



## CORPORATE SERVICES *Staff Report*

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REPORT NO: COR-2025-03

TO: Council

SUBMITTED BY: Greg Clark, Director of Corporate Services/CFO

PREPARED BY: Greg Clark, Director of Corporate Services/CFO

REVIEWED BY: Greg Clark, Acting CAO

DATE: January 6, 2025

SUBJECT: 2024 Q3 Operating and Capital Variance

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### RECOMMENDATION:

THAT Report COR-2025-03 2024 Q3 Operating and Capital variance be received for information.

### SUMMARY:

### BACKGROUND:

Monitoring and reporting of the operating and capital budgets provides Council with a view as to how the Townships budget is developing over the course of the year. It provides a snapshot in time of any potential issues or opportunities. The year-end forecasted position is based on a few assumptions that may or may not come to be realized.

### REPORT:

The current forecast for the year end is based on a high-level review of major spending categories and identification of year end entries still outstanding. Information since September 30, 2024 has been factored into the forecast. Based on preliminary forecasting the following table shows the expected year end positions.

*Table 1 Projected Year-end Operating Outcomes*

Budget Group	Low projection	High projection
Tax	\$100,000 deficit	\$100,000 surplus
Building	\$0 deficit	\$50,000 surplus
Cemetery	\$35,000 deficit	\$25,000 deficit
Water	\$100,000 surplus	\$250,000 surplus
Wastewater	\$100,000 surplus	\$250,000 surplus

### Tax Funded

#### Expenses

Current forecasts show expected surpluses in compensation costs, mainly due to vacancies from staff turnover and challenges in hiring to fill positions. The overall labour market continues to be very tight, and finding qualified candidates continues to be a challenge. A number of key positions were filled at the end of the year; however, staffing challenges are expected to continue into 2025. While the surplus in compensation is a positive impact to the fiscal bottom line, from a service delivery perspective it is a negative in that projects and overall productivity is negatively impacted.

Both purchased services and purchased goods are forecast to be close to budget, with a small surplus possible.

#### Revenue

The investment returns continue to be above historical norms, which is a positive for the Townships Reserve Funds, however, due to the way this revenue was budgeted in 2024 it will have a negative impact on the operating bottom line when it is transferred to the appropriate reserve funds.

Grant revenues for the operating budget are lower than budget and will lead to a negative variance in that category.

Revenues from programs is expected to be slightly higher than budgeted, providing a positive impact to the operating bottom line.

### Non-tax Funded Services

#### Building

Higher than budgeted permit revenue is the main driver of the expected surplus.

#### Cemetery

Lower than budgeted plot sales is the main driver of the expected deficit.

## Water and Wastewater

Compensation surpluses due to vacancies like the tax supported budget is the main driver of expected surpluses for both of these services.

## Capital Budget

Total Capital Spending is forecasted to be over \$10 million for 2024, with the main projects within the Transportation Services area (\$6.7M), the main project being continued work on Snyder's Road to replace and expanded wastewater services as well as providing upgraded active transportation infrastructure within the road right of way.

### ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

#### Financial Stability

### FINANCIAL CONSIDERATIONS:

There are no direct financial implications from this report.

### ATTACHMENTS: None