



December 31, 2023, Unaudited Financial Results General Fund and Utility Fund

Finance Committee – May 22, 2024



SAINT JOHN

General and Utility Fund Year End Unaudited Results

- Purpose of presentation is to provide Finance Committee an overview of the 2023 unaudited year end fund based financial results.
- City's annual audit is near completion that includes the results of the various ABC's that will be consolidated into the City's financials.
- Staff and Auditors are working toward having audited consolidated financial statements to the Finance Committee for approval in June



General Fund Year End Results

The City of Saint John
Operating Fund by Service Area
December 31, 2023
Unaudited



	2023 Budget \$	2023 Actual \$	Variance Year End \$
Revenues			
Property Taxes	142,105,410	142,105,410	-
PILT Adjustment	64,323	64,323	-
Equalization & Unconditional Grant	15,321,432	15,321,432	-
Surplus 2nd Previous Year	1,753,135	1,753,135	-
Revenue from Own Sources	18,043,200	24,057,108	6,013,908
Total Revenues	177,287,500	183,301,408	6,013,908
Expenditures			
Growth & Community Services	18,404,360	18,433,962	(29,602)
Public Works and Transportation Services	41,901,223	42,828,029	(926,806)
Public Safety Services	59,633,669	58,380,271	1,253,398
Strategic Services	7,917,074	7,315,033	602,041
Corporate Services	7,443,379	8,016,147	(572,768)
Other Charges	34,992,902	38,732,532	(3,739,630)
Utilities & Infrastructure Services	6,994,893	6,835,539	159,354
Total Expenditures	177,287,500	180,541,513	(3,254,013)
Surplus (Deficit)	-	2,759,895	2,759,895

General Fund Revenues

Year End Revenue Projections - \$6,013,908 Surplus

- Revenue Surplus that are not reoccurring
 - Interest Revenue - \$3,710,000
 - Building Permits - \$561,000
 - Grants Growth - \$1,100,000 (RHI and Grants)
 - Insurance Proceeds - \$172,333
 - Industrial Parks Land Sales - \$226,082
 - Worker Compensation Recovery - \$756,451
- Parking Revenues - \$1,024,000 Surplus
- Public Safety
 - Various Fire Revenues - \$283,478
 - Emergency Dispatch - \$80,500
 - Various Police Revenues - \$93,392



General Fund Revenues

- Estimated Year End Revenue Projections (Continued)
- Several unfavorable revenue variance will offset positive variances
 - Saint John Energy Benefits - \$932,661
 - Transfer from Operating Reserves - \$800,000 (Funds to be used in 2024 – Community Reserves)
 - Garbage Bag Tags - \$183,551 – (First year for program, difficult to predict)
 - Dangerous Buildings - \$129,338 (Less demolished buildings in 2023, therefor offset with less expenditures)



General Fund Year End Results

The City of Saint John
Operating Fund by Service Area
December 31, 2023
Unaudited



	2023	2023	Variance
	Budget	Actual	Year End
	\$	\$	\$
Expenditures			
Growth & Community Services	18,404,360	18,433,962	(29,602)
Public Works and Transportation Services	41,901,223	42,828,029	(926,806)
Public Safety Services	59,633,669	58,380,271	1,253,398
Strategic Services	7,917,074	7,315,033	602,041
Corporate Services	7,443,379	8,016,147	(572,768)
Other Charges	34,992,902	38,732,532	(3,739,630)
Utilities & Infrastructure Services	6,994,893	6,835,539	159,354
Total Expenditures	177,287,500	180,541,513	(3,254,013)

Growth and Community Services

	December 2023 Operating Budget	December 2023 Operating Results	Year End Variance
Wages and Benefits	\$5,332,525	\$5,315,440	\$17,085
Goods and Services	\$13,071,835	\$13,118,522	(\$46,687)
Total	\$18,404,360	\$18,433,962	(\$29,602)



Growth and Community Services

Minor year end variance – (\$29,602)

- There are two major variances offsetting each other
 - Affordable Housing - \$1.1M unbudgeted grants for RHI & Grants, however this is offset by revenue
 - Transfer to Community Reserve - \$800K will not be utilized in 2023, however there is no transfer from reserves in revenue, so no impact to overall budget.
- Other variances
 - Dangerous Building – \$223K not as many demolished buildings in 2023
 - Market Square – (\$205K) – expenses incurred higher than budgeted
 - Majority of other expenses slight variances

Public Works & Transportation Services

	December 2023 Operating Budget	December 2023 Operating Results	Year End Variance
Wages and Benefits	\$16,645,616	\$16,412,316	\$233,300
Goods and Services	\$25,255,607	\$26,415,713	(\$1,160,106)
Total	\$41,901,223	\$42,828,029	(\$926,806)

Public Works and Transportation Services

Year end results – **(\$926,806)** Negative Variance

- Majority of variance between service areas relates to wage and benefits. Budgets not aligned with actuals
- Transit Subsidy largest driver of variance – **(\$683,000)**
- Additional \$450K included in the projection for engineering study for raising Courtney Bay Causeway (will be recommended to be transferred to reserve be utilized in 2024)
- Snow control positive variance due to not utilizing contracting services and less need for vehicle rentals for early 2023 snow season
- Positive variance in asphalt budget due to less Utility cuts and a focus on pothole patching versus overlay resulting in less asphalt.
- Tipping Fees slightly underbudget, on top of the 23% reduction in tipping fees budget 2023 over 2022



Public Safety Services

	December 2023 Operating Budget	December 2023 Operating Results	Year End Variance
Wages and Benefits	\$48,818,342	\$46,858,773	\$1,959,569
Goods and Services	\$10,815,327	\$11,521,498	(\$706,171)
Total	\$59,633,669	\$58,380,271	\$1,253,398



Public Safety Services



Saint John Fire and Emergency Management Services has a combined surplus of \$418,051

- Salaries and Benefits underbudget - \$785K
 - Combination of vacancies, timing around filling positions, less overtime incurred, lower workers compensation fees
- Goods and Services overbudget – **(\$367K)**
 - Continues challenges with inflationary pressures
 - Insurance \$18.6K overbudget
 - Building Safer Community Fund support
 - Cost of Uniforms - \$35K increase
 - Safety Supplies - \$95K increase
 - Bunker Gear - \$50K increase
- Many of the inflationary pressures were offset by other goods.

Public Safety Services

Saint John Police and Public Safety Communication Centre has a combined surplus of \$815,507

- Salaries and Benefits: Combined underbudget.
 - SJPF: \$1,189K under due to vacancies and staff on WorkSafe NB leaves.
 - PSCC: \$15K over, influenced by staffing shortages, overtime, union negotiations, and work stoppage.
- Goods and Services: Combined overbudget.
 - SJPF: \$439K over, with significant expenditures including:
 - Fleet Purchases: Over by \$142K due to early vehicle arrivals.
 - Legal and Consulting Services: Over by \$171K for enhanced legal compliance and operational efficiency.
 - Dog Program: \$67K, including the coordination of activities and working with other Forces across the province.
 - Insurance: \$30,745 over due to inflation.
 - Unforeseen Items: \$56K for insurance deductibles and training costs unbudgeted.
 - Building Rental: Additional repairs and maintenance cost for \$117K
 - PSCC: \$80K under, largely saved from training expenses not incurred due to a delayed system rollout.



Utilities and Infrastructure Services

	December 2023 Operating Budget	December 2023 Operating Results	Year End Variance
Wages and Benefits	\$3,575,653	\$3,499,703	\$75,950
Goods and Services	\$3,419,240	\$3,335,836	\$83,404
Total	\$6,994,893	\$6,835,539	\$159,354



Utilities and Infrastructure Services

Utilities and Infrastructure – a positive year end variance of \$159,354

- Wages and Benefits - \$75,950 positive variance
- Goods and Services – \$83,404 positive variance
 - Overall minor variances across the service areas

Strategic Services

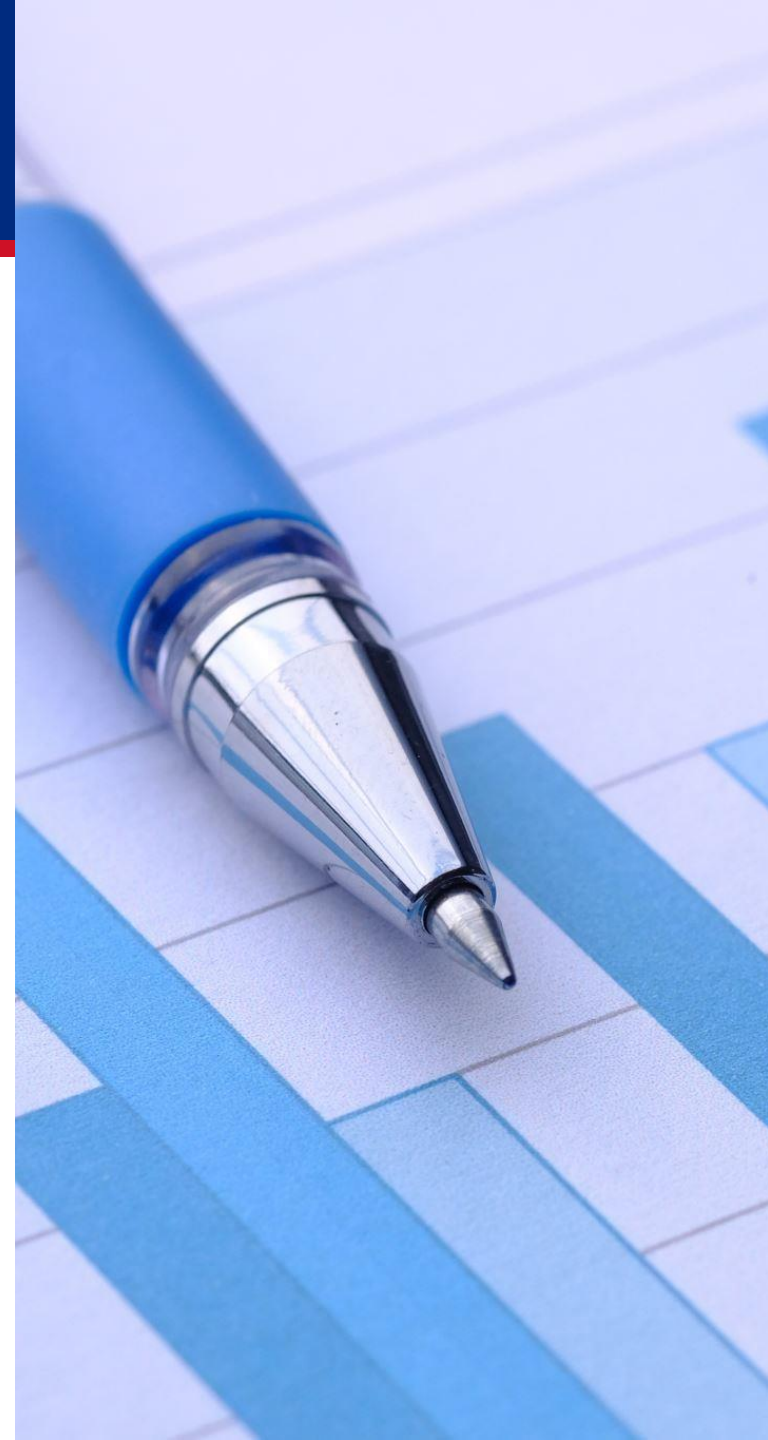
	December 2023 Operating Budget	December 2023 Operating Results	Year End Variance
Wages and Benefits	\$4,003,562	\$3,839,072	\$164,490
Goods and Services	\$3,913,512	\$3,475,961	\$437,551
Total	\$7,917,074	\$7,315,033	\$602,041



Strategic Services

Strategic Services year end surplus of \$602,041

- Wages and benefits variance is due to vacancies, several retirements occurred in 2023.
- Goods and Services - \$437,551 positive variance
 - Assessment Charges - \$79K less than budget
 - Information Technology positive variance
 - License cost were less than expected
 - Some project work delayed until 2024
 - Corporate Planning positive variance
 - Work related on performance dashboard done in house rather than outsourced as planned
- Insurance underbudget for the year



Corporate Services

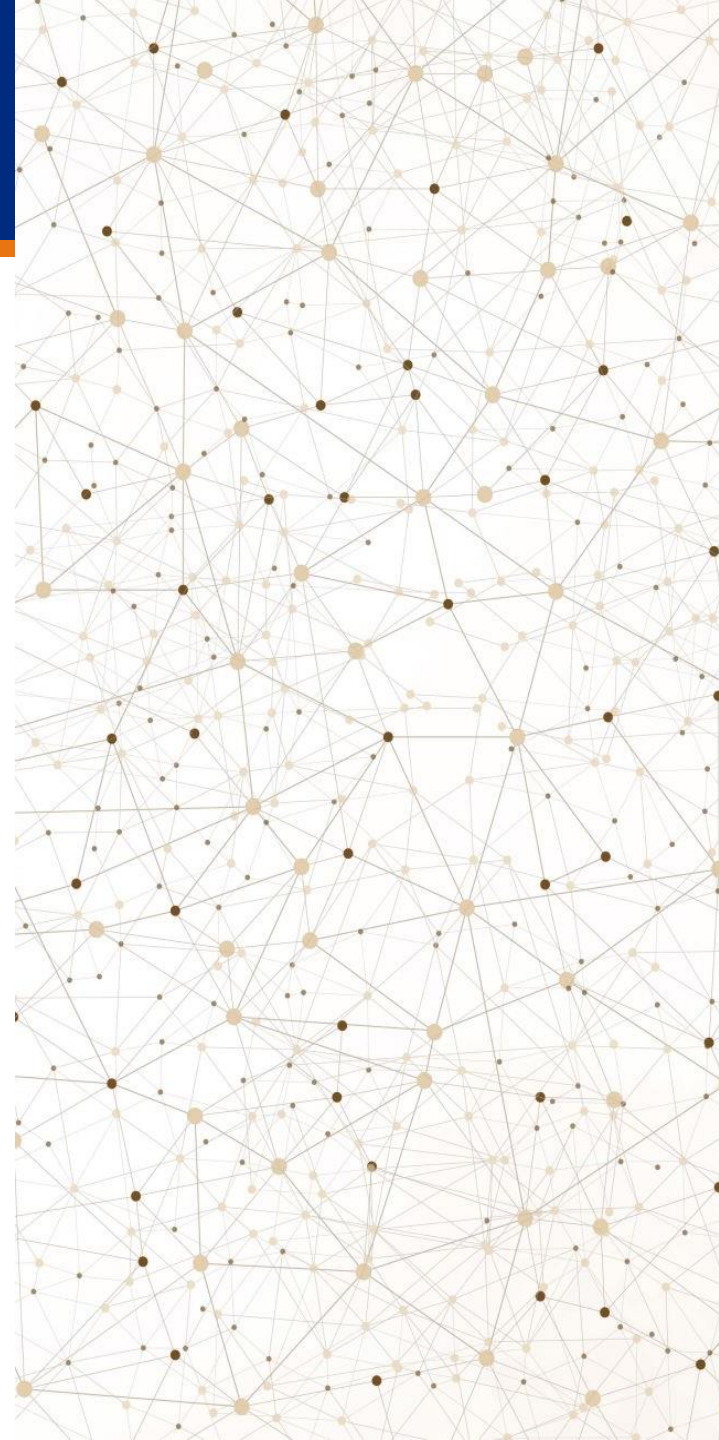
	December 2023 Operating Budget	December 2023 Operating Results	Year End Variance
Wages and Benefits	\$5,266,536	\$5,221,102	\$45,434
Goods and Services	\$2,176,843	\$2,795,045	(\$618,202)
Total	\$7,443,379	\$8,016,147	(\$572,768)



Corporate Services

Corporate Service projecting a **(\$572,768)** unfavorable variance

- Significant projects undertaken in 2023 impacting Chief Operating Officer and Legal Departments – Professional Fees
 - Industrial Parks Catalytic Project
 - Recreational Facility
 - Rapid Housing Initiatives
 - Land Transfers
 - Saint John Energy
- Customer Service and Corporate Communications largely under budget due to staff vacancies through out the year.
- Human Resources variance largely due to unplanned expenditures that occurred in 2023 related to labour relations.



Other Charges

Other Charges anticipated to have **(\$3,739,630)** variance

- Transfer to Capital Reserves – **(\$4.1M)** variance
- Transfer Insurance Proceed Barbour's - \$172K
- Transfer to Strategic Land Reserves - \$226K (Represent Land Sales Revenue above 2023 budget of \$250K)
- Interest Revenue - \$1.49M interest must be transferred on reserve balance per Provincial requirements
- Additional \$2.275M to the General Fund Capital Reserve - Approved Nov 29 Finance Committee
 - \$500,000 – City Markets Strategic Plan
 - \$500,000 - Future Roundabout
 - \$500,000 – Enterprise Resource Planning Project
 - \$500,000 – Additional Recreation Investments
 - \$100,000 – Various Guiderails replacement
 - \$175,000 – Replacement of Transit bus due to an expected write off



Utility Fund Year End Results

Saint John Water
2023 Water & Sewerage Operating Budget
December 31, 2023
Unaudited



	2023 Budget	2023 Actuals	2022 Actuals
Revenues			
Flat Rate Accounts	22,250,000	22,233,613	22,127,968
Meter Rate Accounts	15,300,000	15,991,606	15,418,145
Industrial Raw Water Accounts	6,983,657	7,417,166	6,585,203
Fire Protection Levy	2,500,000	2,588,571	2,335,319
Storm Sewer Levy	925,000	1,056,155	884,401
Other Revenues	943,508	2,135,992	1,340,925
Previous Year's Surplus	680,796	680,796	437,400
Transfer from Reserves	421,492	-	-
Total Revenues	50,004,453	52,103,899	49,129,361
Expenditures			
Drinking Water Service	22,883,672	24,705,067	22,445,061
Wastewater Service	19,062,663	18,914,306	19,215,628
Infrastructure Management	709,667	737,935	683,669
Industrial Water Service	7,348,451	7,299,277	6,518,719
Total Expenditures	50,004,453	51,656,585	48,863,077
Surplus (Deficit)	-	447,314	266,284

Saint John Water Revenue

Year End Projection Analysis

Revenue anticipating overall surplus of \$2,099,446

- Meter revenue - \$691,606 positive variance
 - Revenue has recovered from COVID
 - Impacts such as tourism, cruise ships, restaurants, residential apartment building have contributed to surplus
- Industrial revenue - \$433,509 positive variance
 - This only impact industrial uses, not potable ratepayers
- Other revenue - \$1,192,484 positive variance
 - Interest Revenue – significantly higher due to interest rates, not considered to be reoccurring revenues
- Transfer from Operating – (\$421,492) variance
 - There is no need to transfer this funds due to delay in Lancaster Lagoon



Utility Fund Year End Results

Expenditures Year End Variance Analysis

Year End Results - **(\$1,652,132)** Negative Variance

- Wages and Benefits - \$62,218 Positive Variance
- Goods and Services – **(\$1,714,350)** Negative Variance
 - Largest driver of the variance is \$1,978,600 transfer to Capital reserves
 - \$750,000 approved at Nov Finance Committee
 - \$750,000 in operating budget for Lancaster Lagoon
 - Balance is interest
 - Remaining minor variance across various service areas.



Conclusion

- The General Fund and Utility Fund both have unanticipated one-time revenue. Interest has resulted a large positive variances for both funds, building permits continue to exceed budget projections and the meter revenue is a very positive note as revenue have recovered.
- Its important to note that surpluses from the various streams are often one-time and not recurring and in general is the reason for the surplus in both General and Utility Fund.



Conclusion

- Surplus will be brought into the 2025 General Fund Operating Budget
- October 3, 2023 – “ Common Council resolve to allocate any annual general operating surpluses over the Council term to a Recreation Facility Capital Reserve to fund the catalytic project Comprehensive Recreation Facility”
- Budget Monitoring Policy FAS-021 - “Section 5.3 – Aggregate Wages and Benefits surpluses will be applied to the Operating Reserve until the Operating Reserve is fully financed in accordance with FAS-003 – Operating and Capital Reserves Policy; all surpluses there after will be applied fifty present to the Capital Reserve and fifty percent to the City’s Long Term Debt Obligations;”

“Recommend that the Finance Committee receive and file this presentation and direct any questions to staff.”

