48,067,475	\$48,471,683	(\$404,208)

Saint John Water Expenditures

Year End Variance Analysis

Year End Projections - **(\$404,208)** Negative Variance

- Wages and Benefits - \$65,347 Positive Variance
 - Due to staffing retirement with resulting position elimination and unfilled position.
- Goods and Services – **(\$469,555)** Negative Variance
 - Drinking Water Services \$147,667 positive variance
 - Treatment Plant - Expected to be under budget by \$100,000.
 - Industrial Water Services **(\$617,222)** Negative Variance
 - Unplanned emergency repairs at Spruce Lake Raw Water Screen Building
 - Unplanned emergency repairs on transmission main to Coleson Cove
 - Project to add an additional meter for Industrial Customer ongoing.

Saint John Water

	Drinking Water and Wastewater Services	Industrial Water Service
Revenue	\$42,455,455	\$6,168,657
Expenses	\$41,365,996	\$7,105,688
Surplus (Deficit)	\$1,089,459	(\$937,031)

- Note Industrial Water Deficit will have no impact on Potable Ratepayers.
- Industrial Water has own reserves to fund any deficits.
- Recommend – Transfer of \$750,000 from Potable Water projected surplus to Potable Capital Reserves.

Conclusion

- The projections presented still have risk of changing with challenges in supply chain, many items are anticipated and have been forecasted to be received, however receipt of goods may change.
- The fiscal year still has two months of expenses to be incurred. The City is now moving into Winter Season and cost could increase based on weather.
- Overall, revenues are improving in areas impacted by COVID. Parking, Recreation and Potable Revenues are improving.
- Surplus in Potable Water can be largely attributed to better than anticipated revenue and recommendation to transfer to Capital reserve will help with the budgeting challenges with the rising cost of Capital projects.



Recommendation

- Staff recommend transferring only \$1,750,000 in General Fund Operating reserves instead of the budgeted \$2,367,056 to alleviate risk of a large surplus.
- Staff recommend transferring \$750,000 from the Utility Fund Potable operating budget to Capital reserves.
- Recommend Finance Committee receive and file this presentation as presented and direct any questions to staff.

Questions?